

Watercycle Technologies Closes Series A Funding Round to Unlock the UK's Critical Minerals Supply Chain

25 November 2024

Watercycle Technologies Ltd ('Watercycle' or the 'Company') is pleased to announce the closure of a \$5.6 million Series A investment round led by Par Equity as part of a syndicate with Greater Manchester Combined Authority ('GMCA'), Aer Ventures and the University of Manchester Innovation Factory. This investment will enable Watercycle to rapidly scale up and commercially deploy its technology to deliver sustainable, low-cost, high-yield mineral recovery systems.

Watercycle's mineral recovery systems have received international traction from government bodies and businesses on every continent. The goal of the Company's proprietary technology is twofold: mitigating the growing critical mineral supply risks and fostering a circular economy in which waste is converted into value. The Company is looking to deploy its innovative solutions which will significantly impact the production of raw materials crucial for facilitating the green energy transition.



Dr Seb Leaper, co-founder and CEO commented "It's fantastic to have backing from such an excellent syndicate of investors who are strategically positioned to help Watercycle rapidly scale. With the continued support of our initial backers, the University of Manchester and Aer Ventures along with new financial support provided by deep-tech veterans Par Equity and local champions, GMCA, Watercycle is in a stronger position than ever to deliver on its mission to provide the world with a sustainable supply of critical raw materials without which there is no sustainable future."

Since spinning out of the University of Manchester in 2020, the Company has made remarkable progress from experimental conception to the successful implementation and operation of a pilot-scale system, resulting in the recent production of over 100 kg of battery-grade lithium

carbonate. This development work has been funded by a combination of equity investment and highly competitive grant funding. The new funds raised will be pivotal in advancing the development of new products, strengthening existing commercial relationships and forging new partnerships. This round has also attracted an Innovate UK Investor Partnership grant, which recognises the highly innovative and strategic nature of the Company's technology. It will fuel the Company's continued progress with plans to expand the existing team and bring on new talent.

"We are excited to be taking the Company forward to ton-scale production of battery grade minerals. Our achievements to date are a testament to the dedication, brilliance and drive of our remarkable team." reflected Ahmed Abdelkarim, co-founder and CTO.

Elizabeth Young, Investment Manager at Par Equity said: "There is an incredible wealth of talent and innovation emerging from universities in the North of the UK, with Watercycle Technologies serving as a prime example from the University of Manchester. We're proud to support WT's growth through investment and by connecting the business with experts from our network.

This mission-critical sector is vital for the UK as we work on addressing global challenges, particularly in securing essential mineral and water infrastructure. By supporting foundational technologies like Watercycle, we strengthen the UK's innovative ecosystem and pave the way for the climate solutions of tomorrow.

WT is a perfect illustration of the talent in the North, and we hope to see this success inspire a new generation of startups in the region."

Mayor of Greater Manchester, Andy Burnham, said: "This investment is a great example of how we're supporting local innovation to strengthen Greater Manchester's position as a leader in the low-carbon economy. It's also about creating skilled jobs and building a greener, more sustainable future for Greater Manchester. Our investment in homegrown businesses like Watercycle Technologies reflects our commitment to becoming a cleaner and more prosperous city-region."

Paul Dudley, Managing Partner from Aer Ventures wrote: "We are delighted to have played a role in supporting Watercycle over the past couple of years. In this time the business has developed its cutting-edge technologies rapidly and can now provide important solutions to a range of customers in the Critical Metals sector. Today we welcome new investors to help develop Watercycle further and look forward to continuing on-going success in the future."

Roisin McCallion, Business Development & Investment Director for the University of Manchester Innovation Factory, commented: "We are delighted to continue supporting Watercycle Technologies on their journey to revolutionise sustainable mineral recovery. This Series A investment marks a significant milestone, not only for the Watercycle Technologies team, but also for The University of Manchester's wider mission to drive impactful innovation. Their pioneering technology has the potential to make a profound contribution to addressing critical mineral supply challenges and advancing the international transition to green energy. We

look forward to seeing the company scale its solutions globally and make a lasting impact on the circular economy.”

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About Watercycle Technologies - www.watercycletechnologies.com

Watercycle Technologies is a UK-based climate-tech company pioneering sustainable and circular critical mineral recovery essential for a Net Zero future, creating clean drinkable water in the process. It is initially focused on two areas critical to lithium production and creating a circular economy for the global energy transition, Direct Lithium Extraction and Crystallisation (DLEC™) and the recycling of spent lithium-ion batteries and black mass (shredded batteries). Watercycle Technologies’ scalable, modular technology delivers dramatic reductions in costs and has a reduced environmental impact compared to other processes available. Its patented technology can also be applied to the extraction of other critical minerals and metals from all types of water, including wastewater. Watercycle Technologies is based in Manchester at the Graphene Engineering Innovation Centre (GEIC).

About Par Equity - www.parequity.com

Par Equity is a leading venture capital firm based in Edinburgh and Leeds, which invests in innovative technology companies with high growth potential, across the North of the UK. Since it was founded in 2008, Par Equity has invested over £192m across 79 companies, catalysing a further £327m of capital from third-party investors. Par Equity has backed and exited high profile names such as Current Health and DeltDNA, which have helped build an impressive track record across 31 realisations to date.

A certified B-Corp, Par Equity partners with early-stage companies, operating B2B business models and with strong IP. Many of these companies are innovating in the fields of health tech, climate tech and industrial tech, often driven by new technologies such as robotics, photonics, advanced materials and artificial intelligence. Supporting Par’s successful investment strategy across the north of the UK includes 15 investment professionals, 10 support staff, 40 operating partners and 240 investor network members across the community.

Par Equity recently launched Par Equity Ventures I LP, a £100m Fund to support companies in the North of the UK to scale faster at Series A rounds and beyond, accelerating innovation and job creation in the region.

For more information, please visit <https://www.parequity.com> or contact parequity@wordsandpixels.co.

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About Greater Manchester Combined Authority, GMCA -
www.greatermanchester-ca.gov.uk

Ten Greater Manchester councils and Mayor Andy Burnham make up the GMCA working together to make a greener, fairer and more prosperous city-region with local services, businesses and communities. GMCA drive business growth in property, infrastructure and emerging technologies across the city.

About Aer Ventures - www.aerventures.uk

Aer Ventures are a sustainability focused business accelerator who believe innovation allied with capital will drive the transformation needed for a greener future. Aer Ventures provide funding and strategic services to emerging businesses that support the circular economy and the drive to Net Zero. Aer Ventures invested in Watercycle Technologies and supported the Company in the early stages of the business and have provided follow-on funding in this round.

About The University of Manchester Innovation Factory - www.uominnovationfactory.com

The University of Manchester Innovation Factory is dedicated to driving the commercialisation of the University's innovation and intellectual property. The Innovation Factory works with academic and student inventors to identify research that has the potential to create value. It enables the commercialisation of ideas to create positive social, economic and environmental impact. The Innovation Factory played a pivotal role in the conception of Watercycle Technologies as a company.

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