

NexPoint Capital Inc. grants \$2M for Bioplastic manufacturing company PlantSwitch

29 November 2023 | News

NexPoint, a multi-billion-dollar alternative investment firm, today announced its investment of \$2M in the early growth funding round of PlantSwitch, a bioplastics manufacturing company with a carbon negative production process that upcycles agricultural waste to produce biodegradable and compostable resins for single-use products. The investment is part of a total \$7.7M raise in this early fundraising round, to which other institutional investors, along with NexPoint, subscribed. PlantSwitch has also recently received a \$4.94M federal grant from the department of agriculture.



BETTER THAN PLASTIC. POWERED BY PLANTS.



NexPoint, a multi-billion-dollar alternative investment firm, today announced its investment of \$2M in the early growth funding round of PlantSwitch, a bioplastics manufacturing company with a carbon negative production process that upcycles agricultural waste to produce biodegradable and compostable resins for single-use products. The investment is part of a total \$7.7M raise in this early fundraising round, to which other institutional investors, along with NexPoint, subscribed. PlantSwitch has also recently received a \$4.94M federal grant from the department of agriculture.

PlantSwitch's mission is to "to replace all petroleum-based single-use plastic with plants" by manufacturing and distributing its uniquely compostable bioplastic resin. PlantSwitch's manufacturing process utilizes agricultural waste products such as rice husks, wheat straw, and other cellulose rich byproducts in combination with a polymer to make sustainable bioplastics while upcycling agricultural waste.

In addition to its carbon negative production process, PlantSwitch's bioplastics are cheaper to produce and more compostable than comparable bioplastics. PlantSwitch, which was founded in 2020 by SMU Graduates Dillon Baxter and Maxime Blandin, has also recently closed on a 52,000-square-foot manufacturing facility in Sanford, N.C. which will increase its production capacity.

NexPoint identified PlantSwitch at this early stage by leveraging its research capabilities and extensive network, and its investment demonstrates the firm's continued commitment to environmentally sustainable investment standards and support of early-stage companies with uncorrelated potential. NexPoint's investment, and this fundraise generally, will help the Company continue to scale its production capacity, increase its marketing capabilities and help deliver products to existing and future customers.

PlantSwitch recently entered framework contracts with several nation-wide restaurant and grocery store chains which it will begin supplying as early as next month. As PlantSwitch scales, its founders expect growing its full-time workforce to over 50 employees by the end of 2024 and anticipate needing additional manufacturing space in the next few years.

On NexPoint's investment, Co-Founder and CEO of PlantSwitch Dillon Baxter remarked: "Having institutional backing is a huge step for PlantSwitch. With this and other investments from our early growth funding round, we will be able to continue to scale our business and deliver sustainable and biodegradable bioplastics to our eager future clients." Baxter continued, "There is so much that makes PlantSwitch unique, and funding from institutional investors like NexPoint show that they believe in the company as much as we do."

"Some studies forecast bioplastic demand increasing from 4.9 billion pounds in 2022 to almost 13.9 billion pounds in 2027¹." Remarked Dillon Baxter, Co-founder and CEO PlantSwitch, "With that kind of demand increase, PlantSwitch's biggest priority is sustainable growth. We are confident that our product, our supporters like NexPoint, and our distinguished board can help PlantSwitch scale in a deliberate way that allows us to take advantage of demand conditions."