

3 October 2022

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 2022.

Key Statistics for the quarter:

- Portfolio comprised of 13 unquoted EOBs at the end of the quarter (31 May 2022: 13)
- Net Asset Value (‘NAV’) of £13,774,147 (31 May 2022: £13,132,540)
- NAV per share increased to 74.49 pence in the quarter (31 May 2022: 71.02 pence per share)

Key Developments in the quarter:

- Capital for Colleagues increased its shareholding in TPS Investment Holdings Limited (‘TPS’), acquiring additional TPS shares for cash consideration of £0.5 million. C4C has supported TPS since 2014, and now has an interest in 27.6% of TPS’ issued share capital.
- The Company received the first of 5 annual tranches of consideration for the sale of its ‘A’ ordinary shares in The Homebuilding Centre (Holdings) Limited (‘HBC’). The consideration for the first tranche amounted to £92,629 in cash, a premium to the agreed minimum payment of £50,000, reflecting successful ongoing trading at HBC.
- The Company was admitted to the AQSE Growth Market’s Apex segment, which caters for larger, more established businesses, and applies additional eligibility criteria to encourage greater transparency and liquidity.

The Company currently has cash balances of £3.939 million. The Company has no debt.

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

UNQUOTED INVESTMENTS

As at 31 August 2022, the Company’s portfolio of unquoted investments was valued at £9,755,295 and comprised 13 companies operating across a range of sectors, as set out below:

Industrials (value: £3,804,979; 39.00% of Portfolio)

Construction and Materials

Ecomerchant Natural Building Materials Limited
Employee Owners Group Limited

Support Services

Hire and Supplies Limited
Flow Control Company Limited

Industrial Transportation

Place 2 Place Logistics Limited

Leisure & Travel (value: £566,323; 5.81% of Portfolio)**Recreational Services**

South Cerney Outdoor Limited

Media (value: £466,126; 4.78% of Portfolio)**Exhibition Centres**

The Homebuilding Centre (Holdings) Limited

Technology (value: £4,917,867; 50.41% of Portfolio)**Software & Computer Services**

2C Services Limited

Bright Ascension Limited

Computer Application Services Limited

Craft Prospect Limited

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 £45.3 million (£39.6 million) per annum and support approximately 350 (322) jobs.

Total Unquoted Investments (including short-term loans) as at 31 August 2022

Cost: £6,067,834

Valuation (including capitalised costs): £9,755,295

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.

****ENDS****

For further information, please visit 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).