

CCML

CEI Capital

MYCOWORKS, INC.

*\$146.5MM Total Project
\$10MM CEI Capital NMTC financing
Closed October 2023*

Union, South Carolina



MycoWorks is a California-based bio-textile startup focused on creating sustainable textiles with biomaterials. Their signature products, Reishi™ and Hyphae™, were created via a proprietary Fine Mycelium™ manufacturing process that uses mushroom mycelium (the branching root-like structure of fungus) to create a plastic-free leather alternative for the luxury and elevated mass markets. After a decade of development, a successful trial at a pilot plant in California, and interest from brands like Hermès and General Motors, MycoWorks was ready to scale.

“We are thrilled to welcome MycoWorks to Union. We are already seeing the growth that this opening is bringing to the immediate and greater communities in the area, including more jobs, housing, storefronts, and overall investments.”

**- Henry McMaster
Governor of South Carolina**

When looking for a location for their first commercial production facility, MycoWorks needed somewhere with a large workforce that could quickly adapt to their unique robotic equipment and tray-based bio-textile manufacturing process. They found it in Union, South Carolina, a city with a long history in textile manufacturing in a region home to several automotive manufacturers.

“Deciding where to lay down roots was a big decision,” said MycoWorks Chief Operating Officer, Doug Hardesty, “but the partnership offered by state and

local officials in combination with access to talent and amenities in the area made it easy. We look forward to growing a world class team and operation in Union County, South Carolina.”

MycoWorks was selected as the top candidate for an available 125,000 square foot manufacturing facility by the Union County Development Board due to its commitment to quality employment opportunities, plans to grow as an anchor employer in the community, and synergy with the legacy textile industry.

Job quality is central to MycoWork’s workforce approach. The project will create 354 new full-time positions, 101 of which have already been created, with a starting hourly wage of \$17.50 for entry level positions.

KEY BENEFITS

- Expected creation of 354 new Full-Time Equivalent direct jobs, 86% of which are accessible to individuals with a high school diploma or less.
- All jobs meet CEI Capital Management’s seven-part definition of a Good Job, with a starting wage that is 21% higher than the MIT Living Wage for a single adult plus benefits.
- Partnerships in place with South Carolina Works and readySC, a division of the SC technical College System, to train new employees and offer ongoing certifications.

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This is well above the MIT Living Wage Calculation for a single adult (\$14.51) and 8% higher than the benchmark for 2 working adults with a single child (\$16.24).

All employees are eligible for a robust benefits package, which includes health, vision, and dental with 100% employer-paid premiums for employees (and 50% for dependents); long and short-term disability and life insurances; and access to incentive stock options, all which provide additional economic security to employees and their families.

The bulk of the jobs at the facility (86%), will be accessible to those with a high school diploma or less. In addition to robust new hire training, MycoWorks is hiring 24 trainers across the organization to provide employees with ongoing support and to enable incumbent workers to upskill, positioning them for new, higher-paying jobs.

The project also has a positive environmental impact as a planet-friendly alternative to animal leathers. 2022 Life Cycle Assessment published in Environmental Sciences Europe found Reishi's™ carbon footprint to be as low as of 8% the bovine leather benchmark. It is also an improvement on the currently available "vegan leathers," which contain plastics that do not biodegrade and cannot be easily recycled.

FINANCING PARTNERS

NMTC Co-Allocatees: AMCREF and Hampton Roads Ventures

Investor: U.S. Bancorp Impact Finance

Investment Consultant: Hope Community Capital

** Unless otherwise noted, all jobs and impact data contained herein is taken directly from the Transactional Level Reports submitted by CCML to the US Treasury's CDFI Fund. All jobs data is reported by the project Borrower and is not independently verified by CCML.*

FOR MORE INFORMATION

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ABOUT CEI CAPITAL MANAGEMENT LLC

CEI Capital Management LLC works nationally to connect new and existing rural manufacturing companies with flexible capital through the federal New Markets Tax Credit and Maine New Markets Capital Investment Tax Credit programs. CEI Capital invests in companies committed to building accessible good jobs that provide living wages, comprehensive benefits and opportunities for training and advancement in alignment with CEI's Good Jobs Framework. Since 2004, CEI Capital Management has placed over \$1.02 billion in 99 different projects across the U.S.

CCML is a wholly owned subsidiary of Coastal Enterprises, Inc. (CEI), a Maine-based nonprofit community development financial institution.

CCML is an equal opportunity provider.