



ep group

ep group is a purpose led business that invests in smaller, talented companies to deliver sustainable impact at scale

Problem: There is an urgent need to scale up responses to environmental problems and yet many of the companies developing and delivering solutions are SMEs which lack advantages of scale, such as access to capital. In parallel, it is necessary to solve the fundamental issues in shareholder capitalism and transition to stakeholder-based models.

Solution: ep's agglomeration platform acquires SMEs delivering services to the energy transition. It creates value through performance management, network effects, alignment of interests and a clear pathway to listing. In so doing, stakeholders benefit from liquidity, risk mitigation and further investment opportunities via an ethical and impactful route

Business: Our business model is to accelerate the growth of our investee companies through patient capital and proactive stewardship. The consolidated group balance sheet, revenues and P&L provide the credentials to access capital and markets efficiently.

Market: Our market is the thousands of UK companies that meet our impact criteria. Helped by M&A advisors, we are actively engaged with 7 companies valued at c £14m from a current pipeline of 25 validated prospects.

Accomplishments: The Founders have invested c £1m to create the business model, agglomerating 4 companies to date with: revenues c£1.5m pa; presence on 4 continents; and externally valued at £15.7m.

- Terms agreed for next acquisition
- £520k raised in this round

Pitch deck: files.dealum.com/2022-09/at21az876oqi...

Team



Leo Bedford

Partner (Investments)

Experience: Leo is a seasoned financier, practised in designing and implementing novel business structures and financial products, particularly for investing in energy efficiency and regeneration. Leo has board level experience across energy, infrastructure, and property investment. His conviction is garnered from pathfinding roles in military engineering, disaster relief, regeneration, and impact investing.



Michael Tivey

Partner (Impact & Operation)

Experience: Mike has 30 years' experience in the development of businesses in distributed energy and the built environment, spanning start up through to the large corporate arena; including board and divisional MD level for a FTSE 250 energy company where he supported over 10 energy services start-ups. He joined ep to support the firm's strategy of catalysing and investing directly into impactful businesses.



GREENBACKERS INVESTMENT SHOWCASE

Step: Live Deals

Tags: COP 27 Pitch

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Registered Oct, 2021

www.epgroup.com

Country: United Kingdom

www.linkedin.com/company/energyproli...

twitter.com/energyproltd

Scaling Stage

Other

Energy, Cleantech

Research & Consulting

CAD/CAM software, E-commerce tools

B2B, B2G

Capital seeking (£): 2,500,000 - 5,000,000

Funding stage: Seed Round

Already raised of current funding round (£): 520,000

Minimum ticket size (£): 50,000

Pre-money valuation (£): 15,700,000

Registered/incorporated: Yes

Company legal name: EP Group Corporate Holdings Ltd

Company registration number: 13667463

EIS/SEIS approved: Not Applicable/Not Eligible

What is your business model?: Hybrid (SaaS & Service)

Primary currency: GBP

Contact: Leo Bedford, +447786312319, leo.bedford@energyproltd.com

**Stephen Packer**

Partner (Finance & Governan..

Experience: Steve is a chartered management accountant with over 25 years operational finance experience within blue chip and private equity portfolio businesses. He has significant M&A transaction experience within energy services businesses and has also supported local government in the delivery of their distributed energy strategies.

**Steven Fawkes**

Managing Partner

Experience: Steve has been a leader in the energy transition for more than 30 years. He is an author, public speaker, and practitioner. He has developed innovative, large-scale energy services contracts and co-founded and built two energy service companies, as well as a clean energy practice for an investment bank. He is committed to leadership and governance based on equitable and ethical principles.

**Chris Mbori**

Advisory Board (East Africa..

Experience: Leading energy efficiency and management expert for Sub-Saharan Africa. Founder of energy management solutions company Eenovators

**Karen Chandler**

Advisory Board (Finance)

Experience: Finance Director at Cardiff Property plc. Extensive financial experience with innovation in energy tech and environmental resource management.

**Mahua Acharya**

Advisory Board (Carbon Ma..

Experience: Managing Director and CEO of state-owned energy transition company, CESL. Ex-World Bank expert for carbon markets with expertise in green finance and renewable energy.

**Mark Coyle**

Advisory Board (Energy Ma..

Experience: Managing Consultant at PA Consulting focussing on consumer energy within the transition, with global expertise in disruptive innovation and energy market reform.

**Saurabh Kumar**

Advisory Board (Climate Po..

Experience: Public policy expert for energy efficiency and climate policy in India. Managing Director of state-owned Indian energy service company EESL.

**Toby Greenbury**

Advisory Board (Legal EME..

Experience: Director at Wilderness Capital Partners. Lawyer and business advisor with extensive experience in India and Africa.

Number of team members: 16

Number of employees: 10

Second point of contact: Dr Steven Fawkes

Their email: steven.fawkes@energyproltd.com

Their phone number: +447702231995

Solution

What stage is your technology at?: Market expansion (adding new revenue lines)

Technology readiness level (TRL): TRL 8 - System complete and qualified

Market

Geographic markets: Western Europe, Northern America

Middle East

India

Indonesia

Kenya

Nepal

Pakistan

Philippines

Singapore

United Arab Emirates

United Kingdom

United States

What steps have you taken to validate the market?: The current stewards and seed investors have invested c £1m to create the business model: acquiring and supporting four companies; with a presence on 4 continents; and externally valued at £15.7m.

Through direct networking and via M&A advisor (Unloq.co.uk) we have identified over 100 potential acquisitions to date, with

a net worth of an estimated £200million. Each of these businesses is assessed against our impact-driven selection criteria:

- Focus on net zero and regenerative infrastructure
- Alignment to UN SDGs
- Complementary products and services to ep
- Founders seeking value realisation
- £300k-£500k EBITDA
- Little or no bank debt

We have desktop filtered to 25 prospects of which 13 have responded positively to the proposal and 7 are actively engaged. An engagement level of over 50% (13/25) of companies approached to date provides confidence that there is a market for our business model; which is premised on acquiring only 2 – 4 companies per year.

Approximate market size, in millions (£): 6,000

How did you estimate the market size?: UK smaller businesses comprise 99.9% of the total number of companies; employing 61% of the total 27 million in employment; and contributing 52% of the total £4.4 trillion turnover. The capital requirement in infrastructure in the UK alone to achieve net zero is estimated by PwC at £40bn per year.

The market for service companies to develop, design & deliver this investment is estimated at up to £6bn pa in UK alone; globally £600bn pa.

52% of this investment can be delivered by smaller companies that lack access to affordable capital and the advantages of scale.

Many SME founders are not comfortable being controlled by or exiting to PE or a conventional trade sale, so an alternative ownership structure is required

doi.org/10.1787/8a51fc0c-en

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actuaries.blog.gov.uk/2021/10/13/fina...

What is the competitive advantage of your company?: The idea that business can be the driving force for a transition to a more sustainable and inclusive economy is gaining momentum. ep group's steward-owned platform is designed to deliver economic value while addressing societal issues. The platform offers many advantages:

- Scale paradox is met through collective financials; facilitating access to clients, capital and ultimately exit
- A range of complementary services from independent subsidiaries, each with specific expertise and innovative services
- An operating platform that delivers financial management, marketing and impact measurement
- Autonomy within a framework that enables successful people to interact, with a natural value and quality enhancing effect
- Alignment of interests between all stakeholders
- Portfolio approach mitigates risk, spreading it across, marketplaces, product and service lines, and personnel
- Provides a pathway to real value creation and liquidity through listing at an appropriate value

Which companies do you consider to be your main competitors and why?: Others have similarities but do not address these issues as ep group does:

- Anthesis describes itself as a "sustainability activator" wholly acquiring smaller companies into a full spectrum sustainability services business, reputedly the largest group of sustainability experts globally. It is PE backed, operating a traditional M&A approach to its global acquisition strategy.
- Blue Pearl Energy, backed by DWS, has a similar model for certain Central European countries only; backed by an infrastructure it aims to bring together complementary SMEs in energy services to offer more comprehensive solutions with the ability to finance equipment on behalf of customers
- Verco Global is a B-Corp and a long-established and trusted provider; awarded for its seminal approach to net zero but is a sole practice relying on organic growth
- Efficient Building Solutions is purpose led but Private Equity backed, operating a traditional M&A model for the UK built environment sector only

Business Model

What is your business model type?: Transactional

Can you list, in detail, your sales pipeline for the next six months?: Acquisition pipeline:

1. Energy storage specialist with expertise in storage planning and micro-grids. Projects with MoD and FCDO.
2. Developer of bespoke decentralised energy solutions for the commercial, industrial and manufacturing sectors; also moving into residential.
3. Architectural practice, pioneers in Passivhaus and low energy retrofit. Scaling up the retrofitting of housing is an essential part of decarbonisation.
4. Property health and wellbeing measurement and reporting company. Project Management, quantity surveying and consultancy for positive impact buildings.
5. Consultancy practice in business energy management and sustainability solutions, including strategy, risk management, audit, and procurement.
6. Structural and civil engineers that understand Passivhaus and net zero design. Minimising embodied emissions in property is key to the realisation of net zero.
7. Market leader in design and delivery of Compressed Laminate Timber (CLT) buildings. CLT can help deliver net zero

operations & embedded carbon.

Targeting:

- 4x acquisitions p.a. at incremental revenue contributions of £900k
 - annual growth of 20% in all businesses
 - group profitable in FY24 at £1.5m EBITDA (at 20% margin)
 - by FY27, Revenues of £27.1m, EBITDA £9.8m (at 36% margin)
 - organic and acquisitive growth potential beyond 2027
-

Finance

Monthly burn (£): 0

Months of runway: 12

Has the company received any funding or investments to date?: Yes

Type of funding and investments received: Debt (loans), Grants

Own Investments

Other

Raising capital: Yes

Capital seeking (£): 2,500,000 - 5,000,000

Funding stage: Seed Round

Already raised of current funding round (£): 520,000

Minimum ticket size (£): 50,000

Do you have a lead investor?: I'm looking for a lead investor

Pre-money valuation (£): 15,700,000

How much are you planning to raise in the future? (£): 2,500,000 - 3,000,000

When are you planning to raise the next funding round(s)?: 2023

Strategy

What milestones are you planning to reach with current funding round?: 1. Transition to steward-ownership group by December 2022

2. Fundraise £2m equity by December 2022

3. ep group profitable in FY24

4. Ongoing growth of Group companies Sept 22 to sept 27

5. Acquisition 3 companies Sept 2022 to Sept 2023

6. Fundraise £3m equity Mar -Sept 2023

7. Acquisition 5 companies Sept 2023 to Sept 2025

8. Euronext listing based on £10m revenues achieved by Sept 2027

9. Continue growth organically and by acquisition beyond 2027

Sustainable Development Goals: GOAL 7: Affordable and Clean Energy, GOAL 9: Industry, Innovation and Infrastructure

GOAL 11: Sustainable Cities and Communities

GOAL 12: Responsible Consumption and Production

GOAL 13: Climate Action

Explain how your company is contributing to the goal 7 (Affordable and Clean Energy): In 2018 our joint venture with EESL acquired Edina, a leading supplier of gas engine Combined Heat and Power, and stationary power systems. Working closely with the company, we have helped to put Edina onto a transition pathway and the company is now selling its own Batter Energy Storage Systems (BESS) alongside gas engines. The next step is to a partnership with an industrial and commercial heat pump supplier. This broadening of the offering equips Edina to produce and retail hybrid systems (an ideal transition technology for many clients) and utilises Edina's skills in EPC deliver to support customers in making the energy transition.

Explain how your company is contributing to the goal 9 (Industry, Innovation and Infrastructure): Recent innovations from ep consultancy include:

MBenefits Testing: A new collaboration with the EU to explore the strategic benefits of and establish the business case for energy efficiency improvements.

Open-source EPC Estimations: A method of using publicly available energy performance certificate data to estimate efficiency potentials and supply chain needs across local administrative boundaries

Practice Based Abatement Measurement: A module currently in development to use practice theory structures in identifying and assessing practice based Scope 3 emissions abatements

Explain how your company is contributing to the goal 11 (Sustainable Cities and Communities): Through its CREATORS work, ep consultancy assists local actors: businesses, citizens, etc. in forming their own specialised energy communities. By

clustering in this fashion, community members are able to efficiently allocate excess energy resources, improve energy infrastructure, access support in times of shortage, and collectively negotiate more advantageous energy pricing.

Explain how your company is contributing to the goal 12 (Responsible Consumption and Production): Many organisations operate at a scale, or in a niche that makes the finance and efficiency improvements offered by traditional ESCOs inaccessible. 'ESCO-in-a-Box' an ep group solution which allows SMEs to create and run their own specialized, localized Energy Services Company, providing financed energy efficiency practices.

Underserved market segments and geographical areas are able to realize the financial and operational benefits of energy efficiency, a high yield sector for carbon abatement is addressed.

Explain how your company is contributing to the goal 13 (Climate Action): Addressing a challenge of climate change's scale and complexity requires a varied set of tools implemented in constantly evolving combinations. Across our three service units, we develop and apply sustainable solutions, channeling resources to the highest performing projects and solutions to generate a growing positive impact.

What is your exit strategy?: IPO/RPO

What is your exit timeline? Explain.: We aim to realise value for investors and business owners who join the ep group through a listing on Euronext by September 2027.

We are already engaged with corporate governance, legal, and accountancy advisors towards a listing within 4 years, summarised as:

Y1-Y2: Develop a robust business plan and a detailed review of ownership and tax

Y2-Y3: Educate ourselves on what a flotation involves, reviews our corporate governance, and completes any strategic initiatives or acquisitions.

Y3: Develop investor relations strategy and ensure the necessary financial statements and non-executive directors are in place. Confirm the method of flotation and determine advisers.

Y4: Prepare prospectus for regulatory and market approval. Prepare and conduct presentations for analysts and investors ahead of placement.

While the formal process is approx. 6 months at the end of the period, establishing ourselves on a pathway to that listing instils a discipline that can only benefit ep group today.

Other

If you have secured patents, are they assigned to an individual, to the company, or licensed in?: N/A

Have you participated in any accelerator or incubator program?: No

Business Plan (pdf, pptx, docx): <files.dealum.com/2022-11/ymm2q3ps8qdo...>
