

23 September 2021

**CAPITAL FOR COLLEAGUES PLC**  
(‘Capital for Colleagues’, ‘C4C’ or the ‘Company’)

**QUARTERLY INVESTMENT UPDATE**

Capital for Colleagues, the investment vehicle focused on opportunities in the Employee Owned Business (‘EOB’) sector, announces an investment update in respect of the quarter ended 31 August 2021.

***Key Statistics for the quarter:***

- Portfolio comprised of 15 unquoted EOBs at the end of the quarter (31 May 2021: 14)
- Net Asset Value (‘NAV’) of £10,764,556 (31 May 2021: £9,891,499 )
- NAV per share increased to 69.71 pence in the quarter (31 May 2021: 64.06 pence per share)

***Key Developments in the quarter:***

- Bright Ascension Limited (‘BAL’) raised £1.0 million through the issue of new ordinary shares to investors, matching development funding of a similar amount awarded to BAL as part of a European Space Agency (ESA) project. In conjunction with BAL’s fund raising, and to support the long-term growth plans of BAL, C4C exchanged its preferential participation rights relating to its ‘A’ Ordinary Shares into 50,000 new ordinary shares in BAL, with a deemed aggregate value of £1.75m. The Company also owns a fixed interest in the £250,000 principal amount of the former ‘A’ Ordinary Shares. Together, these represent a material uplift on C4C’s original £0.25m investment in BAL.
- The Company sold its investment in portfolio company Ecomerchant Natural Building Materials Limited for consideration of £0.25 million, a profit on the original investment of around 150%.
- Capital for Colleagues invested £0.8 million in ordinary shares in Craft Prospect (‘CPL’), a space engineering business founded in 2017, that develops enabling quantum and AI-based products and mission applications for the small satellite market. CPL will use the new funds for furthering its flight heritage capability, recruiting additional experience to its team, and developing new products and services.
- The Company currently has cash balances of £1.91 million and no debt.

Further information on the Company’s investment portfolio is set out below.

**UNQUOTED INVESTMENTS**

As at 31 August 2021, the Company's portfolio of unquoted investments was valued at £8,755,659 (including loans) and comprised 15 companies operating across a range of sectors, as set out below:

**Industrials** (value: £3,564,216; 40.71% of Portfolio)

**Construction and Materials**

Ecomerchant Natural Building Materials Limited  
Employee Owners Group Limited  
Merkko Group Limited  
TPS Investment Holdings Limited

**Support Services**

Flow Control Company Limited  
Hire and Supplies Limited  
Office for Public Management Limited  
The Security Awareness Group Limited

**Industrial Transportation**

Place 2 Place Logistics Limited

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**Leisure & Travel** (value: £341,092; 3.89% of Portfolio)

**Recreational Services**

South Cerney Outdoor Limited

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**Media** (value: £492,207; 5.62% of Portfolio)

**Exhibition Centres**

The Homebuilding Centre (Holdings) Limited

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**Technology** (value: £4,358,144; 49.78% of Portfolio)

**Software & Computer Services**

2C Services Limited  
Bright Ascension Limited  
Computer Application Services Limited  
Craft Prospect Limited

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The loans and investments made by the Company to unquoted EOBs are aimed at delivering equity-like returns. Each loan or investment is tailored to the individual investee company's operating performance and specific working capital needs.

The Directors believe that the unquoted EOBs in the Company's portfolio currently generate total turnover of around £53.5 million per annum and support approximately 405 jobs.

**Total Unquoted Investments (including short-term loans) as at 31 August 2021**

Cost: £6,343,839

Valuation (including capitalised costs): £8,755,659

**BASIS OF VALUATION**

Each of the unquoted investments is included at the Directors' assessment of fair value, in accordance with International Private Equity and Venture Capital Guidelines.

Account is taken of any potential taxation liability in respect of the increase in value of investments on a quarterly basis.

The Directors of the Company are responsible for the contents of this announcement.

**\*\*ENDS\*\***

For further information, please visit [www.capitalforcolleagues.com](http://www.capitalforcolleagues.com) or contact:

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**Capital for Colleagues**

Capital for Colleagues is an investment company focused on the UK EOB sector. The Company has a proven management team, with a wide network of contacts and affiliates, as well as established access to investment opportunities, enabling the Company to execute its strategy and capitalise on EOB-focused investment opportunities. In addition, the Company educates and assists companies that are looking to launch employee ownership schemes, advising them, amongst other things, on how to secure investment and achieve their objectives.

**Market Abuse Regulation (MAR) Disclosure**

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation EU 596/2014 as it forms part of retained EU law (as defined in the European Union (Withdrawal) Act 2018).