



Earthworm™

From the ground up.



EIS Fund

We're an ethical investment company committed to supporting projects that we believe will have a positive social or environmental impact on the world.

This flyer is a summary of our EIS Fund.

Overview

- This is an environmentally focused fund that seeks to invest in waste, recycling or other sustainable projects
- Tranche 1 of £11m funded and invested in 2016/17 – the Fund is over £36m in size
- There is a pipeline of deals identified to deploy entire target capital raised
- This is an evergreen product with quarterly allotment dates
- All investee companies have the benefit of advance assurance under prevailing EIS rules prior to investment
- Ability to carry back to 2017/18 for investments allocated prior to 5th April 2019

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Features of the Fund:

- Strong demand in the waste sector for new projects given the UK's continued reliance on landfill
- Direction of travel in the industry towards more environmentally friendly methods of waste disposal
- Minimal competition in the industry with high barriers to entry including lack of bank funding
- Each company is encouraged to deliver local employment and benefits the environment

Fund Advisor Profile

We are specialists in EIS environmental investment opportunities. That means we can provide both direct sector experience and a tangible track record of delivering profit.

We Offer

- a hands-on management team with extensive experience in the waste, energy and recycling sectors
- Over £80m of environmental assets under management
- A record of successful exits at £1.15 and £1.30 return for every £1 invested

Target Sectors: Our Fund specialises in the following environmental sectors.



Recycling

Over 7m tons of biodegradable municipal waste continues to go to landfill every year. That's simply too much - especially when you consider that some countries in Europe no longer send any waste to landfill at all. Our Fund wants to address this - investing in companies with the potential to reduce landfill and increase the UK's capability to recycle organics, metals and plastics on a much bigger and more sustainable scale.



Waste

Landfill tax charges are currently at record highs - so both waste collection and disposal are as bad for the taxpayer as they are for the environment. The simple fact is that the UK does not have the facilities it needs - instead waste is exported to Europe and beyond at considerable cost (in every sense!). We're trying to move the UK to point where we are able to take responsibility for the waste we create. To that end our investee companies work with local authorities and waste management businesses to provide viable, environmentally friendly and cost effective alternatives.



Sustainable Food Production

Climate change and population growth is having an adverse impact on the world's ability to sustainably feed itself. Over the next 30 years, world agricultural production will need to increase by approximately 60% in order to meet expected population increases. In the UK, the population is predicted to grow to more than 70 million by 2030. Simply put, we need more space to grow food. Our Fund is committed to investing in solutions, from sustainable vertical food production to hydroponics and other efficient farming techniques.

Past Deals.

When we said that we have a track record of success, this is what we meant. Here are a few more details about the nature of those two projects, and how we were able to generate returns for our investors.

Both projects reached the minimum holding period of three years and then were successfully exited as follows...



Earthworm Operations Limited

£1.15

per £1 invested

EXIT October 2016

In 2011, Earthworm Operations raised over £2m of EIS funds to build an IVC (In Vessel Composting) facility in Daventry, Northamptonshire. The project was conceived, designed and built by the company.

The facility uses vertical stainless steel composting chambers which occupy a relatively small area and are able to process mixed inputs - including food, green and wood waste. The facility is then able to generate PAS 100 compost products that can be used by a whole range of customers, from farmers to garden centres.

Earthworm Operations Limited achieved an exit on behalf of EIS investors at £1.15 for every £1 invested.



Earthworm Energy Limited

£1.30

per £1 invested

EXIT December 2017

For this project, Earthworm Energy raised £3.34 million in August 2014 to develop solar farms in the UK.

The company was able to negotiate the changing and complex regulatory frameworks created by Ofgem in order to complete the developments.

This project achieved an exit for investors at £1.30 for every £1 invested.

About Earthworm

This Fund is one of a number managed by Earthworm. As you may have deduced from the sectors our EIS Fund looks to invest in, we have ambitions beyond achieving returns for our investors. We want to do a bit of good too.

So while we're absolutely committed to those investor returns, and already boast a portfolio of investment worth over £80 million, we only back projects that we think will have a positive social or environmental impact on the world. So an Earthworm investment isn't just an investment in your personal future, but an investment in the world we live in. It's an ethos that we like to call conscious capitalism.

Since 2008, when we first had the idea for the facility in Daventry (see page 3), to our development into a company with a record of successful investor exits and expanding horizons in waste, back-up power, solar and food produce, we've remained committed to the central ethos.

With industry professionals in recycling, waste management, power generation and renewable energy, we focus on finding and nurturing those early-stage businesses that offer a both huge commercial potential and true sustainability.

Risk Warning: Prospective Investors should note that past performance is not necessarily an indication of future performance. The value of an investment can fall as well as rise and Investors may not get back the amount originally invested. Therefore you should only make investments in unlisted companies that you can afford to lose without having any significant impact on your overall financial position or commitments. Taxation levels, bases and reliefs may change if the law changes and the tax benefits of products will vary according to your personal circumstances; independent advice should therefore be sought. Please note actual investments by the Fund may differ to those presented here and it cannot be guaranteed that companies invested in by the Fund will achieve or retain EIS qualifying status or that Investors will qualify for the tax reliefs available under these schemes. This document constitutes a financial promotion and has been approved by EW Cap Limited, who are authorised and regulated by the Financial Conduct Authority (FRN: 610217).

Meet the Team

Ben Prior – Founder

Earthworm was Ben's brainchild. It was based on the experience that he'd built up in corporate finance, and the desire to do something good with it.

Over the course of 17 years in the tax-efficient space, he's raised over £500m for a variety of industry leading managers. From Noble & Company in 2001 to Brewin Dolphin and then co-founding RAM Capital Partners in 2007 (now one of the most successful independent fundraisers of tax-efficient products in the UK), Ben spent the best part of a decade honing his knowledge and expertise - all the while crystallising a vision for something a little different.

In 2010, he founded Earthworm.

Mike Capewell – Director

Mike has a strong background in the development, monitoring and due diligence of large-scale environmental and infrastructure projects.

As an experienced consultant with the firm Deloitte, he worked alongside national and international clients (including the UK Ministry of Defence, National Health Service, various UK councils, Evergreen and AstraZeneca) on major capital programmes and transformation projects. Mike provided expert resource for programme management, financial modelling of long-term projects (life span of 20-30 years), and management and tracking of capital deployment.

Following a spell with Deloitte Consulting, Mike founded his own specialist financial modelling consultancy and advised the NHS, MoD and provided due diligence on over 20 renewable energy schemes with a combined value of £65m.

For IFA
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