

CarbonWorks raises €11 million to accelerate the roll-out of its disruptive technology serving the circular carbon economy

CarbonWorks, a company specialising in the use of microalgae to capture and utilise CO₂, announced today that it raised €11 million in a funding round. The deal was led jointly by BNP Paribas Principal Investments, Bpifrance, Demeter Investment Managers via its Agrinnovation fund, and Aquiti Gestion via NACO, in association with France's Nouvelle-Aquitaine region. Founders Fermentalg and SUEZ reasserted their confidence in the company by also participating in the deal.

This funding round will provide the start-up with the resources it needs to build a semi-industrial-scale photobioreactor, which it plans to put into service in 2023. It marks a key step forward in the ambitious project to promote a circular carbon economy.

A disruptive technology transforming CO₂ into natural raw materials

Founded in 2021 by Fermentalg and SUEZ, CarbonWorks is an industrial deeptech start-up that is developing a disruptive technology serving the circular carbon economy. The company helps industrial players reduce their carbon footprint by capturing CO₂ and converting it into natural raw materials through microalgal photosynthesis – a process referred to as “carbon capture and utilisation”.

To produce these bioproducts on a large scale and maximise its impact on the ecological transition, the company is developing a new industrial photobioreactor standard. It will ultimately be capable of capturing several thousand tonnes of CO₂ at the source of emission and producing equivalent quantities of algal biomass, intended primarily for the agricultural and the human and animal nutrition markets.

In September 2021, CarbonWorks installed an initial demo of its technology at the methanation site of the company Pot-au-Pin Energie in the town of Cestas in France's Gironde department. This pre-industrial platform has a capacity of 10 m³ and not only helps limit carbon emissions but also produces an algal biocomponent that can be used as a natural fungicide instead of synthetic pesticides, especially in vineyards.

New semi-industrial unit planned for 2023

Following on from this initial phase, CarbonWorks recently raised €11 million in a funding round to help the start-up continue to grow. Upon completion of this Series A round, the founders will hold two-thirds of the capital¹.

The deal will provide CarbonWorks with the resources it needs to build a semi-industrial-scale reactor in Cestas, scheduled for completion in 2023. That unit will have a capacity of several dozen cubic metres.

The deal will also enable CarbonWorks to triple its staff over the next two years in order to intensify its technical and commercial development and enter into partnerships with major industrial players in agriculture and sustainable food, providing them with natural ingredients that are in line with new consumer expectations.

CarbonWorks continues to lay the foundation for achieving its goal: using microalgae for large-scale carbon capture and producing natural raw materials to support the circular economy.

¹ Projected capital allocation following the different phases of this funding round, on a non-diluted basis

Guillaume Charpy, CEO of CarbonWorks: *“This funding round marks a key stage in our growth, allowing us to team up with funds that are leaders in the industrial and ecological transition. Their trust in us, and the renewed support from our founders Fermentalg and SUEZ, confirms the importance of what we are developing and our ability to provide concrete responses to two major environmental challenges of our time: reducing carbon emissions and producing natural raw materials.”*

Philippe Lavielle, Chairman of the CarbonWorks Board of Directors and CEO of Fermentalg: *“We are delighted to continue supporting the growth of CarbonWorks, a start-up driven by an experienced and committed team with a clear vision and strong values, and are happy to be working with new French institutional investors who are renowned experts in innovation funding. CarbonWorks has proven its impressive maturity through its ability to maintain the ambitious pace of growth that we established together at the outset. CarbonWorks has the potential to play a significant role in promoting the ecological transition and combating climate change – we are convinced of it.”*

Charles Chami, Director of SUEZ – Smart & Environmental Solutions: *“This funding round achieves two things for CarbonWorks: It confirms the market’s interest in this disruptive innovation, and it brings the company closer to new ecosystems that are necessary for its development, such as future agriculture. CarbonWorks’s operations are in line with SUEZ’s ambition to build innovative technological and financial partnerships offering fast, large-scale solutions to help combat global warming. We are proud to be a partner of choice to help overcome this vital challenge for our planet and future generations.”*

Sébastien Renaud, Investment Director at BNP Paribas Principal Investments: *“On behalf of the investors Bpifrance, Demeter, Naco and BNP Paribas, we believe in the potential of microalgae, whose market growth and impact on reducing carbon emissions are nevertheless currently limited by mass-production constraints. We think that the solution developed by CarbonWorks is disruptive and that it therefore opens up new perspectives for the entire sector. We were particularly impressed by the synergies generated by the founders’ expertise and their desire to include investment funds: The flexibility and drive of a start-up must be sustained in this phase of the technology’s development. We are delighted to be able to provide long-term support to such an innovative project. We are committed to offering our diverse range of technological and financial experience, at regional or national level, to help this French start-up rise to the top.”*

About CarbonWorks

CarbonWorks is a company that specialises in capturing CO₂ through microalgal photosynthesis and producing microalgal biocomponents on a large scale. Its patented technology aims to develop a model platform allowing for the intensive mass production of all types of microalgae. CarbonWorks was founded in 2021 by Fermentalg and SUEZ following a five-year research programme. The company harnesses the expertise of its founders, both of whom are leaders in their respective sectors. In addition to its long-standing shareholders, the company is supported in its growth by BNP Paribas Principal Investments, Bpifrance, Demeter Investment Managers, and Aquiti Gestion via NACO, in association with France’s Nouvelle-Aquitaine region.

More information: www.carbonworks.bio

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About Fermentalg

As an expert in research and bioindustrial exploitation of microalgae, Fermentalg's objective is to offer sustainable solutions and innovative products contributing to the development of healthful, natural, and effective products. Our business: the development, production, and marketing of sustainable solutions and active ingredients from microalgae for nutrition, health, and the environment. Nutritional lipids, alternative proteins, natural food colourings, and innovative environmental solutions are our current and future company offerings.

The Fermentalg share, listed on Euronext in Paris (FR0011271600 - FALG), is eligible for the "PEA-PME" and the "SRD long-only". It is part of the Gaïa index, intended for Socially Responsible Investment (SRI), which groups together the SME-ETIs that have received the best ratings in terms of environmental, social, and governance (ESG) performance.

More information: www.fermentalg.com

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About SUEZ

SUEZ is a major player in environmental services. For almost 160 years, SUEZ has supported local communities and industrial companies in the management of essential services such as water, waste, and air quality. As such, SUEZ produces drinking water for 66 million people worldwide, recovers 2 million tons of secondary raw materials per year, and generates 3.1 TWh of renewable energy from waste. In our ongoing management of the ecological transition and climate change challenges, SUEZ relies on the expertise and commitment of its 35,000 employees (particularly in France, Italy, Central Europe, Africa, Asia, and Australia) to offer high value-added and customized environmental solutions to all its customers. SUEZ's expertise allows, for instance, its customers to avoid the emission of 4.2 million tons of CO₂, thus improving their carbon footprint and their impact on climate. With a turnover of nearly 7 billion euros and backed by its expertise and capacity to innovate, SUEZ has strong growth prospects. SUEZ relies on a solid consortium of investors made up of Meridiam and GIP – with 40% stakes each – and the Caisse des Dépôts et Consignations Group with a 20% stake in the capital, including 8% held by CNP Assurances, to pursue its strategic development plans in France and internationally.

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About BNP Paribas

BNP Paribas is the European Union's leading bank and key player in international banking. It operates in 65 countries and has nearly 190,000 employees, including nearly 145,000 in Europe. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, the Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated commercial & personal banking model across several Mediterranean countries, Turkey, Eastern Europe as well as via a large network in the western part of the United States. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

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About Bpifrance

Bpifrance's equity investments are carried out by Bpifrance Investissement. Bpifrance finances companies – at every stage of their development – in credit, collateral and equity. Bpifrance supports them in their innovation projects and internationally. Bpifrance also ensures their export activity through a wide range of products. Consulting, university, networking and acceleration programs for start-ups, SMEs and ETIs are also part of the offer proposed to entrepreneurs. Thanks to Bpifrance and its 50 regional offices, entrepreneurs benefit from a close, unique and efficient contact to help them face their challenges.

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About Demeter Investment Managers

Demeter (www.demeter-im.com) is a major European player in venture capital and private equity for the energy and ecological transition. Its funds invest from €1m to €30m to support companies in the sector at all stages of their development: innovative startups, small and mid-cap companies, as well as infrastructure projects. The Demeter team counts 39 people based in Paris, Lyon, Bordeaux, Grenoble, Metz, Madrid, and Düsseldorf, manages €1bn and has completed 180 investments over 16 years. Through its fund Agrinnovation, Demeter participates in the financing of young innovative companies in the agricultural sector and contributing to the food transition and to a more sustainable agriculture.

More information: www.demeter-im.com

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About NACO and Aquiti Gestion

Launched in 2017 by the Nouvelle-Aquitaine Region, Nouvelle-Aquitaine Co-Investissement (NACO) is a regional co-investment fund managed by Aquiti Gestion.

Aquiti Gestion's objective is to provide support and equity financing to start-ups and SMEs in New Aquitaine, France and is part of the regional economic development effort. Aquiti Gestion has several financing mechanisms enabling it to intervene in all areas of private equity and to meet the needs of companies in the start-up, creation, development or buyout phase. With nearly €200M under management, Aquiti Gestion has already supported more than 1000 companies in all types of sectors, from the most traditional to the most innovative.

More information: <https://www.aquiti.fr/naco>