



## Case Study

### Client

Private Equity Firm

### Project Number

22091

### Team Members

Greg Potter

# Due Diligence of Mycoprotein Producer Investment

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## Summary of Client and Challenge They Faced

A private equity firm was evaluating an investment in a whole-cut mycoprotein meat analogue producer in the alternative proteins sector. The firm required an expert to give them a better understanding of the mycoprotein fermentation process, and to validate the annual output projections in a capacity model provided by the target company.

## Our Approach to the Solution

An LEC Partners (LEC) expert participated in an information session with team members from the private equity firm, educating them on mycoprotein production and answering any industry-related questions. The target company's fermentation process and projections were evaluated including:

- Reviewing the mycelium harvest concentrations of the target company
- Comparing the target company's concentrations with pilot/commercial scale levels for other mycoprotein operations in the industry
- Determining the validity of assumptions for batch, drop and fill, and continuous operation scenarios in output models



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After reviewing the target company's data, the LEC expert tabulated the harvest concentrations against reports in the patent literature and developed an internal productivity model to compare with the forecasts of the target company.

#### Client Results and Benefits

The LEC review resulted in a more accurate and transparent forecast regarding the technological feasibility and potential for return on investment. The private equity firm was more knowledgeable about the industry and had a clearer picture of the target company's projections to make a more informed decision. LEC found that the model assumptions and the output projections provided by the target company were incorrect. As a result, the private equity firm ultimately decided to decline the investment and avoid a potential loss from the unproven technology.