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KAS announces $3M funding round to expand production of its Natural Algae Astaxanthin

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Kuehnle AgroSystems ("KAS"), a leading microalgal innovation and production company, has raised aÂ $3 millionÂ Series A2 funding round led by S2G Ventures. The funding will accelerate the commercialization of KAS's pioneering method for producing natural astaxanthin from microalgae, a key component in sustainable aquaculture systems as well as aÂ clinically provenÂ human nutraceutical.

KAS has patented an innovative process that uses dark fermentation in closed vertical tank systems to produce high-quality natural algae astaxanthin. Utilizing a more sustainable feedstock and production method than current natural and synthetic astaxanthin production methods, KAS's process results in lower production costs, higher yields, faster growth times, and less water and energy consumption.

Astaxanthin is a carotenoid with antioxidant properties present in natural aquatic algae, which is consumed by salmonids and shrimp and gives these species their characteristic red color. In aquaculture systems, which produce overÂ 50%Â of the seafood we eat globally, astaxanthin is incorporated to provide similar pigments. However,Â 95%Â of astaxanthin currently used in aquaculture feed is synthetic and derived from petrochemicals. KAS aims to replace synthetic with natural algal astaxanthin, addressing a market that is estimated to be valued at around $3.7Â billion.

"Strong consumer preference for natural inputs is expected to accelerate the transition from synthetic to natural astaxanthin," said Claude Kaplan, chief executive officer of KAS. "With our ability to generate greater astaxanthin output volumes, quicker and at a reduced cost compared to light-dependent methods, this funding strongly positions KAS to respond to the rapidly expanding needs of the market."

"KAS's fermentation breakthrough, natural strain development process, and sustainable production method all have the potential to transform the natural astaxanthin market, a key input for more sustainable aquaculture practices that can drive better outcomes for people and the planet," saidÂ Larsen Mettler, Managing Director at S2G Ventures.