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Biomass pioneer secures £2.3m to complete Teesside demo plant and commercialise its technology

A Teesside business which has developed a new way to generate fuel and chemicals from waste biomass has secured a further £2.3million investment to commercialise its technology.

[Nova Pangaea Technologies](#) has completed a funding round led by [NPIF - Mercia Equity Finance](#), which is managed by Mercia and is part of the Northern Powerhouse Investment Fund, with additional funds from existing investors including Cambridge Angels and venture capital firm Par Equity.

Nova Pangaea's technology processes 'non-food biomass' such as waste timber, straw or other crop waste and uses it as a basis for chemicals or bio-ethanol, which can be blended into petrol. It offers the potential to significantly cut carbon emissions and reduce reliance on oil without using land or crops suitable for food. The technology could also provide a new source of income for industries such as sugar or any which produce a large amount of waste biomass.

The company, which is building a demonstration plant at Wilton with the help of a £4.6million Department of Transport (DfT) grant, currently employs ten staff in addition to local subcontractors, but believes it could create hundreds of new jobs in the longer term. With the plant due for completion in the coming months, the funding will allow the company to put it into operation, and market its technology worldwide.

Nova Pangaea is run by an experienced team led by engineer and serial entrepreneur Ed Wilson, the CEO.

Ed Wilson said: *"This latest funding round represents a major milestone on our journey to commercialisation. With the support of our investors and the commitment of expert staff and*

board, our technology will soon be providing real ‘green’ benefits to the UK and within the huge global marketplace, reinforcing the UK’s position as a leader in the sector.”

Simon Crabtree, Investment Manager at Mercia, added: “Nova Pangaea has created a fantastic technology that could make a significant impact on both the UK and world’s energy and chemicals needs, and break the reliance on oil. We are delighted to back Ed and his industry-leading team. “

David Soley, Vice-chair of Tees Valley Local Enterprise Partnership added: “Clean energy is at the core of the region’s growth ambitions as we increasingly become the clean energy capital of the UK. It’s fantastic to see such an entrepreneurial local business develop the opportunities that lie ahead while creating the good quality, well paid jobs in the industry of the future”.

Sean Hutchinson at British Business Bank, said: “Since its launch in 2017, NPIF’s impact on businesses has been wide-ranging, providing funding to launch new products, support innovation, employ new staff and upskill existing staff, enter new markets and acquire new facilities. We are very pleased that NPIF continues to unlock growth potential in the Tees Valley by supporting small growing businesses with vital investment.”

The Northern Powerhouse Investment Fund project is supported financially by the European Union using funding from the European Regional Development Fund (ERDF) as part of the European Structural and Investment Funds Growth Programme 2014-2020 and the European Investment Bank.

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About Mercia Asset Management PLC

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The Group has a strong UK regional footprint through its eight offices, 19 university partnerships and extensive personal networks, providing it with access to high-quality deal flow. Mercia has over £500million of assets under management and, since its IPO in December 2014, has invested over £84million across its direct investment portfolio.

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About The Northern Powerhouse Investment Fund

- The Northern Powerhouse Investment Fund will invest in Microfinance, Business Loans and Equity Finance sub-funds which will offer financing ranging from £25,000 to £2m, specifically to help small and medium sized businesses secure the funding they need for growth and development.
- The Northern Powerhouse Investment Fund is operated by British Business Financial Services Limited, wholly owned by British Business Bank, the UK's national economic development bank. Established in November 2014, its mission is to make finance markets for smaller businesses work more effectively, enabling those businesses to prosper, grow and build UK economic activity.
- The Northern Powerhouse Investment Fund is supported by the European Regional Development Fund, the European Investment Bank, the Department for Business, Energy and Industrial Strategy and British Business Finance Limited, a British Business Bank group company.
- The NPIF covers the following LEP areas: Tees Valley Combined Authority, Greater Manchester, Cheshire and Warrington, Cumbria, Liverpool City Region, Lancashire, Humber, Leeds City Region, Sheffield City Region, York, North Yorkshire and East Riding
- The project is receiving up to £140,359,192 of funding from the England European Regional Development Fund as part of the European Structural and Investment Funds Growth Programme 2014-2020. The Department for Communities and Local Government is the Managing Authority for European Regional Development Fund. Established by the European Union, the European Regional Development Fund helps local areas stimulate their economic development by investing in projects which will support innovation, businesses, create jobs and local community regenerations. For more information visit <https://www.gov.uk/european-growth-funding>.
- The funds in which Northern Powerhouse Investment Fund invests are open to businesses with material operations, or planning to open material operations, in, Yorkshire and the Humber, the North West and Tees Valley.

- The British Business Bank has published the Business Finance Guide (in partnership with the ICAEW, and a further 21 business and finance organisations). The guide, which impartially sets out the range finance options available to businesses and provides links to support available at a regional level, is available at www.thebusinessfinanceguide.co.uk/bbb