

2 October 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 August 2023.

Key Statistics for the quarter:

- Portfolio comprised of 14 unquoted EOBs at the end of the quarter (31 May 2023: 14)
- Net Asset Value (‘NAV’) of £15,162,569 (31 May 2023: £15,184,896)
- NAV per share decreased to 81.99 pence in the quarter (31 August 2023: 82.11 pence per share)

Key Developments in the quarter:

- The Company received the second 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 second tranche amounted to £107,999 in cash, a premium to the agreed minimum payment of £50,000, reflecting successful ongoing trading at HBC.
- Bright Ascension Limited has been selected to lead onboard and ground software development for the 3-year OS2-VOLT mission. The OS2-VOLT mission has a total value of around €12.0 million and is designed to evaluate and test radical new real-time techniques and technologies in low Earth orbit, aiming to demonstrate products and services within a Versatile Optical Laboratory for Telecommunications. The OS2-VOLT mission is being led by fellow investee company, Craft Prospect Limited.
- The Company has converted £250,000 of its £412,000 of outstanding loans to The Real Outdoor Xperience (‘ROX’) - formerly South Cerney Outdoor Limited - into 250,000 A ordinary shares in ROX. The A ordinary shares, which give C4C preferential rights in respect of dividends and the return of capital, will be bought back (subject to certain conditions being met) by ROX in 5 annual tranches of £50,000 each. The Company has also transferred ordinary shares representing 4% of ROX’s issued share capital to their Employee Share Ownership Trust and granted the Trust a call option over additional ordinary shares representing a further 4% of ROX’s issued share capital, which can be exercised subject to the satisfaction of certain conditions.
- To reflect the growth at Computer Application Services Limited (‘CAS’) and to prudently rebalance this element of the Company’s investment portfolio, C4C has disposed of part of its holding of CAS ordinary shares to Bill Ainscough, a non-executive Director of the Company, and TJ Morris Limited, a significant shareholder in C4C, in equal proportions, for total cash consideration of £754,000.
- The National Self Build & Renovation Centre (NSBRC), run by the Homebuilding Centre (Holdings) Limited the UK’S only permanent venue for independent homebuilding advice and support, has been shortlisted for two categories in the 2023 National Sustainability Awards.

The Company currently has cash balances of £1,985,636. The Company has no debt.

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

UNQUOTED INVESTMENTS

As at 31 August 2023, the Company's portfolio of unquoted investments was valued at £13,500,987 and comprised 14 companies operating across a range of sectors, as set out below:

Industrials (value: £6,055,988; 44.86% 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: £516,337; 3.82% of Portfolio)

Recreational Services

The Real Outdoor Xperience (formerly South Cerney Outdoor Limited)

Media (value: £525,773; 3.89% of Portfolio)

Exhibition Centres

The Homebuilding Centre (Holdings) Limited

Technology (value: £6,402,893; 47.43% of Portfolio)

Software & Computer Services

EO MSP (Holdings) 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 £46.2 million (£46.5 million) per annum and support approximately 335 (335) jobs.

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

Cost: £9,607,619

Valuation (including capitalised costs): £13,500,987

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).