

22 June 2023

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 May 2023.

Key Statistics for the quarter:

- Portfolio comprised of 14 unquoted EOBs at the end of the quarter (28 February 2023: 13)
- Net Asset Value (‘NAV’) of £15,184,896 (28 February 2023: £14,384,014)
- NAV per share increased to 82.11 pence in the quarter (28 February 2023: 77.78 pence per share)

Key Developments in the quarter:

- Capital for Colleagues agreed to invest £1.0 million for 1,000,000 A ordinary shares in Morris Commercial, alongside Bill Ainscough, a non-executive Director of the Company, and TJ Morris Limited, a significant shareholder in C4C, both of whom are investing £3.5 million. Morris Commercial is a UK-based automotive engineering and manufacturing start-up, focused on innovation and the creation of desirable carbon neutral transport. Morris Commercial’s initial product, the Morris JE electric van, draws inspiration from the iconic Morris J-Type, arguably one of the most recognisable vans of the 1950s.
- Investee company, Craft Prospect Limited, was appointed to lead the OPS-SAT Versatile Optical Laboratory for Telecoms (‘VOLT’) Mission, a joint mission with the European Space Agency, for demonstrating products and services within a Versatile Optical Laboratory for Telecommunications. The project has a total value of around €12.0 million.

The Company currently has cash balances of £1,918,190. The Company has no debt.

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

UNQUOTED INVESTMENTS

As at 31 May 2023, the Company’s portfolio of unquoted investments was valued at £13,695,644 and comprised 14 companies operating across a range of sectors, as set out below:

Industrials (value: £6,042,456; 44.12% of Portfolio)

Construction & Materials

Ecomerchant Natural Building Materials Limited
Carpenter Oak Group Limited
TPS Investment Holdings Limited

Support Services

Hire and Supplies Limited
Flow Control Company Limited
The Security Awareness Group Limited

Industrial Transportation

Place 2 Place Logistics Limited

Engineering

Morris Commercial Limited

Leisure & Travel (value: £662,877; 4.84% of Portfolio)

Recreational Services

South Cerney Outdoor Limited

Media (value: £523,478; 3.82% of Portfolio)

Exhibition Centres

The Homebuilding Centre (Holdings) Limited

Technology (value: £6,466,833; 47.22% 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 or in 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 £46.5 million (£46.4 million) per annum and support approximately 335 (315) jobs.

Total Unquoted Investments (including short-term loans) as at 31 May 2023

Cost: £8,841,312

Valuation (including capitalised costs): £13,695,644

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).