



Earthworm



From the ground up.

## Earthworm 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 which seeks to invest in food, energy, waste or other sustainable projects
- The Fund is over £55m in size
- There is a pipeline of deals identified to deploy the entire target capital raised
- We are targeting the deployment of Subscription Monies within 12 months of receipt
- All Investee Companies have the benefit of advance assurance under prevailing EIS rules prior to investment
- For investments allocated prior to 5 April 2020 there is the ability to carry them back to 2018/19.

1 August 2019

This financial promotion is issued and approved by EW Cap Limited  
(Financial Conduct Authority number 797051)

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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 benefits the environment and is encouraged to deliver local employment.

## Fund adviser 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 £100m of environmental assets under management
- A record of successful exits at £1.15 and £1.30 return for every £1 invested.

## Target sectors: Food, Energy, Waste

### Food



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. Put simply, 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.

### Energy



Our energy projects will cover a broad range of requirements to help the UK transition to a sustainable, circular economy. Our focus is on increasing energy efficiency, preserving natural resources and energy use. For example, AI monitoring of consumption and asset management can promote behavioural change, as well as minimise the loss of resources. As technology advances – whether digital, such as peer-to-peer transactions, or product design, such as advanced solar panels – we can empower the consumer to manage natural resources.

### Waste



We want to concentrate on investing in companies with the potential to reduce waste and increase the UK's capability to recycle organics, metals and plastics on a much bigger and more sustainable scale. 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!). Over 7m tonnes of biodegradable municipal waste continues to go to landfill every year.

## 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 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

In 2011, Earthworm Operations raised over £2m of EIS funds to build an In-Vessel Composting (IVC) 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 PAS100 compost products that can be used by a whole range of customers, from farmers to garden centres.

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**Earthworm Operations Limited achieved an exit for investors at £1.15 for every £1 invested. EXIT October 2016.**

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### Earthworm Energy Limited

For this project, Earthworm Energy raised £3.34m 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.

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**Earthworm Energy Limited achieved an exit for investors at £1.30 for every £1 invested. EXIT December 2017.**

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# About Earthworm

This Fund is one of a number managed by Earthworm. As you can see from our chosen sectors, we have ambitions beyond achieving returns for our investors. We want to do good too.

So while we're absolutely committed to those investor returns, and already boast a portfolio of investment worth over £100m, 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 too. 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 previous page), to our development into a company with a record of successful investor exits, we've remained committed to our central ethos.

With industry professionals in food, energy and waste, we focus on finding and nurturing those early-stage businesses that offer 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, which is authorised and regulated by the Financial Conduct Authority (FRN: 797051).

## Meet the team

### Ben Prior – CEO

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 that time he was crystallising a vision for something a little different; in 2010, he founded Earthworm.

### Will Brocklebank – Head of Projects & Partnerships

Will is a serial entrepreneur who has 20 years' experience of raising and investing capital. Most recently Will founded Shepherd, which uses data to provide risk analytics to improve the efficiency and performance of built environment assets.



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