

## CASE STUDY:

# Circular Systems SPC

Los Angeles, CA Founded in 2017

CEO: Isaac Nichelson | CTO: Yitzac Goldstein | COO: Geof Kime | CSO: Scott Leonard | EMPLOYEES: 25

## ABOUT CIRCULAR SYSTEMS

The Agraloo™ Bio-Refinery system transforms food crop waste into a multitude of high value and regeneratively produced products including BioFibre™. The bio-refinery system is fully integrated allowing it to produce all required chemicals and energy requirements intrinsically. The resulting system and products result in positive global impact to society, planet and economy.

## MAIN BARRIERS OR NEEDS

Regional access to Infrastructure:

- Yarn spinning capacity on the West Coast
- Fiber processing equipment
- Raw material maturity—hemp is an emerging market that has only recently been legalized.



HEMP



FIBERS FROM "WASTE"



FLAX



## IMPACT AREAS



Water Regulation



Carbon Sequestration



Waste Reduction



Soil Improvement



Emissions Reduction



Economic Development/  
Job Creation

Circular Systems™ is dedicated to the creation and dissemination of regenerative textile systems through the scaled deployment of its closed-loop Agraloo™ Bio-Refinery. These mini-mills are capable of processing 30,000 metric tons of agricultural waste per year. The mills are modular by design and are intended to leverage the resources of the bioregion to maximize the net-positive impacts creating renewable co-products intrinsic to the system; fertilizer, bio-energy, and technical materials.

**CURRENT CAPITAL STACK A/O INVESTMENT TO DATE**

There have been several fundraisers: Grants, Fund Raising, Revenue: **Total: \$2,185,000**

- Proof of Concept Revenue: US **\$120,000**—since inception (2017)
- Friends and Family Round: US **\$250,000** in equity (Feb 2018)
- Global Change Award Grant: US **\$365,000** (May 2018)
- Pre-Seed Round: US **\$1.4M** in equity (March 2019)
- Levis Grant: **\$50,000** (2019)

**TYPE AND MAGNITUDE OF INVESTMENT SOUGHT**

Investment sought: Seed Round 2020

- Amount: **7M+**; Proceeds for various market growth

Investment sought: Series A 2022

- Amount: TBD (**20M+**)

**REVENUE MODEL & PROJECTED PROFITABILITY TIMELINE**

**\$4M+** over the next 12 months. Unofficially projected to be profitable in 2021. Detailed cap table and revenue projections available on request.

**KEY RISKS**

Regional factors can affect unit economics dramatically as well as quality of raw materials. Competition for raw materials across sectors. Bio-refineries competing for waste materials.

**INTEGRATED CAPITAL PATHWAY: CIRCULAR SYSTEMS**

2018 — 2018 — 2019 — 2019 — 2020 — 2022



**TYPES OF CAPITAL**

**NON-FINANCIAL SUPPORT**

Business Planning TA  
Network Connections  
Advisory Support

**GRANTS**

State & Federal Grants  
Philanthropic Grants

**LOAN GUARANTEES**

Philanthropic Guarantees  
Guarantee Pools

**LOANS**

Friends/Family Loans  
Other Debt Financing  
Bank Loans

**INVESTMENTS**

Revenue Share Agreements  
PRIs & MRIs  
Equity