TrueAlgae

Last Updated: Mar 18, 2022

Biotechnology Chantilly, VA, USA

"We grow microalgae through a patented, efficient production system. Our initial market is agriculture solving farmer's problems of soil and crop quality."

Company Summary

TrueAlgae has a very efficient, patented system for growing microalgae. We can monetize these algae in many ways, with our first market being agriculture, selling an organic soil amendment called TrueSolum®. Our customers are specialty crop farmers where TrueSolum improves crop yield and quality. Our research has expanded into row crops and permanent plantings such as nuts and avocados. We also have licensed our technology in Canada and Mexico.

Executive Summary

Management

Nathaniel Jackson (CEO)Angela Tsetsis (Chief Commercial Officer)Taka Kamezawa (Chief Relationship Officer)Zach Pogue (Head of Research and Innovation)Maria Paula Oliveira (Head of Business Development, Latin America)

Customer Problem

Farmer's challenges are increasing. Soil is degraded from poor farming practices. Prices of chemical fertilizers have sky-rocketed due to supply chain issues. Governments demand farmers improve their environmental footprint. With population growth requiring increased food supply, the perfect storm is created for failure. Farmers need alternatives from conventional practices to meet the environmental regulations, improve yields and feed the world.

Product/Services

TrueSolum is an organic soil amendment. TrueSolum is an easy to use liquid that can be added directly to irrigation water, foliar sprays and mixed with other inputs. Research shows that TrueSolum mobilizes certain microbes in the soil's microbiome. These microbes help release key nutrients to the plant, resulting in more vigorous roots and crops with better yields. In addition, we license and sell our microalgae growth platform outside the US.

Target Market

Our initial market is specialty crops which have the largest budgets. Recent research has shown that TrueSolum has strong impact on soil where iron is trapped in the soil resulting in Iron Deficiency Chlorosis (IDC), which is particularly problematic for soybean and nut farmers. Iron chlorosis impacts an estimated 30% of global agriculture production.We will expand into animal feed as research is showing great potential for our products.

Company

URL: http://www.truealgae.com
Founded: June 2017
Employees: 8

Entrepreneur

Taka Kamezawa
tkamezawa@truealgae.com

Round Overview

Funding Stage: series_seed
Capital Raised: $5.5M
Capital Seeking: $2M
Pre-Money Valuation: $24M
Run Rate: $87k
Net Burn: $70k

Team

Nathaniel Jackson CEO
Taka Kamezawa Chief Relationship Officer
Angela Tsetsis Chief Commercial Officer
Zach Pogue Head of Research & Innovation

Social

http://www.linkedin.com/company/truealgae

Business Model

We currently produce TrueSolum in our 36,000 liter plant in Dover, Florida (see picture on front page). Our production capacity is over 150,000 liters per month. We deliver our branded product in 275-gallon totes either directly to our farm clients or through our distribution partners in California and Florida. We will also sell in bulk to other agriculture input companies as a white label product.

Customers

Our initial customers are specialty crops farmers, expanding into other crops such as hemp, cannabis and turf. Research proves TrueSolum's impact on iron poor soil. We are approaching soybean and tree nut farmers with susceptibility to this problem. We sell direct and through distributors.We also approach agriculture input companies to create combination products or sell in bulk for inclusion in their product line to leverage their network.

Sales/Marketing Strategy

Our initial approach is to provide free product to allow for trials. Once converted to sales, we have close to 100% retention rate. Going forward, the research will focus on specific problems, such as IDC, which should convince farmers to become paying customers without the free trial due to the strong data. Current sales are direct and through distributors with plan to sell bulk as a white label product to third parties to increase distribution.

Competitors

Main US competitor is Heliae Development, with their product Phycoterra. Heliae cultivates its microalgae with an old generation open raceway technology. As the resultant output is live algae, with potential environmental contamination, they use a pasteurization process to kill the algae, thus risking destruction of the valuable phytohormones. Farmers also consider macroalgae products, such as Stimplex, to be similar to our product.

Competitive Advantage

TrueSolum is quite different from other algae products. It has no algae biomass. We filter out biomass and use the liquid that the algae grows in as our product. This liquid contains valuable metabolites that support the algae's growth and, in turn, support land plant's growth and health. We have patented our Mode of Production in the US and filed two additional patents protecting how our product works alone and with certain other ag inputs.

TrueAlgae Annual Financials

	2020	2021	2022	2023	2024	2025
product sales, license fee & income	3	3	3	3	3	3
Revenue$	600,473	711,265	1,954,330	7,117,280	13,344,776	23,390,670
Expenditure$	1,719,709	1,947,388	2,394,675	2,952,222	3,649,703	4,525,571
Profit (Loss)$	**-1,119,236**	**-1,236,123**	**-440,345**	**4,165,058**	**9,695,073**	**18,865,099**