



£1MILLION FUNDING BOOST FOR CASCADE TECHNOLOGIES

Cascade Technologies, the Scottish-based world leader in the application of quantum cascade lasers, has announced that it has secured an additional £1million of funding to develop further market opportunities.

The University of Strathclyde spin-out company drove the third round of funding alongside existing shareholders which includes Bank of Scotland Corporate, Braveheart Investment Group plc, Scottish Enterprise's Scottish Co-investment Fund (SCF) and PUK Ventures.

Cascade Technologies has developed and patented the world's first real-time technology for the detection, measurement and monitoring of gas emissions and explosives through its revolutionary use of quantum cascade lasers.

In the past year Cascade's technology has surpassed rigorous legislation requirements which has led to a sharp increase in sales throughout Europe and the USA.

The company's security sensors have also undergone successful trials with the Home Office and the Ministry of Defence.

Iain Howieson, managing director of Cascade Technologies, said the new round of funding has been designed to support Cascade's sales and marketing efforts as it builds its order book.

He added: "Cascade is in an exciting position to capitalise on the recent developments in trialling its technology and we are delighted to have sustained backing from our core investors. We look forward to taking more of our products to market and increasing our sales pipeline."

Stephen Green, Director of Growth Equity at Bank of Scotland Growth Equity, said: "We remain committed to Cascade and genuinely excited by the potential of the business. Cascade has a compelling product offering and we believe the next 18 months could be transformational for the business."

Geoffrey Thomson, chief executive of Braveheart, said: "We are delighted to be continuing our support of Cascade with this, the next stage of funding to support the company's sales and marketing drive. Cascade has developed pioneering sensor technology which has scope to create strong sales across Europe and further afield."

Puneet Bhatia, Investment Director at PUK Ventures, added: "We are pleased to have participated in this strategic financing. Cascade now has significant, blue chip partners in the market roll-out of its laser detection systems and this financing round confirms our strong commitment to the continuing growth of the business."

Andrew Sloane, investment manager for the Scottish Co-investment Fund, commented: "As Scotland's enterprise, innovation and investment agency supporting business growth and developing the business environment, we have a major role to play in helping to increase Scotland's investment activity."

"Access to investment is extremely important for young, dynamic Scottish companies, like Cascade Technologies, to accelerate their growth and expansion. Through the Scottish Co-investment Fund and our partners, like Braveheart, we can help make this happen."

Meanwhile Cascade has announced that it has extended its technology licensing agreement with BP Marine for a further five years.

The partnership has seen Cascade exclusively design and supply emissions monitoring systems for use in the marine industry.

The extended commitment will generate £10million of orders by 2010, with projected revenues set at £25million over the next five years.

Iain Howieson said: "We have been working closely in partnership with BP Marine to develop a system that will allow it to measure emissions more quickly, accurately and cost-effectively."

"The technology has undergone robust sea trials on a number of BP Marine customer vessels, allowing them to demonstrate compliance with regulations governing emissions and future more stringent in-port requirements of the European Union."

"We are pleased to now extend our partnership as BP Marine begins deploying this ground-breaking technology across its commercial fleet."

BP Marine Fuels Director of Sustainability and Fuel Technology, Don Gregory, added: "The measurement of exhaust gas emissions in the shipping industry is essential for informing better and more effective emissions legislation. The Cascade QCL technology design and application provides a real possibility of global adoption of on-line emissions monitoring on all globally trading ships."

Notes to editors

- **Cascade Technologies** uses its revolutionary, patented core technology – based around the application of Quantum Cascade Lasers – to design, develop and supply innovative solutions for a wide range of global markets. These include the monitoring of greenhouse and general industrial emissions, hazardous gases, and explosives and drugs.

Based at Stirling University Innovation Park, Cascade Technologies currently has world-class scientists and engineers working under development and supply agreements on several revolutionary products for key blue chip clients, whilst further bespoke product development, manufacturing, marketing and distribution agreements are being sought with customers worldwide.

The company's technology provides highly specific and sensitive measurement, whilst its portable size offers cost savings compared to competitive offerings. It is also immune to many outside influences that typically affect sensors of this type.

- **Braveheart** was formed in 1997 by four Scottish businessmen as a co-investment vehicle in order to pool their money and knowledge, increase diversification and also reduce risk. It makes investments in young, emerging, unlisted companies where there is potential for significant growth, through the successful commercialisation of their IP. Typically, Braveheart's investments are focused on British companies with potential global technology solutions. However, the Group also maintains limited exposure to more traditional businesses. Braveheart's portfolio ranges from start-up companies to businesses which are close to an IPO or sale. Each year out of several hundred business plans received, around ten investments are made, all of which demonstrate attractive exit potential. These opportunities emanate from Braveheart's network of contacts, which includes the Group's own clients, and close relationships with science parks and universities. Braveheart has formal relationships with seven universities and two business parks, giving it unique access to IP and start-up companies emanating from them.

To date, Braveheart has exited 17 investments, six have been by way of public flotation, three by way of secondary sale and eight have been written off. The company has a proven track record of delivering attractive returns through investments in companies which commercialise IP. www.braveheart-ventures.co.uk

- **The Scottish Co-investment Fund (SCF)** is a £72 million equity investment fund established by Scottish Enterprise, and partly funded by the European Regional Development Fund (ERDF), to invest from £100,000 to £1 million in company finance deals of up to £2 million. Unlike a standard Venture Capital (VC) Fund or a business angel, the SCF does not find and negotiate investment deals on its own, instead

it forms contractual partnerships with active VC fund managers, business angels and business angel syndicates from the private sector. The private sector partner finds the opportunity, negotiates the terms of the deal and offers to invest its own equity cash. If the opportunity needs more money than the partner can provide, it can call on SCF to co-invest alongside on equal terms. The partner determines how much the SCF can invest in any new deal, however, the SCF cannot invest more than the private sector. Scottish Enterprise is Scotland's main enterprise, innovation and investment agency and is focused on supporting business growth and developing a competitive business environment. Working in partnership with industry, academia and the public sector, SE aims to play its part in delivering the Scottish Government's new economic strategy to increase productivity in Scotland by helping businesses grow, encouraging greater innovation and creating the right conditions for companies to access property, markets and finance. Further information can be found at www.scottish-enterprise.com

- **Bank of Scotland Corporate**, part of HBOS Plc, has a reputation for excellence in the provision of corporate finance, delivering innovative funding solutions across a range of markets. Bank of Scotland's Growth Equity team invests in fast moving companies with at least two years track record of sales growth. It usually invests up to £10m of equity and always takes minority stakes.
- **PUK Ventures**, www.pukventures.com, invests in high-growth opportunities which have originated from the UK public sector. PUK Ventures has a £25m fund to invest in early stage technology companies, mature public sector assets or in funds which focus on such areas. PUK Ventures has an experienced investment team, with strong networks in the science & venture capital communities. The fund invests across most sectors and has historically invested in a broad range of technologies including medical/healthcare, clean/sustainable, information & communications and other engineering sciences. PUK Ventures is an active investor and works closely with portfolio companies in their strategic and operational development.

Issued by Beattie Communications (www.beattiegroupp.com) on behalf of Cascade Technologies

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