

Private Placement Memorandum

April, 2025

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The investment units will not be registered under the Securities Act of 1933 (or applicable law in the UK or Spain), and may not be sold or transferred without compliance with all applicable federal, state or other securities laws. An investment in an investment unit will involve certain risks. As such, investors should have a tolerance for, and adequate financial resources to accept the risks and liquidity constraints characteristic of this type of investment. Each investor purchasing an investment unit will be required to make certain representations to IM-Capital Europe & UK Ltd, including, but not limited to, representations as to the investor’s investment intent, degree of sophistication, understanding of and ability to bear the economic risks of this investment.

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Executive Summary

IM-Capital Europe & UK Ltd is a **UK-focused search fund** established to identify, acquire, and operate a privately held company with **an enterprise value between GBP 5 million and GBP 20 million**. The fund offers investors the opportunity to participate in a **staged investment structure**, supporting both the search and the acquisition of a high-potential business in one of three core sectors: **Products & Services to Manufacture, Services to the Construction Industry, and Durable Goods**. These sectors are fragmented, consistently profitable, with recurring B2B revenue profiles and underpinned by structural trends such as digital transformation, automation and shift toward more sustainable practices. Finally, **they have outperformed UK GDP** over the last decade and are **forecasted to grow at 1.5x the rate of the broader economy**.

IM-Capital's search will be primarily industry-focused, complemented by opportunistic deals in adjacent sectors. The UK's stable, transparent, and mature market supports proprietary and brokered deal sourcing. The fund's value creation approach combines hands-on leadership, operational excellence, and a commitment to delivering social impact through sustainability, inclusion, and community engagement.

IM-Capital Europe & UK Ltd seeks to raise **GBP 360,000** through the issuance of **investment units of GBP 24,000 each**, targeting a maximum of **15 investors for the search phase**. This capital will fund a **dedicated search period of up to 24 months**, during which the Principal will focus full-time on identifying and evaluating acquisition opportunities that meet the fund's strategic criteria.

Principal Background

Anderson Gomez brings over 15 years of international experience across the durable goods, industrial, and construction-related sectors, similarly to those targeted by IM-Capital Europe & UK Ltd. He has held leadership, financial, and commercial roles in family-owned SMEs, private equity-backed firms, and publicly listed companies in the UK, Colombia, and Venezuela. His track record includes delivering measurable results in operational efficiency, market expansion, and business transformation, capabilities directly aligned with the demands of post-acquisition leadership in the UK lower mid-market.

Anderson's skill set covers go-to-market strategies, product and service innovation, and disciplined working capital management, all creation levers in fragmented, B2B sectors such as manufacturing and construction services. He has led cross-functional teams and driven change in regulated, competitive environments, bringing the strategic discipline and executional focus needed to scale businesses in a sustainable way.

Combining professional performance with a commitment to continuous learning, Anderson holds three postgraduate degrees earned while working full-time. He actively engages in projects that develop strategic insight or deliver social value. His leadership style is rooted in trust, empathy, and influence, enabling him to foster strong relationships across all levels of an organisation and create inclusive environments that promote growth, innovation, and positive impact.

Investment Structure

For each unit purchased, investors will receive:

Right of First Refusal: Investors will have the right, but not the obligation, to participate in the equity financing of the acquisition phase. Each investor is expected to have the opportunity to invest a significantly larger amount in the acquisition, proportional to their initial contribution.

Investment Step-Up: All initial investments will be converted into securities in the acquired company and stepped-up by 50%, structured as a combination of redeemable and participating preferred equity, on pari passu terms with capital provided at the acquisition round.

The acquisition will likely be financed through a combination of **bank debt, seller financing, and investor equity**.

Search Strategy

IM-Capital Europe & UK Ltd will execute a disciplined and structured **Country-focused search** strategy across five core stages:

1. Raise the Search Fund (2–6 months)
2. Source & Evaluate Opportunities (1–24 months)
3. Finance & Close a Transaction (2–6 months)
4. Operate the Business (4–6 years)
5. Exit the Business (4–8 months)

The search will focus on acquiring a company within the Products & Services to Manufacture, Services to the Construction Industry, and Durable Goods. These sectors offer strong fundamentals and align closely with Anderson's operational and commercial experience:

Financials	Target Business
These industries allow get recurring and repeated revenue streams.	Strong Middle Management
Search pool is around 7.5k firms, with an important participation of firms with Annual EBITDA over GBP 2 million,	Product or Service range with potential to cross sell and upsell current customer base
Cash flow positive for 3 years at least	Opportunity for Anderson to add value
Low to Medium ongoing capital expenditures	Stable customer base & Low customer concentration and churn
Operating margin in the range of 15-25%	Motivated seller
Industry	Geography
3 Sectors: Products & Services to Manufacture, Services to the Construction, and Durable goods.	United Kingdom
Large, Fragmented industries	
Low concentration level, many product/service categories	
Tailwinds due to digital transformation and energy efficiency	
High barriers to entry	

Anderson will allocate his time strategically between proprietary outreach to qualified companies and sourcing through intermediaries, supported by his professional network and deal referral channels. **Please see Appendix C for the Industry Summary.**

Investment Highlights

IM-Capital Europe & UK Ltd offers investors a distinctive opportunity to participate in a well-established and proven investment vehicle, with strong potential for attractive risk-adjusted returns. The fund is structured to take advantage of favourable market dynamics in the lower middle market and leverages the expertise and leadership of an experienced Principal with deep industry knowledge.

Compelling Market Opportunity – The Lower Middle Market Gap

The European lower middle market is significantly underserved by traditional private equity investors. Businesses with enterprise values in the **GBP 5–20 million** range often fall below the thresholds of larger institutional buyers, creating a unique opportunity for disciplined, entrepreneurial acquirers. Many of these businesses face succession challenges, particularly in the **Industrial & Construction sectors within the scope**, where generational transitions and lack of internal successors are increasingly common.

Proven and Structured Investment Model

The search fund model, pioneered in 1984 and now well-established globally, has demonstrated **historically strong returns**. According to IESE Business School, **79% of search funds have acquired companies by 2023**, and produced an average **18.1% interest return rate (IRR) and 2.0x return on invested capital (ROI)**, with top performers returning as much as 31x of investors' capital, validating the efficacy of the staged investment structure and focused operating model¹. It is important to note that this is a novel investment approach outside US and Canada, with 60% of the total international search fund acquisitions being made since 2020. In spaces with deeper historic data, the search fund model shows average IRR of 35.1% and ROI 4.5x².

Sector Focus on Industrial and Service-Based B2B Businesses

IM-Capital Europe & UK Ltd is uniquely positioned to target acquisition opportunities in **Products & Services to Manufacture, Services to the Construction Industry, and Durable Goods**. These sectors are characterised by **fragmented competition, recurring B2B demand, and clear potential for value creation** through operational efficiency, digitisation, and strategic expansion (internationalization and acquisitions).

Principal's Operational and Strategic Experience

Anderson Gomez offers a robust combination of operational rigour, strategic insight, and sector alignment. With over 15 years of experience across durable goods, manufacturing services, and construction-related industries, he is uniquely positioned to take on post-acquisition leadership of a B2B company in the UK. His entrepreneurial journey began with launching a new commercial operation in a new country for his family business, navigating market entry challenges, cultural dynamics, and the operational resilience required to succeed in uncertain environments.

At Fluidra, a global leader in pool and wellness equipment, Anderson played an active role in driving corporate turnaround efforts and financial discipline. He developed a strong focus on

aligning operational levers with long-term value creation, approach well suited to the profitable but fragmented sectors IM-Capital targets. His work with UK-based, multi-billion-euro distributors further sharpened his commercial expertise, delivering improvements in gross margin, channel development, and competitive positioning.

Currently serving as Non-Executive Chairman of his family's Venezuelan business, Anderson oversees strategic planning and governance, acting as a key bridge between shareholders and operational leadership. He is focused on long-term sustainability, succession planning, and performance alignment.

His structured, hands-on approach to value creation, combining strategic clarity, financial discipline, and operational excellence, makes him ideally placed to integrate, professionalise, and grow a UK-based SME with resilience and purpose.

Strong Alignment of Interests

Investor and Principal interests are strongly aligned. Investors benefit from a 50% investment step-up, while the Principal's carried interest is performance-based and contingent on delivering long-term value. This alignment reinforces a shared commitment to success and maximising investor returns.

Resilient and Adaptive Leadership

Anderson's leadership style—built on empathy, influence, and adaptability—is a core asset in navigating the complexities of acquisition and business transformation. His history of combining academic excellence, entrepreneurial side projects, and international leadership roles demonstrates resilience and a commitment to learning and execution.

Principal Background

Professional Experience

Anderson Gomez is a seasoned executive with over 15 years of experience in the durable goods, manufacturing services, and construction-related sectors. He has held senior roles in family-owned businesses, private equity-backed firms, and listed multinationals across the UK and Latin America. His career spans leadership of commercial and operational transformations, launching new business units, restructuring underperforming operations, and expanding into underserved or fragmented markets, directly aligned with IM-Capital's investment strategy.

At **Fluidra**, a global leader in pool and wellness equipment, Anderson led the turnaround of its Colombian operations, focusing on bad debt recovery, inventory optimisation, and a reduction in collection days, strengthening financial discipline and cash flow. At **Highbourne Group**, a leading UK building materials distributor, he currently leads the nationwide showroom transformation programme, overseeing the retrofit of 290+ retail locations. He has successfully delivered phased project plans involving supplier negotiations, stakeholder alignment, and capital allocation. He also spearheads digital initiatives across the customer journey. These initiatives are directly improving customer engagement (more frequency and basket size) and gross margin. All levers applicable to the sectors and businesses targeted by the fund.

He brings deep operational know-how and strategic focus through experience managing cross-functional teams, working with international suppliers, and executing cost-efficiency and growth strategies, all crucial for leading a post-acquisition SME to its next stage of development.

Education

Anderson holds a bachelor's degree in Economics and three postgraduate degrees in Public Management, Risk Economics, and Business Administration, all completed while working full-time. He has been awarded three academic scholarships, one at undergraduate level and two for postgraduate studies, recognising both his academic and leadership potential. This foundation underpins his structured decision-making, financial acumen, and long-term value creation approach.

Personal

Originally from Venezuela, Anderson is based in Manchester, UK, and is fluent in both English and Spanish. He is married and a proud father to his two-year-old son, Matteo. Passionate about social impact, he has worked as a pro bono consultant for UN Women UK and contributed to initiatives at Save the Children International. Committed to leadership development, he mentors MBA candidates, supports internships, judges business competitions, and remains active in alumni networks. He enjoys football and running as part of his commitment to a healthy and balanced lifestyle.

Please see Appendix A for a complete copy of Anderson's resume.

Investment Opportunity

IM-Capital Europe & UK Ltd is a search fund formed to identify, acquire and operate an existing private company with initial enterprise value between **GBP 5.0 and GBP 20.0 million**. The fund will allow the Principal to conduct a full-time search for a period of up to 24 months.

Overview of Search Fund Model

Conceived in 1984, the search fund is an investment vehicle in which investors financially support a manager's efforts to locate, acquire and manage an existing private company. To date, over 320 international search funds have been raised outside of the US and Canada.

In a search fund model, capital is raised in two distinct rounds of financing. In the first round, funds are invested into the search fund entity (e.g IM-Capital Europe & UK Ltd) to cover operating expenses and allow the Principal to draw a salary while conducting a professional search to acquire an existing private company. In return, search fund investors obtain the right, but not the obligation, to invest in the second round of financing, the acquisition round. All funds invested in the first round will automatically be converted to securities in the acquired company and stepped-up by 50% (i.e., for every \$1.00 invested in IM-Capital Europe & UK Ltd the investor will receive \$1.50 of securities of the acquired company) and structured as a combination of redeemable equity and participating preferred equity.

A 2023 study of 325 "first time" search funds (funds raised by management teams without prior search fund experience) by the Stanford Center for Entrepreneurial Studies shows average investor returns of 33.7% per year and an average multiple on invested capital of 6.9x. (full text provided in **Appendix E**). The data for international Search Funds is too new to draw conclusions (only 15 exits with positive return and 6 failing companies as of December 2023 according to IESE Business School)¹.

Five Stages of the Search Fund

The search fund model is executed over five distinct stages, the entirety of which can last anywhere from five to eight years.

	Search Fund Timeline	Stage Time
Stage 1	Raise the Search Fund	2 - 6 Months
Stage 2	Source & Evaluate Opportunities	1 - 24 Months
Stage 3	Finance & Close a Transaction	2 - 6 Months
Stage 4	Operate the Business	4 - 6 Years
Stage 5	Exit the business	4 - 8 Months

Stage 1:

Raise the Search Fund IM-Capital Europe & UK Ltd is raising **GBP 360,000** through the sale of **15 Units** priced at **GBP 24,000 each**. This initial capital is intended to sustain a search for up to 24 months. For each Unit purchased, investors will receive:

Right of First Refusal. Investors will have the right to participate in financing the acquisition, but are not obligated to do so. Depending on the size and structure of the acquisition, investors have the opportunity to invest another **GBP 83,334 to GBP 1,066,667** per unit at the time of acquisition. Investors will be given the opportunity to provide 100% of the required equity in order to prevent dilution from outside investors.

Investment Step-Up. All Units will be converted to securities in the acquired company and stepped-up by 50%, structured as a combination of redeemable equity and participating preferred equity on terms pari passu with the investor capital provided in the acquisition round of financing (i.e., for every \$1.00 invested in IM-Capital Europe & UK Ltd the investor will receive \$1.50 of securities of the acquired company). This 50% step-up is meant to compensate the initial investors for the increased risk of investing in the first round of financing.

Operating expenses for IM-Capital Europe & UK Ltd are projected to be **GBP 291,000** for a 24-month search without including due diligence cost pre acquisition. These costs include salaries and benefits for the Principal, office space, travel, communications, research, and deal expenses. Specific expenses incurred during diligence and documentation of the acquired company will be included as part of the transaction's purchase price. A detailed search budget is as follows:

Search Budget: IM-Capital Europe & UK Ltd Representative Search Budget. Table

Expense	Year 1	Year 2	Total	% of Total
Principal Draw	£79,500	£79,500	£159,000	44.2%
Benefits & Insurance	£14,300	£14,300	£28,600	7.9%
Set up cost. SF Formation	£10,000	0	£10,000	2.8%
Rent, Office & Admin.	£15,500	£15,500	£31,000	8.6%
Research& Marketing	£3,400	£4,000	£7,400	2.1%
Interns	£12,000	£12,000	£24,000	6.7%
Travel	£8,460	£11,540	£20,000	5.6%
Due Diligence	£24,000	£45,000	£69,000	19.2%
Contingency	£4,000	£7,000	£11,000	3.1%
Total	£171,160	£188,840	£360,000	100.0%

IM-Capital Europe & UK Ltd is interested in assembling a diverse investor base with expertise in successfully sourcing, investing, financing, operating, growing and exiting private companies. IM-Capital Europe & UK Ltd is also interested in identifying investors who have the time and interest to provide mentoring and advice throughout the search fund process, especially in the form of Board of Directors during the operating stage.

IM-Capital Europe & UK Ltd welcomes any level of investor participation and believes the credibility associated with a distinguished investor group will aid in approaching and negotiating with business owners.

Stage 2: Source & Evaluate Opportunities

IM-Capital Europe & UK Ltd will be based out of Manchester (UK) and will perform a highly targeted and yet opportunistic nationwide search to generate deals that meet IM-Capital Europe & UK Ltd's acquisition criteria. Companies will be evaluated against the following dimensions:

Financials	Target Business
These industries allow get recurring and repeated revenue streams.	Strong Middle Management
Search pool is around 7.5k firms, with an important participation of firms with Annual EBITDA over GBP 2 million, and operating margin in the range of 15-25%	Motivated seller
Cash flow positive for 3 years at least	Opportunity for Anderson to add value
Low ongoing capital expenditures	Stable customer base
	Low customer concentration and churn
	Product or service range with potential to cross sell and upsell current customer base
Industry	Geography
3 Sectors and 6 subsectors: Products & Services to Manufacture (Measuring, testing, navigation, and 3D printing), Services to the Construction (Project Management), and Durable goods (Kitchen & Office furniture).	United Kingdom
Large, Fragmented industries	
Low concentration level, many product/service categories	
Tailwinds due to digital transformation and energy efficiency	
High barriers to entry	

Experience has taught Anderson that, in a competitive marketplace, very rarely do companies fit all the characteristics listed above and are available on terms capable of generating attractive returns to search fund investors. Anderson believes that efficient searching is an exercise in holistically evaluating companies based on limited data and learning quickly which of the above attributes are worth compromising on.

At a minimum however, companies must possess the following characteristics:

Minimum Company Attributes
Stable customer base
Opportunity for Anderson to add value
Privately held and based in the United Kingdom
Ownership stake above 90% for sale
Cash flow positive for 3 years at least
Minimum EBITDA margin of 15%
Minimum annual EBITDA of GBP 1 million

Anderson believes the optimal search strategy consists of 60% of time dedicated to targeted proprietary outreach to qualified companies in a select set of industries, and the remaining

40% of time dedicated to opportunistic lead sourcing through intermediaries. This is acknowledging the reality of the UK market, where sellers tend to work with brokers/intermediaries. Anderson's past experience has taught him that brokered deals often result in acquisition prices too high to yield an acceptable return to a search fund, but that brokers can be an invaluable resource for learning about and identifying new industries to target.

Anderson's [prior search fund experience] has also taught him that, particularly in deals generated through proprietary outreach, the willingness of the seller to accept terms capable of generating attractive returns to investors is often the biggest barrier to deals, rather than any of the terms listed above. To this end, Anderson believes that a key component of searching best practice is to rapidly send non-binding indications of interest for purchase at a 4-5x EBITDA multiple to sellers after one or two phone calls with business owners to determine if the business fits the minimum attributes. Sending an indication of interest early in the owner interaction process both shows the seller that IM-Capital Europe & UK Ltd is serious about completing an acquisition but also anchors a price in the seller's mind and acts as a filter to prevent wasting of valuable and finite search resources on sellers with incompatible price expectations.

Anderson intends to utilize his network in the Search Fund and M&A professionals as well as hire part time interns to help build up his database for proprietary outreach, so that he can minimize the amount of time on lead generation when he starts searching full-time. Anderson also intends to leverage his personal network to identify leads, which will include the use of a financial reward for productive lead referrals.

Stage 3: Finance & Close a Transaction

IM-Capital Europe & UK Ltd intends to finance the acquisition through a variety of sources, including:

Bank Debt. Bank debt will constitute a significant portion of the acquisition financing.

Typical revolving credit facilities provide advances against a negotiated borrowing base, such as 80% of accounts receivable and 50% of inventory. Senior term debt can be either asset-based or cash flow-based. Asset-based loans are determined primarily on the liquidation value of the company's fixed assets. Cash flow loans are predicated on the company's earnings. While search funds in the past have been able to secure bank debt for a substantial portion of the overall purchase price, the availability, interest rate and other terms for such debt will depend on the quality of the company's assets and cash flow and on the general lending environment at the time of purchase. IM-Capital Europe & UK Ltd will build on the Principal's and Investors' existing senior lender relationships and cultivate new relationships throughout the search process.

Institutional Subordinated Debt. Institutional subordinated debt, also referred to as mezzanine debt, may constitute a portion of the eventual capital structure. Mezzanine debt is structurally subordinate in priority of payment to senior debt but typically ranks senior to seller financing and investor capital. As with the senior lender market, the availability, interest rate and other terms for mezzanine debt will depend on the quality of the company's cash flow and on the general lending environment at the time of purchase. IM-Capital

Europe & UK Ltd will build on the Principal's and Investors' existing mezzanine lender relationships and cultivate new relationships throughout the search process.

Seller Financing. Owners of companies in IM-Capital Europe & UK Ltd's target range are often willing to accept a stream of future payments as part of the acquisition. Typical structures include seller paper and/or earn-out provisions. The availability and extent of seller financing is influenced by several criteria, including the seller's need for immediate liquidity, his/her tax situation and his/her desire to remain involved with the business. Previous search funds have shown that if the external lending environment is poor then seller financing is a convenient way to close the funding gap.

Investor Capital. IM-Capital Europe & UK Ltd anticipates that **investor capital will represent between 25% and 80% of the capital required to fund the acquisition.** Based on a targeted transaction size of between GBP 5.0 million and 20.0 million, investor capital will likely total between **GBP 1.25 million and GBP 16 million.** This amount represents roughly GBP 83,334 to GBP 1,066,667 per Unit. Investor capital may include a combination of redeemable equity and participating preferred equity. The ultimate capital structure will depend on specific acquisition and investor preferences.

Illustrative transaction economics can be found in Appendix B. **Please note the ultimate transaction size, structure and financial results may vary significantly from that which is depicted in Appendix B.**

Stage 4: Operate the Business

Following completion of the acquisition, the Principal will assume the role of President and/or CEO of the acquired company. For the first 180 days, the Principal will be focused on acclimating himself with the acquired business, without disrupting the status quo. The diligence process will provide an important foundation, however it is anticipated that significant time and energy will be required to gain a more thorough understanding of the business, to establish credibility with the existing management team and to formulate a strategy for the business.

Additionally, during the first 180 days, the Principal will evaluate the strength of the existing management team, paying careful attention to how the strengths and weaknesses of the existing team overlay the current and future risks and opportunities of the business. The Principal, with the help of the investor group, will include an assessment of his individual strengths, weaknesses, interests, and areas of relevant expertise in this analysis in order to paint a complete picture of the management situation at the acquired company. The Principal anticipates making additions to the management team in the first twelve to eighteen months after acquisition. Representative additions may include upgrading the finance and accounting team with the addition of a qualified Chief Financial Officer and/or hiring an experienced sales executive as a new Vice President of Sales. While change can be disruptive, the Principal believes that it is important to thoughtfully assemble a team that embrace traditional values of hard work, integrity, humility and teamwork and can accelerate the growth of the business.

The Principal will recruit a Board of Directors for the acquired business. The Board of Directors will consist of between three and five investors or other leaders in the company's

industry. The Principal is interested in assembling a Board of Directors consisting of individuals with expertise in operating, growing and exiting private companies as well as those with an interest in coaching and mentoring the Principal throughout the life of the investment.

Stage 5: Exit the Business

Investment in IM-Capital Europe & UK Ltd should be viewed as a long-term investment, as investor returns will primarily come from the Principal's ability to increase the value of the acquired company. IM-Capital Europe & UK Ltd expects to grow the company so long as it remains attractive for both the investors and the entrepreneur. Although no assurances can be given, the average holding period in the search fund universe is 7 years. Although liquidity will most likely come from a sale of the business, the Principal may in fact remain with the business following a sale, depending on the buyer and the continued growth prospects of the business. In certain situations investors with a longer-term investment horizon may be able to maintain their investment in the business. In addition to a liquidity event through sale, IM-Capital Europe & UK Ltd will explore additional opportunities to maximize investor returns such as recapitalizations and share repurchases. As such, the duration of the investment could vary substantially from the initial expectations of five to eight years.

Investor Returns

Through the acquisition and active management of its company, IM-Capital Europe & UK Ltd targets a 35% internal rate of return on investor capital (IRR). This IRR target, which is comparable to the returns of previous search funds, will be used to evaluate all investment opportunities. Investor returns on equity will not be capped in any way.

Principal Carried Interest

The Principal will earn common equity in the acquired company in return for identifying and acquiring the target company, and for achieving agreed upon operating results. The Principal expects to have the opportunity to earn up to a 25% share of the common equity. The earned equity is comprised of three parts: one third will be allocated at the close of the acquisition; one third will be based on management service and will vest evenly over a period of four years; and the final one third vest on a straight line basis as starting at 20% IRR and fully vesting at 35% IRR. In addition, an employee equity pool will be granted for up to 5% of the company's common equity. Employee will be used as a combination of time and performance-based incentives for employees, excluding the Principal, and must be approved by the Board of Directors prior to issuance. The Principal will suffer pro-rata dilution from the equity pool.

Investment Risks

The search fund model attempts to minimize risk for investors via a staged financing structure, but it is not risk free. While IM-Capital Europe & UK Ltd's search, acquisition and management process will utilize best practices outlined in this document, the search fund has risks characteristic of investment vehicles that pursue superior returns. Significant risks include:

Inability of IM-Capital Europe & UK Ltd to Find an Acquisition Target: There is no guarantee that IM-Capital Europe & UK Ltd will be able to identify and then close a suitable transaction. If this were to occur investors would lose their initial search capital. Approximately one-fifth of all known first-time search funds fail to make an acquisition outside US despite the best efforts of the search fund partners over a two-year time horizon. Even if a suitable target is found, there is no guarantee that a transaction can be completed at an acceptable price.

Unappealing Proposed Acquisition for Search Fund Investor: IM-Capital Europe & UK Ltd will work closely with investors throughout each stage of the acquisition process, communicating regularly regarding specific industries and companies. However, the possibility exists that a proposed acquisition may not fit with an investor's profile or personal taste. If this is the case, the investor is not obligated to invest additional funds in the acquisition and will still receive an appreciated carried interest/step up related to his/her original investment.

Inability of IM-Capital Europe & UK Ltd to Complete Acquisition Successfully: IM-Capital Europe & UK Ltd's successful acquisition of a target company will be dependent on its ability to acquire debt financing, the willingness of investors to participate in the equity financing, and factors outside the Principal's control, such as seller willingness and market conditions. The Principal will attempt to assess seller willingness and market conditions as he pursues opportunities, but must be prepared for some uncertainty regarding these issues.

Poor Performance of Acquired Company: The possibility exists that unidentified problems with the target company will surface after completing the transaction. IM-Capital Europe & UK Ltd will implement thorough and professional due diligence to reduce unforeseen risks and to ensure the financial health and operational performance of the company. The use of seller financing and earn outs will provide incentives for the selling party to provide full and open disclosure and to add value to ongoing operations after the acquisition. Nonetheless, despite aggressively pursuing operating targets and financial plans, there is no guarantee that the company performance will meet predetermined hurdles.

Inability of IM-Capital Europe & UK Ltd to Manage Acquired Company: Because the future performance of the company is tied to the incoming and current management team's abilities, the Principal is committed to gathering the appropriate skills necessary to lead the company successfully. In addition to his own abilities, he will rely on industry partners, directors, advisers, consultants and new hires to bring requisite skills into the company.

Illiquidity of Investment: Since the investor units will not be registered under the Securities Act of 1933 (or applicable law in the UK, Spain and Italy), there will be no public market for them, and the ability to resell them will be limited. Investor returns may be realized through interest payments, unit redemption and possible equity liquidity events, such as the sale of the company, initial public offering, or recapitalization. An investment in a search fund is an illiquid investment and there is no guarantee that the investors can achieve liquidity within the projected timeframe.

Limited Operating History: IM-Capital Europe & UK Ltd has no operating history. The determination to become a member must be made primarily on the basis of one's appraisal of the ability of the Principal of IM-Capital Europe & UK Ltd to achieve the proposed objectives discussed in this Memorandum.

Management Risks: IM-Capital Europe & UK Ltd will be substantially dependent upon the efforts of the Principal, with respect to the identification of the target company and the operation of such company post-acquisition. The death, disability or withdrawal of the Principal could have a material adverse effect on the ability IM-Capital Europe & UK Ltd to locate a suitable acquisition target or operate such a company post-acquisition.

Unknown Tax Impact: The operation of IM-Capital Europe & UK Ltd and the tax consequences of an acquisition and future sale of the acquired company are substantially affected by an investor's personal, legal and tax situation. Potential members are highly encouraged to consult their personal tax, legal and other advisors prior to making a decision to invest in IM-Capital Europe & UK Ltd.

IM-Capital Europe & UK Ltd will attempt to mitigate risk factors by aligning the interests of investors and management, conducting extensive due diligence and by reducing exogenous factors related to industry and company operations. Nevertheless, there can be no guarantee that investors will recover their initial investment or realize the projected returns. Investors may experience a substantial or complete loss of invested capital and therefore must be capable of bearing that risk.

Please go to Appendix D for more detail on specific actions that IM-Capital Europe & UK Ltd is taking to mitigate the risks.

Appendix A: Anderson Gomez Resume

Career Profile

With 15 years of international experience in 3 different countries, I have led cross-functional teams and managed P&L ownership in business divisions with over \$5m annual sales, delivering impactful results for both sales and profits uplift. Currently, I'm working on increasing the bathrooms division turnover at Highbourne Group Ltd (a UK National Merchant) from £70m to £120m in 5 years.

Education

- 2019 - 2021 ALLIANCE MANCHESTER BUSINESS SCHOOL, Manchester, UK**
FT MBA Programme
 UoM MBA scholarship recipient
 • Emphasis in International Business Strategy, Finance Restructuring, and Corporate Finance.
- 2015 - 2015 UNIVERSIDAD DE LOS ANDES, Bogotá, Colombia**
Specialization in Risk and Information Economics
 • FX hedges, derivatives instruments, and financing sources.
- 2012 - 2013 INSTITUTO DE ESTUDIOS SUPERIORES DE ADMINISTRACION (IESA), Caracas, Venezuela**
MSc Public Management
 LIDERA -promising leaders scholarship recipient. 2nd Cohort
- 2006 - 2011 UNIVERSIDAD CENTRAL DE VENEZUELA (UCV), Caracas, Venezuela**
BSc Economics
 2009-2010 Academic Excellence Acknowledgement. 3rd position

Experience

- 04/2021 – Present Highbourne Group Ltd, Northampton, England**
Highbourne G. is one of the largest merchants operating in the UK, owned by H.I.G Capital (PE backed), with over 3,500 colleagues, 350 branches and £1.3Bn in annual sales.
Business Development Manager
 • I drove digital product development from Dec 2021 to August 2022 with 28 releases comprising 65% new features. To do that, I managed 3 delivery teams comprising 18 individuals.
 • I developed a credit option for retail customers, raising sales by £2m in 2024, and increased order value by 78%, from £1k to £1.78k.
 • I enhanced the virtual sales journey by instituting instant a booked appointments on bathrooms.com, uplifting sales by £1.1m in 2023 and £800k in 2024.
 • I managed stakeholders and cross functional teams to deliver the showroom upgrade in 2023 and 2024, changing the displayed products on 290 stores.
 • Alongside the Managing Director and the Head of Bathrooms, we launched a project to add more than 1.5k new own brand products to our range, boosting gross margin in 2% points.
- 03/2021 – Present LA CARPETA C.A.**
Family-owned office furniture company based in Venezuela and Colombia.
Non-executive Chairman of the Board
 • In 2022, established corporate governance guidelines, defining salaries, benefits, and annual performance targets for family directors and shareholders.
 • From 2021 to 2023, La Carpeta achieved a 300% revenue increase, surpassing initial targets. Strategic alignment between the board and directors was key in this success.
- 07/2020 – 10/2020 INTEGRA LEDGER, INC., Denver, USA**
Integra is a blockchain start-up designed specifically for the world's legal industry.
Global Market Development Manager – Global Internship Program
 International role working remotely in a global setting, with 4 time zones.
 • Developed a lead generation strategy tailored for the European Banking industry.
 • Led a team of 25 interns through agile methodologies for 4 weeks to successfully deliver a prototype for 1 of the top 5 law firms in the UK.
- 07/2016 – 08/2019 FLUIDRA COLOMBIA SAS, Bogotá, Colombia**
Fluidra is a swimming pool company within the IBEX 35 (Public listed, Spain), £1Bn annual sales and 5.5K employees worldwide.
General Manager Colombia
 I had P&L ownership and outperformed country's KPIs by:

- 12/2018 – 08/2019**
- Achieved the highest historic EBITDA of the company in Colombia, by selling dead stock, improving turnover of low-rotation inventory, and recovering bad debts.
 - Increased revenue by 7% year-on-year (YOY) by segmenting the customer base and increasing the share of wallet with the top 20% of our customer base.
 - Mentored high performing teams, setting high standards, providing training on customer analytics and building a collaborative environment of mutual support.
 - Commercial management resulting in the acquisition of lucrative new clients. Strengthened client relationships to establish long-term partnerships, exceeding client expectations.
- 07/2016 – 11/2018** **Finance Manager**
- Drove a 50% improvement in Net Working Capital within two years, optimising accounts payable, reducing stock rotation days, and accelerating accounts receivable collections by 28%.
 - Improved the customer credit policy, elevating credit-based sales from 30% to 60%.
 - Led end-to-end financial planning for the Colombian branch, from annual budgeting to precise forecasting and reporting on a monthly, quarterly, and annual basis.
 - P&L reporting, ensuring monthly control and annual reconciliation in compliance with local GAAP & IFRS, liaising effectively with central office and international audit team.
- 05/2013 – 06/2016** **LA CARPETA C.A., Bogotá, Colombia**
Head of Finance Colombia
P&L ownership & effectively manage stakeholders through internal controls & accuracy..
- 06/2014 – 06/2016**
- In 5 months, built a robust market entry strategy and business plan for Colombia, collaborating with consultancy firms to grasp the competitive landscape and local customers.
 - Spearheaded the establishment of the Colombian branch, navigating legal, tax, and regulatory landscapes while cultivating strong relationships with service providers.
 - Proactively managed working capital, by liaising with banks to maintain enough cash, negotiating extended credit terms with suppliers, and ensuring prompt client payments.
- 05/2013 – 05/2014** **Head of Business Strategy (HQ, Caracas, Venezuela)**
- Crafted a comprehensive 5-year strategic plan, charting a strategic roadmap for sustainable growth.
 - Established and led the Project Management Office (PMO), crafting operational plans for each business unit, complete with area-specific objectives, KPIs, and precise timelines.
- 07/2011 – 04/2013** **VOLUNTAD POPULAR ACTIVISTAS (VPA), Caracas, Venezuela**
Political organisation founded in 2009.
Executive Secretary of the National Office
- Created the strategic planning to connect the 5-year goals with the operational plan.
 - Cross-functional team leadership: Led 5 teams of 28 people and a budget of 3M USD to manage a 4-month campaign, achieving 112% of the target votes, saving 11% of the cost per vote.
 - Programme management: Managed a consultation process of 500 people across 12 cities in a 3-month sprint, executing 60 activities of different sorts.
- 08/2007 – 07/2010** **LA CARPETA C.A., Caracas, Venezuela**
International Trade Manager
- Led supplier relationships across Colombia, China, Italy, Brazil, and Czech Republic, fostering cultural understanding and building an extensive international network.
 - Represented the company as a buyer at trade fairs in Colombia and China, mastering international etiquette in the furniture industry.

Additional Skills

Languages	Spanish (native), English (fluent)
Skills and IT	<p>Sales and Operations management, Team Leadership, Teamwork, Business Strategy, New Business Development, Project planning, P&L management , Financial Planning & Analysis, Supply Management.</p> <p>EVIEWS, Excel modelling. Experience working with ERP and BI systems like HYPERION & COGNOS; Product management tools Jira & ProductBoard. Data tools based SQL and BigQuery - Google Looker.</p>
Interests	Football player and runner. Additionally, I'm an advocate of closing the gap of social inequalities. In Venezuela, I worked for 3 years with a political organisation creating public awareness on social and economic inequalities. In Colombia, I supported NGOs like Save The Children International to understand the situation of children at the Colombian border, and with the National Assembly of Venezuela to promote international actions for the Venezuelan refugees. In 2020, I supported the UN Women UK designing programmes to strengthen participation channels and engagement towards the equality gender agenda.

Appendix B: Illustrative Transaction Economics

- The presentation of the data is based on web research as of Apr 2025. The underlying financial model, and how to present the data will improve and adjust to best practices as Anderson receives feedback from the investor community.
- Below is 1 case, for an Industrial Good company in the UK.
- The value creation for investor comes from 3 main sources: deal at acquisition (multiple and debt raised), the operation of the business, and exit (multiple at exit).

Acquisition target - UK Industrial Goods

Table 1. Appendix B (Target revenue & EBITDA in USD)

KPIs of the Target Acquisition	Figures at Acquisition & Exit	IESE 2024 (Benchmark)	Variance Vs Benchmark	Comments
Total Revenue	\$16,781,021	\$7,800,000	\$5,108,478	
Total EBITDA	\$2,855,002	\$1,872,000	\$324,156	
EBITDA margin	17.01%	24.00%	-6.99	Basic points
EBITDA multiple (Purchase)	5.16	6.25	-1.09	Times multiple
Purchase price to sales	0.88	1.50	-0.62	
Annual revenue growth rate	18.01%	11.00%	7.0	Basic points
Annual EBITDA growth rate	23.72%	13.00%	10.7	Basic points

Table 2. Appendix B

Price & Key deal metrics. Acquisition / Exit	Figures	EBITDA Multiple
Acquisition value	£10,980,778	5
Debt raised (50% Equity)	£5,490,389	
Exit value before Exit Proceeds	£44,559,591	7
Exit proceeds	£2,005,182	
Net Exit Value after debt paid & exit proceeds	£42,274,486	

Table 3. Appendix B. - KPIs per year (Currency in '000)

<i>Years Operating business</i>	<i>Acquisition</i>	<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Total Revenue	12,908		13,554	15,316	18,379	22,974	29,544
Total EBITDA	2,196		2,188	2,300	3,266	4,345	6,366
EBITDA / Sales	17.01%		16.14%	15.02%	17.77%	18.91%	21.55%

Table 4. Appendix B. - Individual Investor's view by investment unit (Currency in '000)

	Property share	0.43%		IRR	40%	MOIC	7.6
SF Stage	Search	Acquisition	Operation	Operation	Operation	Operation	Exit
<i>Years from SF foundation</i>		<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Investment	-24	0	0	0	0	0	0
Company 3 Dividends (Uk - opportunistic)	0	0	0	0	0	0	0
C3 Exit Proceeds	0	0	0	0	0	0	182
Total cash- in-outs	-24	0	0	0	0	0	182

Table 5. Appendix B. - Overall Investors' view, from acquisition (Currency in '000)

	Property share	63.44%		IRR	37%	MOIC	6.5
SF Stage	Search	Acquisition	Operation	Operation	Operation	Operation	Exit
<i>Years from SF foundation</i>	<i>0</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
Investment	0	0	0	0	0	0	0
Company 3 Dividends	0	-5,850	0	0	0	0	0
C3 Exit Proceeds	0	0	0	0	0	0	0
Total cash- in-outs	0	0	0	0	0	0	26,865

Table 6. Appendix B. - Investor sensitivity analysis - IRR

Acquisition Value	10,981	Purchase price / EBITDA = 4x					
Total Raised Debt share at Acquisition / Multiple EBITDA at Exit	0	10%	20%	30%	40%	50%	60%
Same as Acquisition	11.8%	14.0%	16.6%	19.6%	23.1%	27.3%	32.7%
+2x Vs Acquisition	19.0%	21.4%	24.2%	27.3%	31.1%	35.6%	41.4%
+3x Vs Acquisition	22.2%	24.7%	27.5%	30.8%	34.7%	39.3%	45.2%
+4x Vs Acquisition	25.1%	27.7%	30.6%	33.9%	37.9%	42.7%	48.7%

Appendix C: Industry Summaries & Investment Theses

Industry Focus & Investment thesis Summary

IM-Capital Europe & UK Ltd focuses on three sectors:

- **Products & Services to Manufacture**, with emphasis on precision instrumentation (measuring, testing, and navigation) and 3D printing.
- **Services to the Construction**, particularly construction project management.
- **Durable Goods**, with a focus on kitchen, office, and shop furniture manufacturing.

These industries share a set of attractive characteristics: fragmented competitive landscapes, recurring or repeat B2B revenue models, and long-term exposure to structural tailwinds. Over the past decade, these sectors **have consistently outperformed UK GDP** and **are forecasted to grow at least 1.5 times faster than the broader economy over the next five years**.

This growth is supported by long-term megatrends such as:

- Digitalisation & Automation: driving demand for precision tools, robotics, IoT-enabled equipment, AI, and virtualised sales processes.
- Energy Efficiency & Sustainable Practices: fuelling the need for retrofitting, modern materials, and ESG-compliant suppliers & practices.

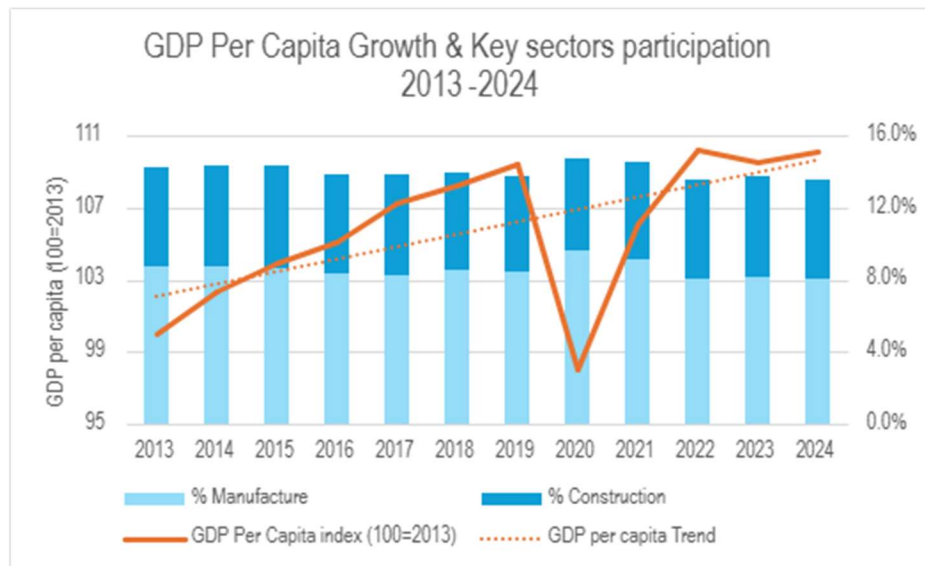
The combination of long-term resilience, industry fragmentation, and operational inefficiencies creates a strong opportunity for value creation through acquisition, consolidation, and strategic leadership.

This focused approach targets a search universe of approximately **7,500 companies** in the UK, generating an estimated **GBP 70.7 billion in annual revenues and 11.4% average EBIT** (Earnings before interest and taxes) margins.

1. UK's Economic Momentum and Key Sector Drivers

Despite slower GDP growth compared to other developed economies, the UK offers a **stable political and economic environment** that enables long-term planning and risk-adjusted forecasting, particularly attractive in a global context marked by rising geopolitical volatility and protectionist trade policies. This stability is further reinforced by the country's mature legal system, deep capital markets, and robust M&A infrastructure.

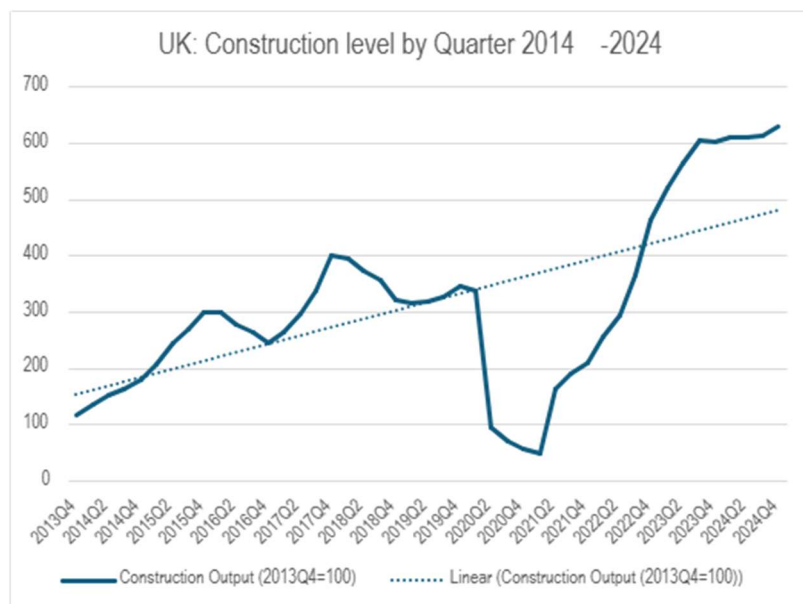
The UK economy has demonstrated steady GDP per capita growth (shown in the graph below since 2013), supported by resilient demand and sound institutions. Notably, Manufacturing and Construction consistently contribute around 14% of GDP, maintaining a steady share of the economic base.



Source: Author using information from Office of National Statistics (ONS) & Trading Economics

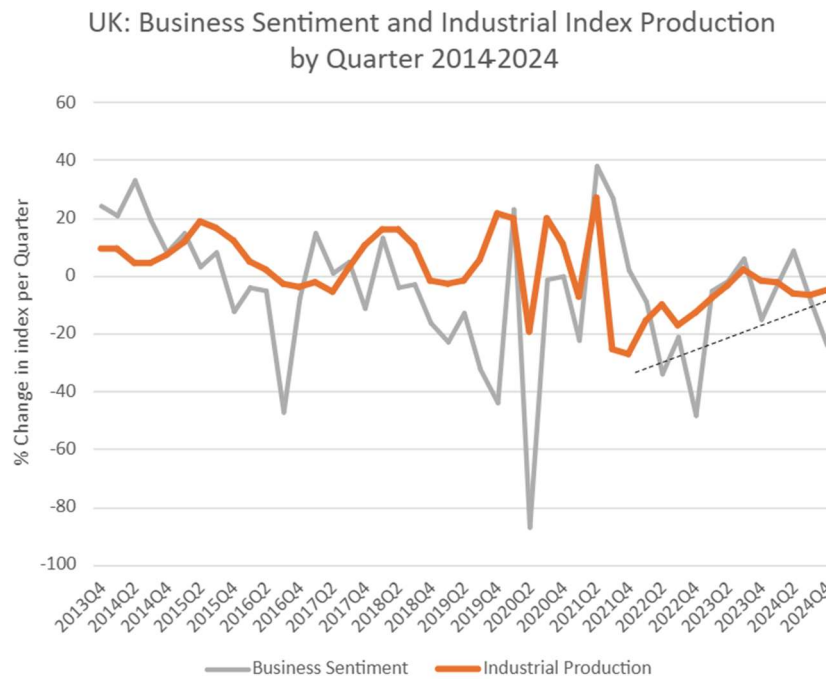
Four macro indicators underline the strength and relevance of the selected sectors:

- **Construction Output:** recovering well post-COVID, with continued demand driven by housing, infrastructure, and renovation despite challenges like rising material costs and economic uncertainty, the industry is poised for steady expansion.



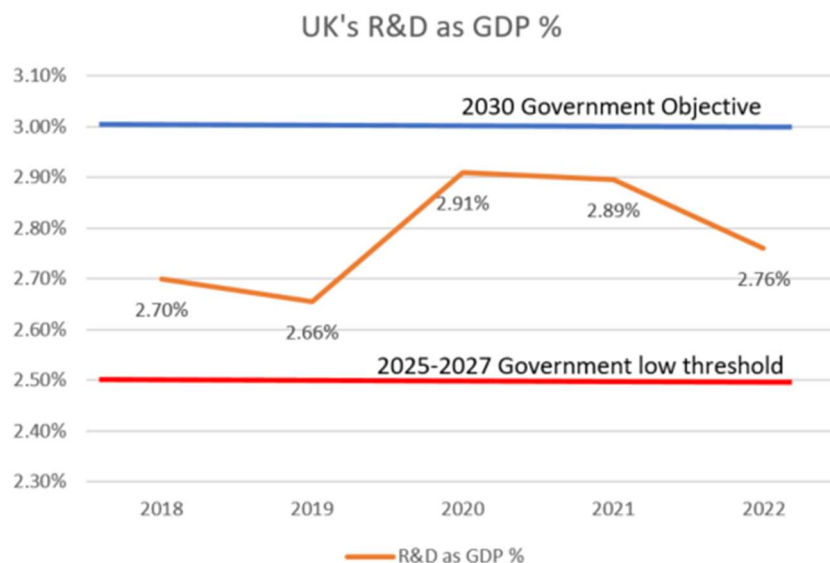
Source: Author using information from Trading Economics

- **Industrial Production Index:** an indicator of manufacturing activity and downstream B2B service needs. It is stabilised above pre-pandemic levels, with positive momentum in high-value manufacturing.
- **Business Sentiment:** which guides investment appetite and reflects early shifts in demand. Despite a dip in business sentiment over the past three years, **industrial production has remained stable across the last five quarters**, supported by a **clear upward trend in construction activity**, which has grown consistently over the last decade..



Source: Author using information from Trading Economics

- Technological transformation driven by R&D investment.** R&D expenditure as a share of GDP has been steadily increasing. **The business sector accounted for the largest portion of this spending**, followed by higher education and government-funded research. the UK government has set ambitious targets to boost R&D investment, aiming to stay above of 2.5% of GDP by 2027 and potentially exceeding 3% by 2030. Sectors like Industry 4.0, digitalisation, and sustainable industrial practices have seen significant benefit from this capital, accelerating innovation and adoption.

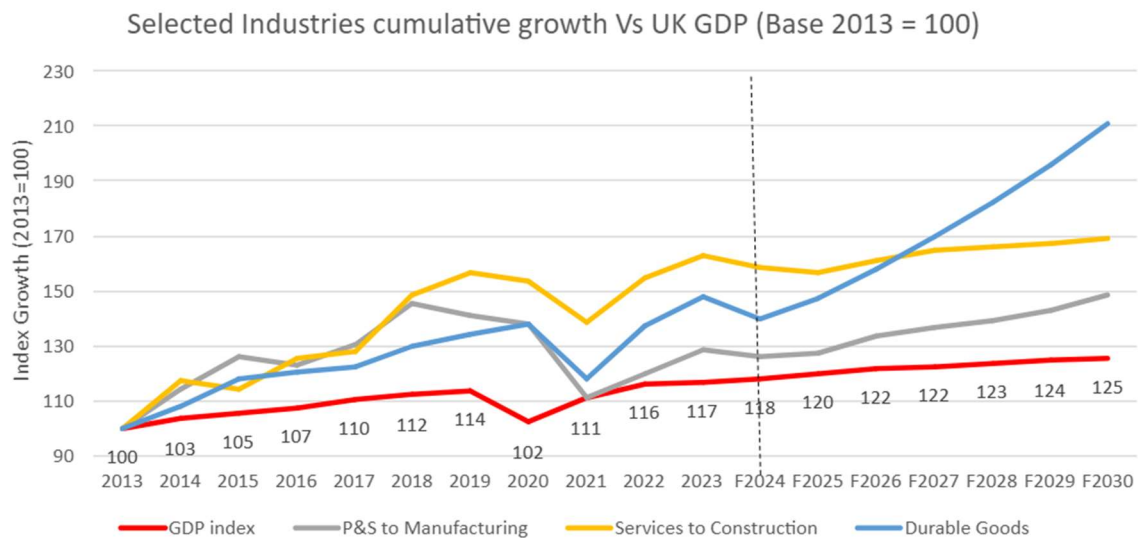


Source: Author using information from ONS

2. Selected Sectors Outperforms the UK's GDP and Show Sustainable Growth Through 2030.

The selected industries have demonstrated consistent outperformance versus the UK's overall economic growth. Historical data from 2013 to present shows that these sectors have grown at a faster annual rate than GDP in over 60% of the observed years, even accounting for the COVID-related downturn.

Looking ahead to 2030, industry forecasts project continued expansion, underpinned by core structural drivers such as digital infrastructure development, ESG regulation, and SME adoption of modern management practices.



Source: Author using information from ONS & IbisWorld, 2024

Below is a table assessing the % annual change in revenue per sector against the UK GDP. “OK” means that the sector outperformed the UK economy growth in that year at least by 1.5x. It is clear that all 3 sectors have outperformed the UK economy at least 60% of the time post COVID.

Year	P&S to Manufacturing	Services to Construction	Durable Goods
2014	Ok	Ok	Ok
2015	Ok	Below	Ok
2016	Below	Ok	Below
2017	Ok	Below	Below
2018	Ok	Ok	Ok
2019	Below	Ok	Below
2020	Ok	Ok	Ok
2021	Below	Below	Below
2022	Ok	Ok	Ok
2023	Ok	Ok	Ok
2024	Below	Below	Below

Pre-Covid	67%	67%	50%
Post-Covid	60%	60%	60%

Source: Author using information from ONS & IbisWorld, 2024³

3. Fragmented Competitive Industries.

Each of the selected sectors features a highly fragmented competitive structure, with a long tail of small and medium-sized operators. This fragmentation presents significant opportunities for consolidation through a buy-and-build strategy or organic market share capture via professionalisation and digital enablement. Owner fatigue, lack of succession planning, and limited investment capacity among smaller firms provide fertile ground for a first-time, operator-led acquisition.

4. Recurring or Repeated B2B revenue models.

Across all three sectors, companies tend to serve repeat B2B customers on a project-based or contractual basis, generating consistent revenue flows. In Manufacturing Services and Project Management, customer relationships are often embedded within supply chains or construction timelines. In Durable Goods, product lifecycles, renovation cycles, and trade networks drive regular purchasing. These dynamic supports cash flow visibility and strengthens the strategic positioning of well-managed businesses.

5. High barriers to entry.

Most of the selected sectors exhibit moderate to high entry barriers, driven by:

- Technical expertise or certification requirements (e.g., in construction services).
- Relationship-based sales cycles and established customer networks.
- Capital intensity and operational complexity (e.g., bespoke furniture or precision testing instruments).

While 3D printing services are comparatively more accessible in terms of initial capital, scaling the business demands advanced software integration, technical credibility, and process automation, factors that still offer protection against commoditised competition.

These factors deter new entrants and increase the value of scale, professionalisation, and operational excellence, key strengths IM-Capital Europe & UK Ltd intends to leverage in its investment strategy.

Industry description by Sector

Products & Services to Manufacture

Why this industry?

The UK's advanced manufacturing sector, particularly precision instrumentation and 3D printing services, offers fertile ground for value creation. These industries have an average profitability above 14%. These niches benefit from sustained demand across high-value industries like aerospace, life sciences, automotive, and electronics. The sector also allows tap into other geographies through exports. The sector remains fragmented, with many SMEs operating in specialised verticals, often with underinvested digital infrastructure and limited strategic leadership. The need for precision, customisation, and reliability creates natural customer stickiness and repeat order flows. As clients demand shorter lead times, higher accuracy, and integration with digital systems, these businesses are well-positioned for modernisation and scale.

Industry Description

2 subsectors:

- **Measuring, Testing & Navigational Equipment Manufacturing:** the production of various appliances for measuring, positioning and for control and regulation, such as for air conditioning and heating.
- **3D Printing & Rapid Prototyping Services:** The companies in this industry focus on the automatic construction of physical objects using additive manufacturing technology. Techniques include melting or softening material to produce layers, laying liquid material thermosets that are cured, cutting thin layers to shape and joining materials together. This industry does not include the sale of 3D printers and supplies.

Key industry indicators:

Revenue (GBP millions)	13,157
Profits (GBP millions)	1,898
Profitability (As % of revenue)	14.43%
Exports (GBP millions)	8,445
Number of Companies	2,209
Number of Employees	64,229
Exports as % of total revenue	64.19%

Source: IbisWorld, 2024⁴⁵

Strategic Assessment

Business Model: High value-added, knowledge-intensive models, often combining design, prototyping, and small-batch manufacturing. Margins are supported by technical expertise, IP, or niche positioning. Customer relationships are typically B2B and long-term in nature.

Megatrends: Strong tailwinds from digitalisation, Industry 4.0, and reshoring of supply chains. The rise of IoT, connected devices, and demand for smart components further expands addressable markets.

Opportunity to Create Value: Operational improvements (e.g., supply chain efficiency), commercial strategy (e.g., pricing, channel optimisation), and M&A-led consolidation. Further upside through internationalisation and product line extension.

Strategic Assessment table:

Assessment Dimension	Measuring, Testing and Navigation Equipment Manufacturing	3D Printing & Rapid Prototyping Services
Fragmentation	Yes, no concentration on customers and fragmented competition (<20% market share of top players)	Fragmentation is maintained due to high demand of bespoke products creating niche markets & specialisation (<15% market share of top players)
Demand outlook	Positive, incremental demand of sensors for automation both in Manufacture, and the IoT are expanding the market	Positive. Automotive, Aircraft Manufacturing & Healthcare all demanding products with faster lead times, better quality and closer to production hubs.
B2B Customer Base	Both recurring and repeated demand from manufacture & automotive industries	B2B model with predictable, project-based and volume-based orders
Recurring revenues & margin opportunities	B2B model with predictable, volume-based orders	B2B model with predictable, project-based and volume-based orders
Opportunity of adding value as New CEO	Yes, internal (entering in new segments) & Exports. Opportunity of Roll-up acquisitions	Yes, Exports
Capital profile	Medium capex intensity	High capex intensity
Barriers to entry	High, IP presence, High knowledge requirement, regulated, mature industry	Low, growing industry, low globalization, technological change level, low regulation
Power dynamics (customers & suppliers)	Medium with customers, low with suppliers	Low customer & supplier power

Services to Construction

Why this industry?

Construction Project Management Services play a crucial role in a sector undergoing profound transformation. The UK construction industry is recovering strongly, with increasing demand for renovation, energy efficiency, and infrastructure upgrades. Yet, most small and mid-sized service providers operate with outdated processes, minimal digital tooling, and most importantly, there is great opportunities to grow through roll-up acquisitions. Project managers are essential for delivery certainty, budget control, and regulatory compliance, especially as buildings become more technically complex. Demand is recurrent, typically driven by ongoing commercial and public sector developments.

Industry Description

1 Subsector:

- **The Construction Project Management Services** industry includes companies that provide planning, supervising and budgeting services to construction projects. Responsibilities include all aspects of client's projects, including estimating, scheduling, designing, engineering and contracting. Companies may also oversee community relations, safety programmes, labour, cost control and coordination with the owner and other construction specialists.

Key industry indicators:

Revenue (GBP millions)	51,466
Profits (GBP millions)	5,301
Profitability (As % of revenue)	10.30%
Number of Companies	2,685
Number of Employees	75,680

Source: IbisWorld, 2024⁶

Strategic Assessment

Business Model: Typically asset-light with fee-based, milestone-driven revenue. Firms often work under framework agreements or as trusted partners within repeat client networks. Scale is limited by management capacity, not market size.

Megatrends: Accelerated need for energy-efficient buildings, government incentives for decarbonisation, and regulatory pressure on timelines and safety. Digital transformation of planning and workflow is also reshaping industry norms.

Opportunity to Create Value: Strengthening project delivery with digital tools, broadening service scope, enhancing commercial proposals, and building scalable internal structures to support growth. Potential for consolidation in local/regional markets.

Strategic Assessment table:

Assessment Dimension	Construction Project Management Services
Fragmentation	Yes, no concentration on customers and diversified industry with 5 categories (Planning, Execution, Quality Compliance & Safety, Communication, Closure)
Demand outlook	Positive, Government pushing housing and infrastructure, and improvement on regulation increase demand. Diversified demand coming from different construction sectors (Residential, Commercial, Infrastructure) and industries
B2B Customer Base	Low customer churn and embedded relationships
Recurring revenues & margin opportunities	Both recurring and repeated demand from commercial & residential construction. Opportunity to scale via acquisitions
Opportunity of adding value as New CEO	Yes, Opportunity to introduce CRM, and remote diagnostics. Scalable platform for regional consolidation (roll up acquisitions)
Capital profile	Low capex intensity
Barriers to entry	High, mature industry, knowledge based, regulated
Power dynamics (customers & suppliers)	Low with both, customers & suppliers

Durable Goods

Why this industry?

The UK furniture manufacturing sector, especially in kitchens, office, and shop fittings, which offers resilient demand and attractive margins. Growth is supported by lifestyle shifts, home improvement cycles, and the redesign of workspaces post-COVID. Although some product segments are commoditised, niche players with design and service capabilities command pricing power (specially in Kitchens). The sector is still heavily fragmented, with most firms focused on local/regional markets and facing succession challenges. The combination of design, production, and installation services fosters customer loyalty and creates barriers to entry.

Industry Description

2 Subsectors:

- **Office & Shop Furniture:** Operators in this industry manufacture furniture for use in offices, shops and other public areas. They also manufacture furniture for establishments such as hotels, restaurants, theatres, cinemas, schools and laboratories.
- **Kitchen & Bathroom furniture manufacturing:** Operators in this industry manufacture various types of furniture for kitchens, including kitchen benches, cabinets and worktops. These types of furniture are predominantly manufactured in flat-pack or bespoke format.

Key industry indicators:

Revenue (GBP millions)	6,079
Profits (GBP millions)	894
Profitability (As % of production)	14.71%
Exports (GBP millions)	308
Number of Companies	2,457
Number of Employees	50,740
Exports as % of total production	5.07%

Source: IbisWorld, 2024^{7,8}

Strategic Assessment

Business Model: Vertically integrated or semi-integrated operations with control over production, supply chain, and installation. B2B and B2C channels are common, with repeat revenue in commercial and retail segments.

Megatrends: Demand fuelled by hybrid work models, retail space redesign, and sustainability expectations (e.g., Furniture Industry Sustainability Programme FISP certification, lower carbon materials). Technology enables visualisation tools, online sales, and modular design. 34.9% of employees in the furniture manufacturing sector are female, outperforming the overall manufacturing sector.

Opportunity to Create Value: Improving gross margins via procurement and product range optimisation, enhancing customer experience through digital journey upgrades, and professionalising operations. Inorganic growth opportunities through roll-up strategies in niche categories.

Strategic Assessment table:

Assessment Dimension	Durable Goods (Kitchens, Office & Shop Furniture)
Fragmentation	Yes, no concentration on customers and fragmented competition (<20% market share of top players)
Demand outlook	Positive. Construction of new houses and commercial units is expected to grow at CAGR of 3% between 2025 and 2030
B2B Customer Base	B2B and B2C models. B2B could be with small installers, distributors, and design companies. B2C could be online or through retail footprint
Recurring revenues & margin opportunities	Project based demand with clear cycle periods. Kitchen is a B2B repeated revenue with the fitter. Office and Shop furniture is B2B repeated revenue with Design firms and construction companies.
Opportunity of adding value as New CEO	Yes, operational optimisation, expanding the customer base locally & Exports. Opportunity of roll-up acquisitions
Capital profile	Medium capex intensity
Barriers to entry	Medium: High capital requirements but low technology change, mature industry
Power dynamics (customers & suppliers)	Low with both, customers & suppliers

Sectors Final Assessment

The focused search strategy of IM-Capital Europe & UK Ltd presents a compelling investment opportunity anchored in three high-potential and resilient sectors: Products & Services to Manufacture, Services to the Construction Industry, and Durable Goods. These sectors are either structurally aligned with long-term megatrends, such as automation, energy efficiency, and smart infrastructure, or offer a strong platform to leverage the Principal's operational expertise to drive strategic impact.

All three industries exhibit predictable, repeat B2B revenue models and defensible positions due to technical complexity, embedded customer relationships, or integration of manufacturing and service delivery. In the context of the UK's stable yet moderately growing economy, these sectors offer outsized relative performance and enduring strategic relevance. Supported by the Principal's proven track record in transformation, digital enablement, and commercial leadership, this search represents a unique opportunity to generate long-term value through operational improvements, structured growth, and targeted consolidation.

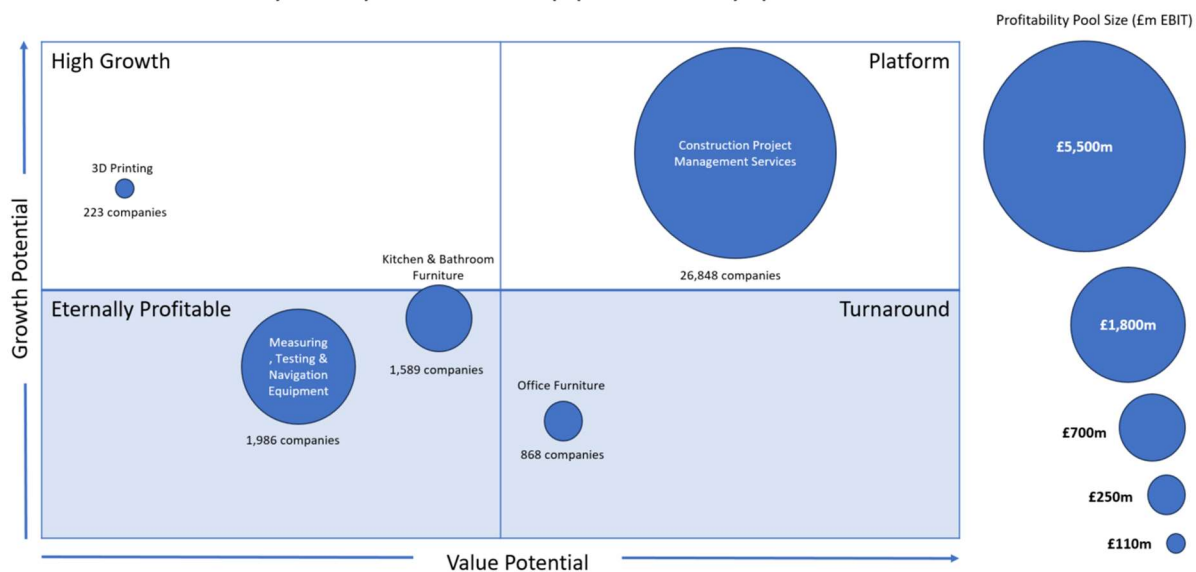
SWOT Analysis

Strengths	Weaknesses
Fragmented Industry with low customer and product/service concentration	Small company size (specially in Construction PM services) may limit initial scale efficiencies. In the same line, some sectors have many micro firms (1-2 employees), that could impact the screening criteria
Stable profits in all sectors, with resilient B2B demand with repeatable revenue models	In some niches, legacy systems or talent gaps slow transformational pace
Strong fit with megatrends: digitalisation, automation, and energy transition	Profitability sensitive to fluctuation on energy and raw materials cost
Transferrable Skills & Knowledge held by the Principal to build upon opportunities for operational, commercial, and strategic improvement	Some sectors have high capital requirements or low Entry Barriers (3D Printing)

Opportunities	Threats
Operational Improvements by modernising legacy operations using technology and professional leadership	Macroeconomic volatility affecting industrial demand and construction investment cycles
High cross-selling potential across underserved or overlooked segments	Rising cost of energy and raw material (exchange rate & international supply chain disruption) could impact profits
Multiple opportunities to create value through ETA: expanding revenue on “eternally profitable businesses” like Precision Instrumentation; create a platform on Construction PM services and grow through acquisitions; grow organically through 3D printing, or Turnaround a Furniture manufacture	Uncertainty in international trade policies could lead to regulatory changes
Growing private and public investment in R&D, supporting tailwinds	Labour availability in specialised roles
Growing construction sector with steady forecast to 2030	Low consumer confidence affecting durable goods demand

The selected sectors offer differentiated acquisition opportunities across a range of business archetypes, as outlined by Walker Deibel’s acquisition framework. Measuring, Testing & Navigation Equipment Manufacturing and Kitchen & Bathroom Furniture Manufacturing fall into the “Eternally Profitable” quadrant. These are established industries with consistent demand, supplying critical components to high-growth applications or addressing enduring consumer needs, offering stable cash flows and defensible market positions. Construction Project Management Services represents a classic “Platform” play: the sector is fragmented, profitable, and ripe for consolidation through a buy-and-build strategy. A mid-sized, well-run business can serve as a foundation for inorganic growth, capturing market share regionally or across complementary services. 3D Printing Services, positioned in the “High Growth” quadrant, offers an opportunity to ride the momentum of an expanding market. With the right leadership and differentiation, an acquisition can be built into a scalable, competitive position. Finally, Office and Shop Furniture Manufacturing is assessed as a “Turnaround” play, where successful acquisition depends on operational restructuring, digital adaptation, and aligning the business with shifting workplace and retail dynamics. This diversified strategy across acquisition types strengthens IM-Capital’s ability to find, acquire, and scale a business with meaningful value creation potential, matched to the Principal’s capabilities.

Subsectors by Acquisition Opportunity profile



Source: Author, based on Walker Deibel (2018)⁹

Investment Theses

What to do: A 4-pillar value creation strategy

This strategy follows a sequential and complementary approach. Actions 1 and 2 establish the operational and financial foundation, enabling Actions 3 and 4 to drive scalable growth, which can be pursued in parallel:

1. **Select the Right Company.** Identify a B2B-focused company in the UK, with interesting growth potential or product/service range. Identify quick wins and operational levers and work alongside the current team to keep the company performing at pre-acquisition levels and build the knowledge and relationships to changes.
2. **Strengthen Gross Margin and P&L Management.** Drive operational efficiency by improving cost control, optimising production processes, and strengthening commercial and financial discipline. The objective is to maximise profitability and establish a sustainable financial base.
3. **Accelerate Revenue Growth in Existing Markets.** Expand product/service range and deepen customer relationships through vertical integration and commercial expansion. Capture additional share of wallet from existing clients and unlock new market segments and sales channels within the same geography.
4. **Expand into New Markets.** Leverage export capabilities to scale internationally or enter adjacent markets organically or inorganically. This will diversify revenue streams and enhance long-term growth potential.

How to do it: Execution Strategy

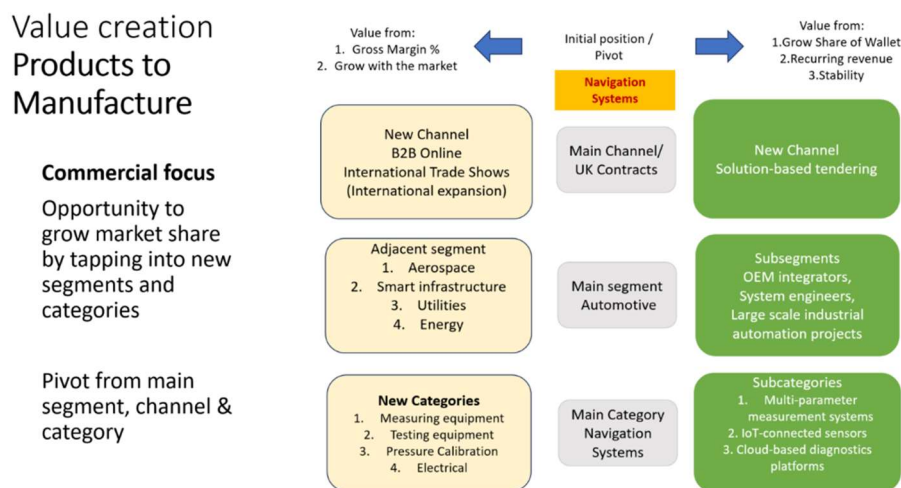
Optimise Working Capital: Reduce collection periods on trade receivables and improve stock rotation by analysing underperforming inventory. In the case of service companies, the focus will be on reducing contract delivery cycles. This will release cash to fund product range, services expansion, or financing new acquisitions without increasing capital requirements.

Leverage Existing Customer Base: The initial focus will be deepening value with existing clients. through upselling and cross-selling offering add-on solutions or bundling promos to current customers, then progressively expand into new segments or verticals and channels. Product and service range expansion will be a continuous lever to support this strategy.

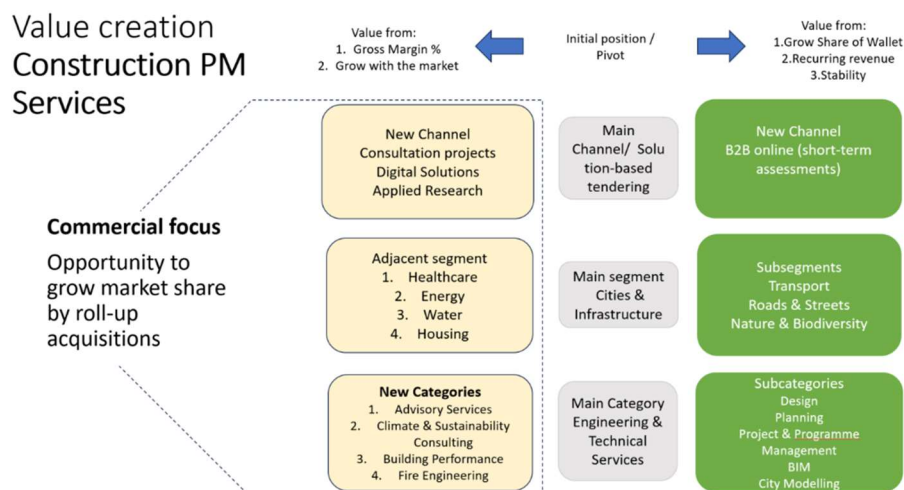
Broaden Product Offering Beyond Core Capabilities: While product and service development will rely primarily on internal manufacturing or knowledge capacity, it will not be limited to it. Partnerships with national or international companies will be established to complement the offer. These alliances may involve co-branded solutions, outsourcing of non-core capabilities, or resale agreements. Where strategic fit and value creation align, these relationships could evolve into M&A opportunities.

Capture Greater Market Share and Share of Wallet: A dual commercial strategy will aim to grow revenue from existing customers and capture new demand from adjacent segments and underserved channels. This could include targeting smaller industrial customers, infrastructure operators, or niche construction/industrial projects that are not currently addressed by larger competitors. The goal is to increase market share while capturing more recurring revenue per client.

Value creation strategy built from **Product** range expansion



Value creation strategy built from **PM services to Construction** range expansion



Why Anderson Gomez Are well-positioned to execute this Thesis

Anderson Gomez, through IM-Capital Europe & UK Ltd, brings a strong operational and strategic track record that can be easily transferred to any of the selected sectors, and his expertise is directly aligned with this investment thesis:

1. **Turnaround and Operational Excellence.** At Fluidra Colombia, Anderson led a successful turnaround as Finance and Country Manager, transforming a loss-making operation into a profitable business with a 6.2% EBITDA margin within three years.

Success in Turnaround & Operational Excellence

FLUIDRA



- Location: HQ – Spain, + 47 countries
- Industry: Swimming Pools
- Size: €2Bn, 7k employees
- Type: Public Listed



2. **Commercial and Margin Expansion.** At Highbourne Group, Anderson spearheaded the transformation of the retail and small B2B channels, and product brand architecture. These initiatives contributed £3.6 million in incremental margin, representing 8.9% of the group's operating profit in the bathrooms category for 2024.

Success in Capturing market share



- Location: United Kingdom
- Business Unit: Bathrooms – Building materials
- Size: £220m, 290+ branches, +480 employees
- Type: Private Equity



3. **International Growth and Market Entry.** As a senior executive and board leader in his family business, Anderson opened its first international branch in Colombia (2014) and played a pivotal role in doubling revenues between 2021 and 2024 (2.4x growth).

+15 years industry expertise



- Location: Venezuela
- Industry: Office Furniture
- Size: SME, 50-100 employees
- Type: Family-owned



Appendix D: Risks and mitigation plan

Risk	Stage on which the risk could impact the Search Fund activity	Anderson's Advantage as Principal Vs other Searchers	Mitigation action that IM-Capital Europe & UK Ltd will or is implementing
Inability of IM-Capital Europe & UK Ltd to Find an Acquisition Target	Stage 2: Source & Evaluate Opportunities	Industry-led search, reducing the scope of search and the variance of key variables and values to assess before Due Diligence	Even before the Search Fund Set up, Anderson is actively searching and adjusting his efforts to be productive and realistic. The Search Fund budget is thought to maximise opportunities to successfully acquire a company, putting Principal's compensation to be up to 53% of the total budget
Unappealing Proposed Acquisition for Search Fund Investor	Stage 2: Source & Evaluate Opportunities	No differential advantage	This Memorandum offers a clear landscape of the potential companies to acquire and the target financials. The success of the Search Fund will be based on transparency on the opportunity from the day 0.
Inability of IM-Capital Europe & UK Ltd to Complete Acquisition Successfully	Stage 2: Source & Evaluate Opportunities	No differential advantage	The selection of investor will necessarily include experienced investors willing to share and mentor Anderson on this journey. Anderson's lack of experience on the negotiation and acquisition process will require a strong support from the investors
Poor Performance of Acquired Company	Stage 4: Operate the Business	Anderson's +15 years of expertise in the industry, with specific 2 years serving as local controller at Fluidra Colombia, will support the Due Diligence process	Anderson will work closely with investors providing findings and reports on the due diligence process, to assess and analyse companies before any transaction is move forward. The focus will be to use the experience and knowledge in the investment group to assess risks, and get high engagement with the target companies, once they LOI is issued
Inability of IM-Capital Europe & UK Ltd to Manage Acquired Company	Stage 4: Operate the Business	Anderson's professional network in the Durable Goods industry is an asset that will be used to bring Executive and professional talent as investors to be part of the Board of Directors, or to be part of the Management team after acquisition	The Search phase will include the invitation to industry experts and professional to be Investors or part of the Professional Management team. Despite the acquisition is planned to happen in 2-year time, a high engagement with successful and experience individuals will be key to the operation once the company is acquired
Illiquidity of Investment	Stage 5: Exit the business	No differential advantage	The search criteria will include potential synergies with major industry players to increase liquidity of the acquired company

Limited Operating History	Stage 4: Operate the Business	While this is Anderson's first Search Fund, he brings over 15 years of relevant experience across three critical areas: Governance & Stakeholder Management: As Chairman of his family business, he developed strong board engagement and issue escalation practices. Commercial Growth: At Highbourne Group (UK), he drove both organic and inorganic growth as Business Development Manager Financial Discipline: His roles as Head of Finance in both SMEs and listed companies ensure a structured, performance-driven approach post-acquisition.	
Management Risks	Across all stages	Anderson carries a healthy and an active life. He is married and has a little boy. He does not practice any extreme sport. In his current position, he hasn't asked for a Sick Leave in the last 4 years.	
Unknown Tax Impact	Stage 3: Finance & close a transaction & Stage 5: Exit the Business	No differential advantage	

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Appendix E: IESE Business School and Stanford GSB, Search Funds 2024: Selected observations

All the information below corresponds to Search Funds outside US and Canada, unless explicitly mentioned.

Figure 1. International Search Fund activity by year

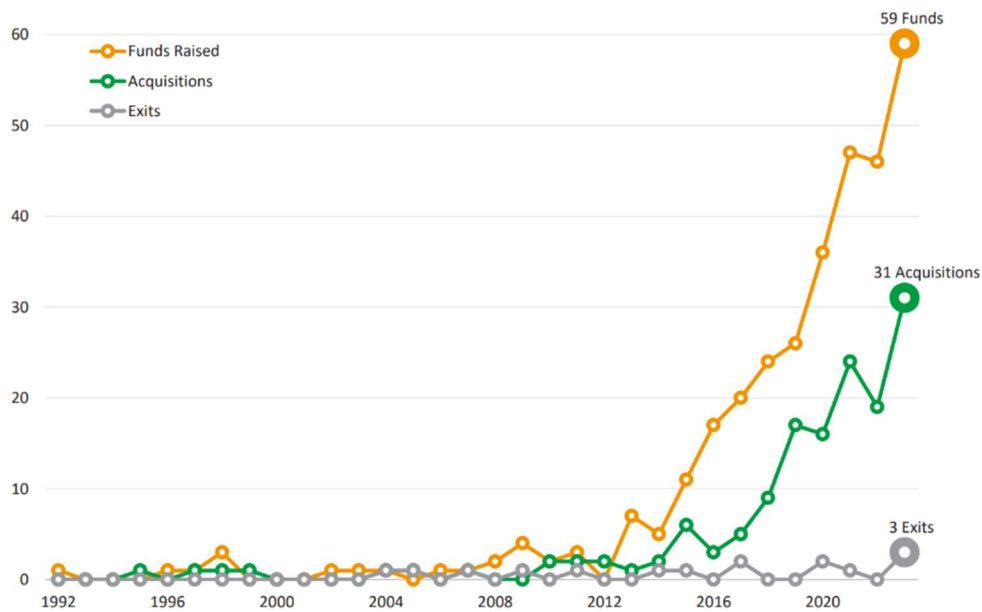


Figure 2. International Search Fund activity by status

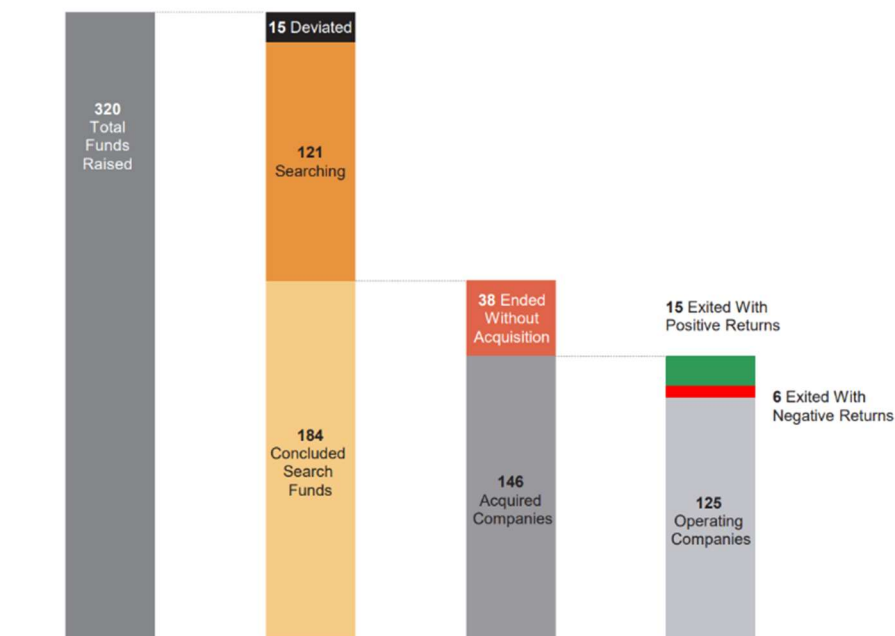


Figure 8. Percentage of International Search Funds in each phase of the search fund life cycle (N=130)¹⁸

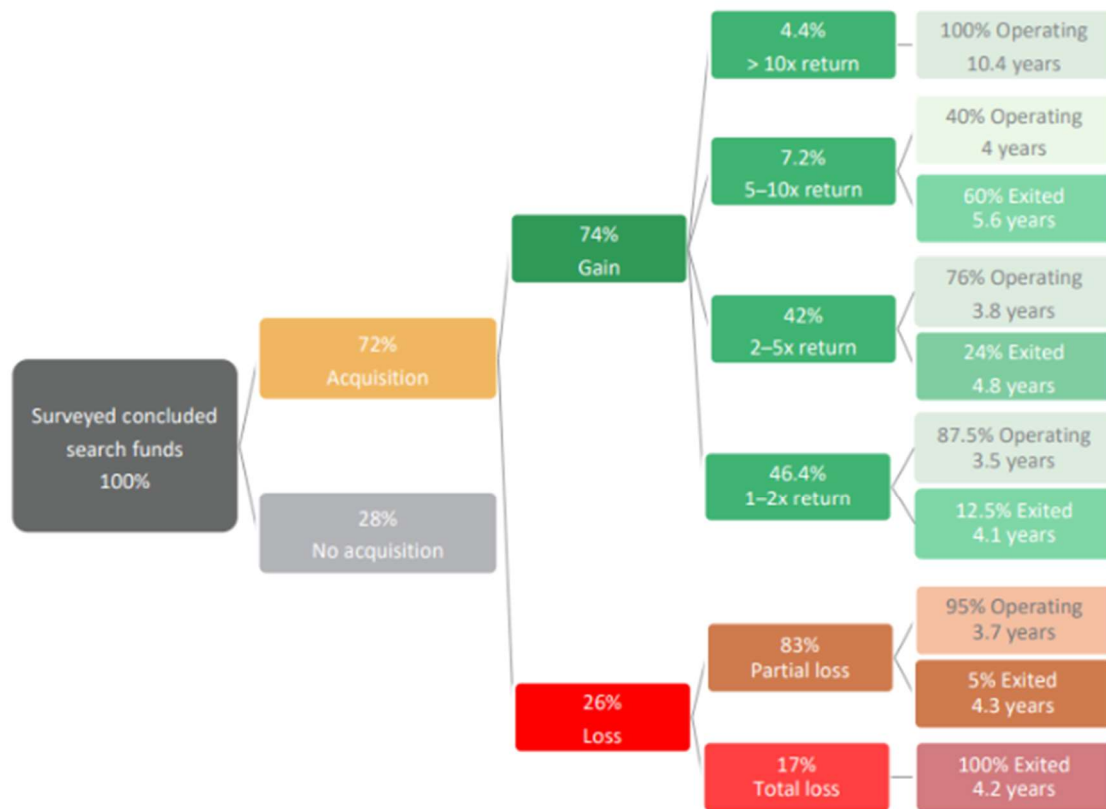


Figure 10. International Search Fund asset class IRR

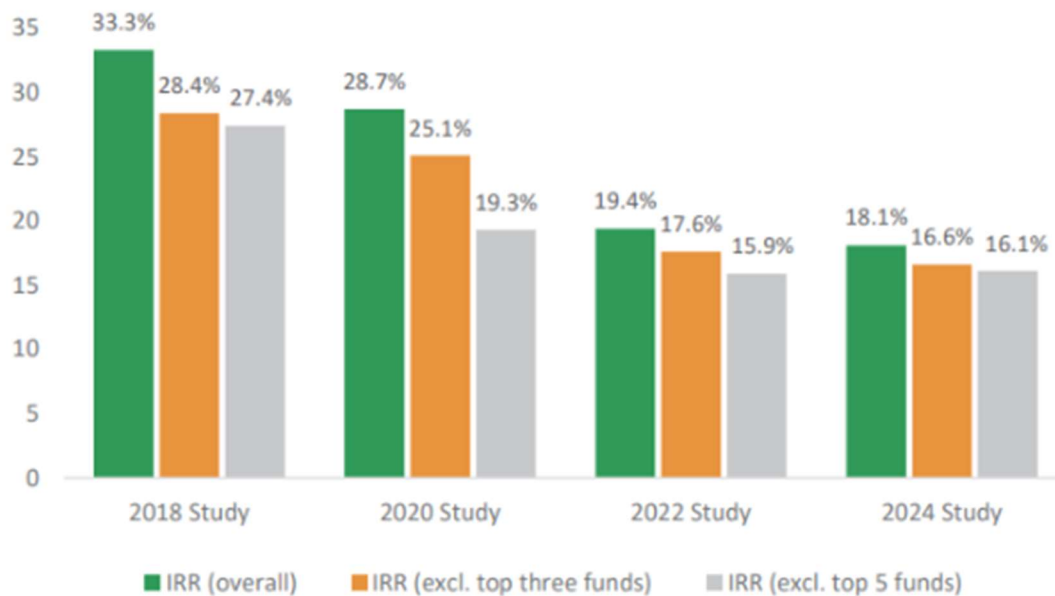
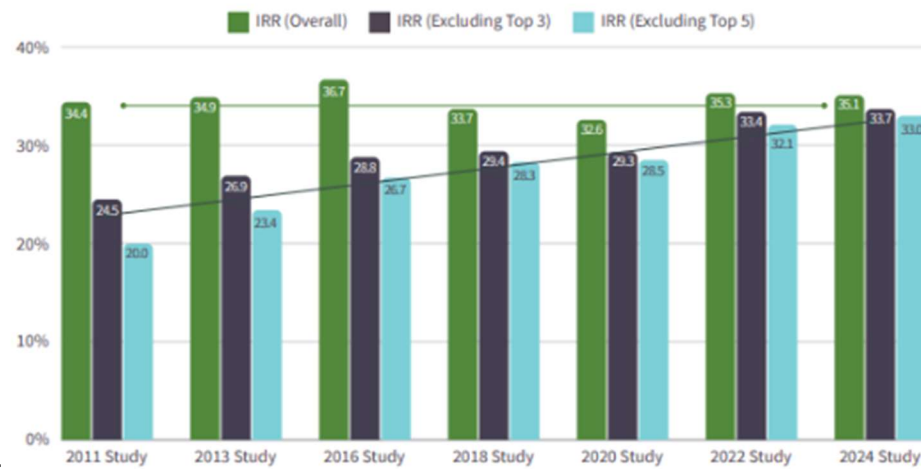


Figure F| Aggregate Search Fund IRR (2011 – 2024)



US & Canada ->

Figure 12. IRR and ROI by year of company acquisition (N=93)²¹

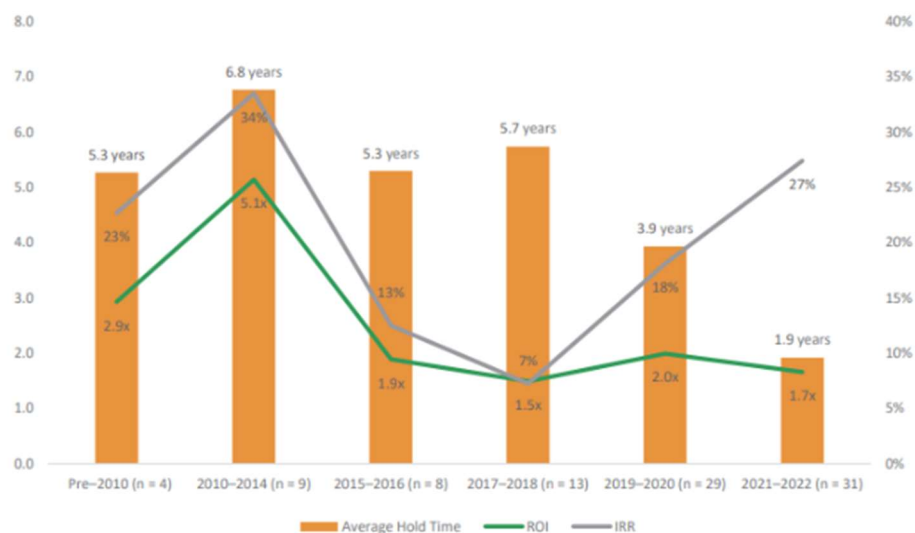
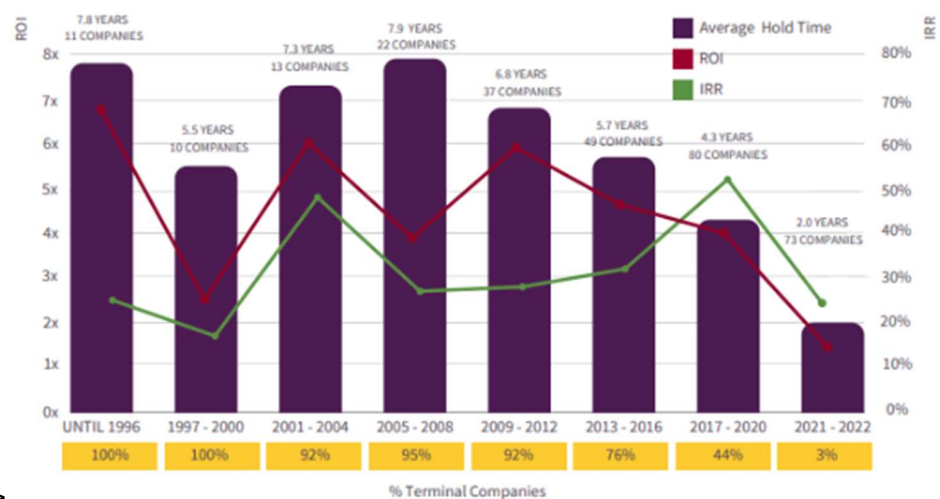


Figure J| IRR and ROI by Year of Company Acquisition (n=295)⁷



US & Canada ->