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Plextronics Lights Up With \$13.1M Series A

By Jonathan Shieber

Eyeing both the photovoltaic and the lighting and display markets, printed-electronics technology developer Plextronics Inc. has raised \$13.1 million in Series A funding.

For Plextronics Chief Executive Officer Andrew Hannah the financing is the first step toward his vision of incorporating electronics into everyday objects.

"Imagine you have a cereal box that's powered by a printed solar cell and the display on the back teaches your kid how to hit a baseball or softball," Hannah said. "But you can throw that cereal box away because they're so cheap to manufacture."

"From a lighting perspective, it's about putting pixels everywhere," he said.

To achieve this ubiquity, Plextronics has developed a method for producing organic material that is adjustable to the different energy demands of light emitting diodes. And the company's technology can also be applied to photovoltaic cells to make solar cells that absorb more light and produce more energy, Hannah said.

"We need to get printed electronics rolling as an industry," Hannah said. "All of us could be printing solar cells right now and making gobs of money."

In addition to its new lead investor Birchmere Ventures, the company's Series A round included new investors Draper Triangle Ventures and Firelake Capital Management. Previous investors in the company's \$3.4 million seed financing also participated in the latest round, including SEA Ventures, a fund managed by Smithfield Trust Co., the Pennsylvania Department of Community and Economic Development, and Innovation Works, a state-funded venture firm.

Funding from the round will primarily be applied to the commercialization of Plextronics' organic light-emitting diodes, according to Hannah. In addition, Plextronics will spend some of the capital on its initial development of printed solar cells.

"If you think about the OLED technology being in the commercialization stage, the photovoltaic [technology] is right in between the R' and the D'," Hannah said.

The move into photovoltaics puts Plextronics in an industry thick with competition. In the past few months companies developing new processes for manufacturing solar cells have raised big rounds including a \$75 million equity financing of Nanosolar Inc. "I guess the technology will compete," Hannah said of Plextronics' foray into the solar market. "But the ship rises with all tides."

Founded in 2002 with technology developed and spun out of Carnegie Mellon University's College of Science, Plextronics currently holds seven patents, with another eleven pending. In addition to its work with Carnegie Mellon, the Pittsburgh-based company has also licensed technology from Northwestern University.

Projections for the company's growth have Plextronics reaching profitability by 2007, according to Draper Triangle Managing Director and Plextronics board member Jay Katarincic. Plextronics has been working closely with the U.S. Display Consortium on its LED technology, said Hannah, and the group's membership including Eastman Kodak Co., Universal Display Corp., and Philips Electronics N.V. represent a potential customer base for the company's initial products.

Joining Katarincic on the newly established board as a result of this investment is Ned Renzi, a founding partner with Birchmere Ventures, and Firelake Capital Management Managing Director Martin Lagod. The company currently has 28 employees, a number that Hannah expects to increase to 35 by the end of the year.

Since the Plextronics technology can be used across a range of electronics devices, Hannah said the company's growth is only limited by its focus. "It all depends on how far we want to take the platform into new products," he said.

<http://www.plextronics.com>