

## Plant-based material science company Algenesis secures new funding to scale production and fight climate change

*Seed round is led by First Bight Ventures and Circulate Capital*

**October 26, 2023:** Leading plant-based material science company Algenesis Corporation has raised US\$5M in a funding round led by First Bight Ventures, with Circulate Capital and others. A pioneer in developing bio-based plastics that are competitive with petroleum-based in both cost and functionality, Algenesis' patented Soleic® technology is the world's first renewable, high performance, fully biodegradable and backyard compostable bioPolyurethane (bioPU) made from plants and algae.

Today, 25 million tons of Polyurethane (PU) are manufactured annually<sup>1</sup> (6% of total plastics) for extensive use across footwear, medical, and textile industries. Due to the material's composition, PU is hard to recycle and primarily ends up in landfills or as microplastics in the environment<sup>2</sup>. Unlike petroleum-based PU, Algenesis' Soleic® bioPU can biodegrade in compost within a matter of months and does not contain harmful PFAS chemical additives found in other plastics. Its production process further leads to up to 50% lower GHG emissions compared to petroleum PU<sup>3</sup>.

"We are excited to take this next step in our growth journey, and this funding will support us to scale production and meet the growing demand for Soleic® PU systems," said Steve Mayfield, Founder and CEO of Algenesis.

Algenesis' unique Soleic® PU is currently available in soft foam applications, such as midsoles and insoles for [footwear](#). The new funds will be used to expand Soleic® product lines into breathable waterproof textiles, and injection molded products such as phone cases. The company also plans to expand and strengthen its supply chain by bringing more of its processes in-house, to scale production and commercialization of these materials that are increasingly in demand by a variety of consumer-facing brands, further cementing their position as a leader in eco-innovation.

First Bight Ventures and Circulate Capital led the seed round; MIH Capital, Diamond Sports Group and RhinoShield also participated. The investment follows a US\$5M grant from the U.S. Department of Energy to scale up the production of biobased isocyanates from algae oils using a safe and green-flow chemistry process, as the company continues to work towards evolving their product to be 100% biobased.

"We invest in Industrial BioManufacturing and Algenesis is an excellent representation of new companies creating a highly demanded product, such as bioPU, that come from Biology versus Petroleum. This is a win for the industry, sustainability, and the world," said First Bight Ventures Founder Veronica Wu. "To save our planet and ourselves, we must move away from petroleum-based plastics and toward bio-based alternatives. Algenesis is clearly at the forefront of making this possible."

Rob Kaplan, Founder and CEO of Circulate Capital, said: "We are thrilled to add Algenesis to Circulate Capital's Disrupt portfolio, which targets breakthrough innovations advancing circularity. As global brands

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<sup>1</sup> Market volume of polyurethane worldwide from 2015 to 2022, with a forecast for 2023 to 2030. *Statista*. 2023 Jul 11. <https://www.statista.com/statistics/720341/global-polyurethane-market-size-forecast/>.

<sup>2</sup> Kemona A, Piotrowska M. Polyurethane Recycling and Disposal: Methods and Prospects. *Polymers* (Basel). 2020 Aug 5; 12(8):1752. doi: 10.3390/polym12081752. PMID: 32764494; PMCID: PMC7464512.

<sup>3</sup> Based on life cycle assessment carried out by Algenesis.



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ALGENESIS

commit to driving circularity in their products, we see huge potential for Algenesis to meet this market opportunity with their innovative new materials.”

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### **About First Bight Ventures**

Based in Houston, TX, First Bight Ventures is an early-stage fund dedicated to advancing and accelerating synthetic biology companies. Leveraging its industry partners, First Bight aims to bring innovation in synthetic biology to industries and accelerate the Bioeconomy, with the goal of delivering a more sustainable future.

### **About Circulate Capital**

Circulate Capital is a leading environmental impact investor advancing the circular economy for plastics in high-growth markets – with activities and teams in 10+ countries. Partnering with global brands and financial institutions, we transform supply chains at scale by delivering economic, social, and environmental value. Launched in 2018 by supply chain experts and leading corporations - including PepsiCo, Procter & Gamble, Dow, Danone, Chanel, Unilever, The Coca-Cola Company, Chevron Phillips Chemical Company LLC, and Mondelēz International, the firm is scaling solutions across the recycling and innovative materials value chains. Founded in and originally focused on South and Southeast Asia, the firm now targets untapped opportunities in high-growth markets to spark further development in the emerging circular economy.

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