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Novel Polymer Solutions completes £5 million B-round to fund commercialisation of its ground-breaking polymer technology

Novel Polymer Solutions Ltd (NPS), a Malvern, UK, based polymer technology company, has completed a £5 million funding round backed by Environmental Technologies Fund (ETF), Advantage Growth Fund (AGF), and private investors. The investment is to be used to enable NPS to further commercialise its ground-breaking new polymer technology.

Customised polymer materials (“plastics”) are in ever-increasing demand but existing technologies often fail to achieve the desired material properties. NPS has a patented protocol to manufacture new types of polymers with highly tailorable properties. Its polymers are applicable to a wide range of large markets where they are replacing 20th century technologies that are harmful to the environment. They enable breakthrough functionality such as the adhesion of surfaces previously impossible to achieve. Another example is the micro-encapsulation of highly corrosive chemicals. NPS’s early target markets include the replacement of PVC in the building sector, high performance protective clothing and the safe transportation of concentrated cleaning agents.

The current round of investment has been led by ETF. It is the third investment from ETF’s fund which closed earlier this year above its target size at £110 million. The £20 million AGF, managed by Midven Limited originally invested in November 2003 and has taken up pre-emption rights in this round.

James Rolfe, CEO of NPS, said: “Our LoVOC[®] and AET[™] polymers allow us to overcome a number of notorious and long-standing problems in polymer technology using low cost, simple manufacturing techniques. There is no comparable technology on the market today and we have a unique opportunity to position NPS as a global leader in this fast-growing specialty chemicals market. We are very pleased to have attracted ETF as an investor and to welcome Peter Horsburgh of ETF to the board”.

Peter Horsburgh, a founding Partner of ETF added: “NPS has developed a unique technology that enables a large number of applications previously thought impossible. NPS enjoys great customer pull and has already developed several market-ready products which have both convincing commercial as well as environmental benefits. We are proud to support NPS and its excellent management team and to help realise the significant growth potential of the company”.

Tony Stott, Managing Director of Midven Limited commented “NPS has made substantial progress since our original investment and we are confident that with additional support from ETF the business is set to continue its impressive development and capitalise on the extensive market opportunity available”.

Ends

About NPS – Novel Polymer Solutions Ltd

NPS was formed to exploit a novel radiation-initiated polymerisation technology developed as part of defence stealth research programmes in the 1990s.

NPS polymers can be cured by a short burst of ultraviolet (UV) light – a very energy-efficient and time-efficient process compared to traditional curing methods.

The unique structure of NPS monomers enables unprecedented control over resulting polymer properties.

NPS acknowledges the contribution from advisors, Strata Technology Partners LLP, in securing this funding which will enable it to relocate to larger premises, consolidate the technical team and concentrate on the continued commercialisation of its products. For further information see:-

www.novelpolymers.com www.strata-partners.com

About ETF - Environmental Technologies Fund

Environmental Technologies Fund L.P. is a £110m venture capital fund investing growth capital in companies focusing on clean technologies and services. ETF invests on a pan-European basis with emphasis on the UK, the Nordic Region, Germany, the Benelux countries and Switzerland. ETF led this transaction which is the fund's third investment. ETF is supported by the European Communities Growth and Employment Initiative, MAP – ETF Start-UP Facility. For further information see:-

www.etf.eu.com

About AGF - Advantage Growth Fund

The £20 million Advantage Growth Fund was launched in February 2003 by Advantage West Midlands to invest venture capital in small and medium sized companies in the West Midlands. Managed by Midven Limited, its investors include Barclays Bank, the Royal Bank of Scotland, HSBC, the European Investment Fund, five West Midlands Universities and the Department of Business, Enterprise and Regulatory Reform. One of the fund's first investments in November 2003, NPS is one of a number of portfolio companies that have between them gone on to raise over £30m of additional development capital.