

CORE CAPITAL PARTNERS II LP

Quarterly Report to 30 September 2021

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Overview

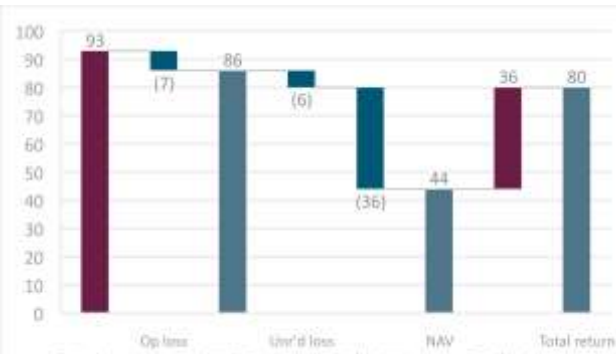
SUMMARY OF FUND DETAILS

Fund Size	£85m
First and Final Closing	25 August 2015
Fund Domicile	UK
Legal Form	Limited Partnership
Investment Manager	ESO Capital Advisors LLP
Investment Focus	Lower Mid-Market
Geographical Focus	UK

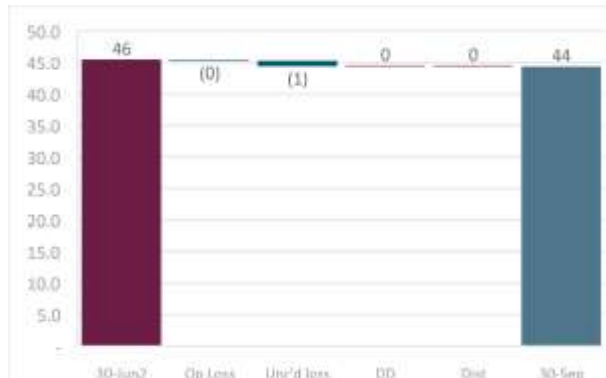
FUND LEVEL DATA

Total commitments (excl recallable, (£))	85,000,000	Total distributions (£)	35,646,820
Total drawdowns since inception (incl recallable) (£)	93,460,025	% of total drawdowns (incl recallable)	99.9%
Remaining commitments (incl recall, (£))	-	% of committed capital	-
Remaining recallable distributions (£)	39,975	DPI (Distributions to paid in capital)	0.38
Total number of investments	10	RVPI (Residual value to paid in capital)	0.47
Number of portfolio companies	4	TVPI (Total value to paid in capital)	0.85

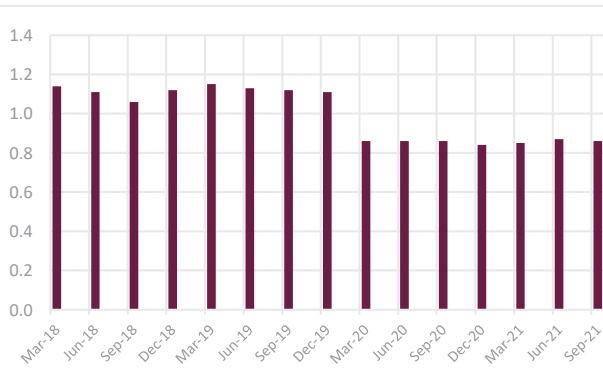
FUND PERFORMANCE SINCE INCEPTION (£M)



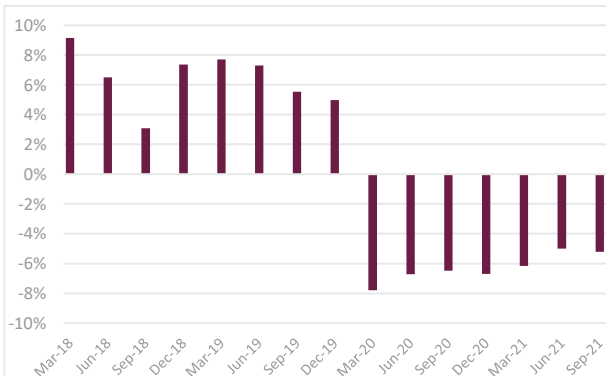
FUND PERFORMANCE FOR QTR (£M)



HISTORICAL FUND PERFORMANCE (TVPI)



HISTORICAL FUND PERFORMANCE (NET IRR)



Review of the Period

Fund Performance and Portfolio Valuation

During the quarter the NAV decreased by £1.1m, resulting in a decrease to Fund since inception IRR to -5.22%. The main contributors in the Portfolio to this underlying NAV decrease was TEG Group which was written down by £8.8m to nil. This was largely offset by Abriand Limited which increased by £5.9m and Alpine Services Limited which increased by £1.9m.

Realisations and further investments

Nothing to report.

Drawdowns & Distributions

No drawdowns or distributions were made during the quarter.

Brasserie Bar Co (“Abriand”)

Trading environment

After a sustained period of interruption the business is currently fully open and trading following the UK Governments dropping of all coronavirus restrictions on July 19th. This quarterly report covers trading of the business through its first fully unrestricted quarter period following Covid-19 to the end of September 2021.

Trading Performance (June fiscal Y/E)

Current Trading

As a reminder the estate now consists of 32 sites 14 BBs and 18 WBCs, as a reminder this is now 5 sites less than at the start of the pandemic. Apart from Hale Barnes (Manchester Airport, more details on this below) all sites have been performing strongly and are ahead of budget.

The team has continued to negotiate with landlords on unpaid rent and has finally agreed an aggregate write-off of 50% of the unpaid rent and a payment plan extending in some cases to 18 months to repay the balance of the unpaid rents. This is a fantastic result and has eased any cash pressures on the business.

As mentioned above, the business has been fully open it has enjoyed strong trading. Profit after tax at Period 2 was £1.26m which is £1m ahead of the 2021/22 budget at this early stage. This is helped by a one off £700,000 final payment from Hiscox Insurance but, is nonetheless testament to strong trading for BBCo. This puts the business in a strong position ahead of the upcoming Christmas trading period.

Despite the strong trading performance, the business is struggling to recruit and retain enough staff. We believe that we are achieving market leading retention rates and have far fewer vacancies than others, but nonetheless are feeling the effects of a lack of hospitality staff across our business with 35 current vacancies unfilled at various levels.

VAT on food will rise immediately after the quarter, from the pandemic level of 5% to 12.5% on 1 October 2021 and again in March 2022 to 20%. The business is looking at another menu change to try and counteract the effects of this rise, so it does not have to pass on all the cost to the consumer through price increases.

As at 15 October 2021, the business had £9.835m of cash on the balance sheet and £3m available to draw under the Oaknorth RCF.

Key events

Hales Barnes

The Manchester airport site has had a significant amount of interruption from undesirable customer behaviours, prompted by the hotel discounting its room rates significantly. As a result, the restaurant has only been able to open for lunch to protect our staff from abuse. Whilst the hotel is now taking the threat seriously, it will take some time for the site to return to normal trading.

Interest in the business

We have received an early indication of interest in the business from Alchemy Partners. We will explore this early interest which may lead to a sale of the business in 2022.

Insurance

The Company has business interruption insurance with Hiscox. As a result of disruption during the Covid-19 pandemic, BBCo has successfully achieved a settlement

Valuation movements

Due to receiving an indication of interest from Alchemy Partners, we have adjusted the value of the business in line with proceeds we would receive under the terms of that offer - £5.9m. No account has been made of additional cash build in the business between now and any completion, which would increase returns, or for an additional £2.5m of deferred consideration offered under the Alchemy indicative bid which would also increase returns.

SPL Services Ltd (“SPL”)

Position fully exited

All earnout periods have now passed and this therefore concludes the full exit of SPL.

Valuation movements

The valuation will stay constant at the final amount received as the investment is fully exited.

Exit terms

The transaction consideration was divided between a current upfront payment and an earn out based on achieving certain sales targets. The results of these post close payments are detailed below.

Enterprise value	£26.0m
Upfront consideration	£16.8m
Working capital adjustment (to all shareholders)	£0.1m
Escrow Release (to all shareholders)	£0.3m
Earn out (to all shareholders)	£1.8m
Management team portion of earn out	£0.5m
CCP II LP portion earn out and working capital and Escrow release	£1.4m
Earn out to 3rd party shareholders	£0.1m
Total Cash Receipts to CCP II LP	£18.2m

Transaction Multiples

CoC	1.7x (day 1 proceeds)
	1.9x (actual total proceeds)
EV/EBITDA FY15	10.0x (day 1 proceeds)
	10.8x (actual total proceeds)
EV/EBITDA LTM	13.6x (day 1 proceeds)
	14.7x (actual total proceeds)

The position is now fully exited and has delivered a 1.9x MM return as set out above and an IRR of 218% to CCPIILP.

Minmar (1004) Ltd (“Ark”)

Background

The sale of Ark was agreed in February 2018 with formal completion taking place in August 2018. To maximise proceeds, the business was sold in a trade and assets structure to three respective buyers, generating total consideration of £5.6m. Proceeds of £1.25m have now been received by CCP II LP, which is in line with expectations in the last quarterly update.

The principal issue holding up final distribution and liquidation was the claim received from Sheffield County Council relating to the recovery of a grant, totalling £520k. This has now been settled at £244k. There still remains a small (disputed) PAYE liability.

During Q1 2021, a distribution of £260k was received from the liquidators.

Valuation movements

Following receipt of the £260k there remains a final settlement of circa £20k.

Allied International Holdings (“Allied”)

Allied was successfully sold to CI Capital Partners on 4th August 2017. As explained in the exit note, the agreed deal structure included various holdbacks and escrow arrangements, principally in relation to certain tax-related issues. The details of each and updates are summarised below.

Holdbacks

UK liquidation holdback (\$4.75m: released)

HMRC cleared the transaction for Substantial Subsidiary Exemption in October and as a result, this holdback was subsequently released to shareholders. £2.3m was returned to CCP II LP in Q4 of 2017.

Escrow 1: Adjustment escrow (\$500k: released)

This escrow related to the net working capital ‘true-up’ between the estimated figure used for close and the actual final balance sheet that was produced post-close. The final closing statement resulted in \$402k of the adjustment escrow being used up in negative adjustments due to under performance against budget towards the end of the transaction. Out of the \$98k released back to shareholders from this escrow, £47k was returned to CCP II LP in December 2017.

Escrow 2: Indemnity escrow (\$460k: released)

CI did not lodge any claims; therefore, this Indemnity escrow was released.

Escrow 3: Sale tax escrow (\$3.9m: majority released, \$0.5m remains)

Following the positive outcome of the California sales tax hearing, we successfully secured the early release of most of the escrow hold back. Specifically, \$3.4m was released, leaving \$0.5m remaining in this escrow against a theoretical sales tax issue against offices based in Wyoming state. The long stop release date has past, August 20, but we hope to have this hold back within the next few weeks.

£1.6m was returned to CCP II LP in March 2018.

Escrow 4: Other tax escrow (\$1.5m: released)

The Other Tax escrow is split into two release dates, which largely match the statute of limitations expirations for these respective potential tax claims. The first \$1.0m of this escrow passed its release date of 31 March 2018 without any claims. Therefore, this part of the escrow was released in April 2018 and represented just under £450k further return to CCP II LP.

The remaining \$0.5m other tax escrow was released during the quarter and a further £0.2m was returned to CCP II LP.

Summary

With all escrow holdbacks now being released we have received a total of £16.9m returns in respect of this investment, representing a 3.5x cash on cash return.

Cording Real Estate Group Ltd (“Cording”)

Position fully exited

The business was acquired by Edmund de Rothschild in February 2018.

Valuation movements

The valuation will stay constant at the final amount received as the investment is fully exited.

Final transaction terms

The transaction consideration was divided between a £4m initial payment, followed by further payments of up to £4,026,000 by way of 3 earnout mechanisms.

The earn out monies were payable as follows:

- Up to £1m linked to the two-full years to December 2016 and 2017 average EBITDA audited outturn
- An anticipated £2,026,000 December 2017 NAV adjustment
- Up to a further £1m based on the average EBITDA of the three years to December 2018.

CCP II LP Proceeds	
Upfront consideration	£0.426m
Earn out 1	£0.100m
Earn out 2	£0.180m
Earn out 3	£0.199m
Total Cash Receipts to CCP II LP	£0.905m

The position is now fully exited.

Turbine Efficiency Group Limited ('TEG')

Trading environment

As reported last quarter, TEL has experienced working capital issues precipitated by two large overdue debtors which impacted cash by over £0.9m. In response to the tight cash position, we worked closely with the management team to execute a swift and deep restructuring over the summer. However, the working capital position continued to deteriorate over the last quarter as trading was severely impacted by new order delays due to the lingering effects of COVID as well as the extreme volatility in oil and gas prices. These events compounded the seasonally slow H1 trading period, resulting in a working capital requirement of c.£1.5m in mid-November.

Over the last quarter, we attempted to sell GTA, the US subsidiary of TEG, to raise funds for working capital. We launched the process in early July with over 30 potential buyers contacted. The discussions resulted in two final round offers, of which we entered exclusivity discussions with the leading bidder in August. However, following several weeks of delay, the party was unable to raise adequate financing to complete the transaction which resulted in a failed process to sell GTA.

Given the worsening trading positions, we also launched an accelerated sale of TEL and engaged Interpath, a restructuring advisor, to run the process. The process was launched in mid-September with over 50 parties contacted, including both trade and private equity. Whilst there was initial interest from several parties, following a brief period of accelerated due diligence, no bidders were willing to make a final offer. The turnaround plan shared with prospective buyers projected a (£93k) EBITDA loss for this fiscal year ending March 22 followed by a recovery to £1.2m EBITDA for March 23.

Core Capital have decided against injecting further funding into the business as there remains significant execution risk in the forecast, including large speculative engine overhauls. The lack of interest in a solvent sale from potential buyers, including previously interested trade buyers, has validated this perceived risk.

Discussions are ongoing with Breal Zeta, TEL's debt provider, on potential options, including an administration, none of which are likely to result in any meaningful recovery of investment for Core Capital.

Trading performance (March fiscal Y/E)

YTD sales for TEL for the five months ending Aug 21 was £4.7m and an EBITDA loss of (£1.1m) against budgeted sales and EBITDA of £7.0m and EBITDA loss of (£183k) respectively. The scale of underperformance highlights the challenges mentioned in the commentary above.

Net debt was £3.9m at the end of Aug 21, equating to a leverage ratio of 4.3x LTM EBITDA.

Valuation movements

The current NAV has been reduced to nil from £8.6m last quarter.

Avonside Group Services Limited (“Avonside”)

Trading environment

The current sentiment on the housebuilding sector has remained positive despite the expiration of the stamp duty holiday. Order books are growing across the housebuilders and cost inflation has been offset by rising housing prices therefore protecting margins. Supply chain issues are expected to continue until next year which is currently impacting build rates. One housebuilder has reported that build rates are c.8% lower than pre-Covid levels.

UK completions for YTD Q2, increased 67% year on year whilst housing starts also grew 74% year on year. The high YTD growth figures are mainly driven by weak Covid comparators. Avonside’s performance appears to be lagging the overall market delivering LFL sales growth of 37% YTD to June 2021. Management is currently undertaking a review to understand the key drivers behind this.

Avonside’s current order book remains healthy at £225m, providing strong forward visibility as we approach next fiscal year. The August 2021 order book position was 13% higher on a LFL basis compared to last year.

Trading performance (December fiscal Y/E)

Avonside’s revenue for the eight months ending August 2021 was £85m underperforming budget by 7%, predominantly attributable to slower build rates due to supply chain issues.

YTD gross margins were 22%, below a budget of 24% and last year of 23%. The margin underperformance is largely due to material cost inflation as well as increased labour costs. Whilst Avonside have negotiated price increases where feasible, there is a lag before it impacts margin.

YTD EBITDA was £4.7m underperforming budgeted EBITDA of £6.2m, which is primarily due to the sales and gross margin underperformance offset by prudent overhead cost management including the delay of new hires.

Pro forma net debt increased to £16.8m at the end of August 2021, equating to a leverage ratio of 1.7x FY21 Budgeted EBITDA (2.4x LTM EBITDA). The increase in leverage reflects the capital structure following the shareholder buyout completed in June (see below for further details).

Valuation movements

The current NAV of £20.0m is unchanged from the last quarter. Our 2x minimum return remains in the money and the valuation incorporates the new capital structure post the shareholder buyout.

Key events

No material events occurred during the quarter.

Alpine Topco Limited & Alpine Midco Limited (“Alpine”)

Trading environment

According to CBRE, the logistics space in the UK continues to remain strong with vacancy rates at a record low of 1.5% vs 5% last year, indicating demand is outstripping build rates which bodes well for continued growth in the sector.

The September 2021 internet sales index reported internet sales at 28% of total retail sales and has been oscillating at those level five months since its peak 37% in February 2021.

Alpine Fire’s opening order book at the end of September 2021 reached £34.6m, 73% higher than last year and fully covers this year’s budgeted sales (£32.5m) and 94% of its revised forecast (£37m sales).

Trading performance (March fiscal Y/E)

YTD revenue for the five months ending August 2021 was £16.8m, outperforming budget by 18% and 76% higher year on year. The service division is tracking to budget and 33% higher than last year whilst the project division continues its strong performance outperforming budget by 26% and 78% higher than last year.

Gross margins were 27% YTD August 2021 which is tracking to budget and higher than last year (25% gross margin), which is a healthy result considering supply chain issues.

YTD EBITDA was £2.1m, significantly higher than the budget of £1.3m, predominantly led by the project division. LTM EBITDA to Aug 21 was £4.1m which is tracking towards a significant outperformance against the original budget of £3.3m.

The normalised net cash balance was £7.7m at the end of Aug 21.

Valuation movements

NAV has increased to £18.6m this quarter from £16.7m last quarter driven by £0.8m increase in EBITDA and an improved cash position.

Key events

Exit planning

We are commencing preparations for an exit in Alpine Fire given the strong performance since our investment and a very healthy M&A market for fire safety assets. Several potential trade buyers have recently been acquired or capitalised with the view of further consolidating the market. Additionally, private equity has also been very active in recent processes as underbidders to trade. Over the coming months, we will be engaging with a corporate finance advisor and agreeing the optimal timetable for an exit.

Investment summary

AS AT 30 SEPTEMBER 2021

Company	Initial investment date	Disposal date	Total invested capital (£'000)	Fair value (incl. realised, £'000)	Multiple
Unrealised					
Held through Core Capital I LP					
Abriand Limited ("Abriand")	25 Aug 15	-	30,642	5,935	0.81x
Florida Topco Limited ("Turbine")	28 Oct 16	-	11,100	-	-
Burke Investments Limited ("Avonside")	09 Aug 17	-	10,300	20,000	1.94x
Alpine Topco & Midco Ltd ("Alpine")	26 Mar 18	-	6,643	18,605	2.80x
Total			58,685	44,540	0.76x
Realised					
SPL Services Ltd ("SPL")	25 Aug 15	09 Feb 16	9,761	18,235	1.87x
Colway Ltd ("Colway")	25 Aug 15	30 Dec 16	2,251	175	0.08x
Allied International Holdings Limited ("Allied")	25 Aug 15	04 Aug 17	4,800	16,884	3.52x
Cording Real Estate Group Limited ("Cording")	25 Aug 15	6 Feb 18	-	905	-
Augusta Columbia UK Limited ("Augusta")	09 Aug 17	21 Aug 18	230	219	0.95x
Minmar (1004) Limited ("Ark")	25 Aug 15	31-Dec-18	8,528	1,531	0.18x
Total			25,570	37,949	1.48x
Contingent consideration paid to Core Feeder I LP			850	-	-
Total			85,105	82,489	0.97x

Abriand

Investment date	25 Aug 2015	Fund commitment (£'000)	26,311	Invested capital (£'000)	30,642
Industry	Leisure	Investor group ownership	26.72%*	Realised proceeds (£'000)	76
Headquarters	London, UK	Management ownership	47.00%*	Reported value (£'000)	5,859
EV at entry (£'000)	45,252	Board representation	1 of 7	Investment multiple	0.8x
		Board members	SE	Gross IRR	-

*Economic interest

Investment background

Core acquired the business in an MBO with the former management team of Loch Fyne Restaurants in 2006. Since the initial investment, the business has grown by rebranding sites, an organic roll-out programme and by the acquisition of the former London estate of Chez Gerard in 2012. The business now operates two concepts: (i) Brasserie Blanc (BB), which retains an involvement from Raymond Blanc, and operates in high street leasehold sites; (ii) White Brasserie Company (WBC), which operates food led leasehold pubs.

INVESTMENT THESIS

- Capable and proven management team – previously backed by Core partners in several businesses, latterly in Loch Fyne, resulting in a highly successful exit.
- Scalable platform through site roll-out.
- Proven unit profitability model – 30% ROC for leasehold sites.
- Multiple exit routes available for successful operators with scale.

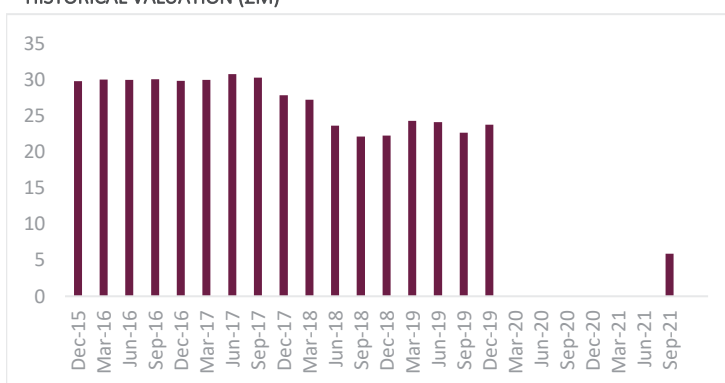
RECENT EVENTS

- COVID-19 restrictions eased – all sites fully open with no restrictions on group sizes or seating plans
- Strong trading recorded across the estate c9% lfl on 2019.
- Insurance claim finally settled at £4.8m
- Deal struck with Landlords to write off 50% of unpaid rent arrears
- Indicative offer received from Alchemy Partners

VALUATION BASIS

- BB is currently valued at £5.9m.

HISTORICAL VALUATION (£M)



INVESTMENT STRUCTURE

Instrument	Units	Total Invested (£)	Reported Value (£)	Realised proceeds (£)
C Shares	267,207	27,481,695	4,844,414	-
Ordinary Shares	4,990	513,211	90,468	-
Loan Stock	1,000,000	1,000,000	924,295	75,705
		28,994,906	5,859,177	75,705

TRADING DATA

Current period: 31 August 2021; Entry: 12 months to 31 Aug 2015; Fiscal year end: 30 June; FYTD: Financial Year to Date; FY: Full Year; PY: Prior Year

(£'000)	Entry	FYTD			FY		
	Act	Act	Bud	PY	Bud	For	PY
Turnover	38,068	7,969	7,650	7,879	54,404	54,404	20,547
Gross Profit	28,120	5,879	5,641	5,706	40,100	40,100	15,333
Gross Margin	74%	74%	74%	72%	74%	74%	75%
Overheads	(22,348)	(3,745)	(3,807)	(4,632)	(27,829)	(27,829)	(9,199)
Restaurant EBITDA	5,772	2,134	1,834	1,074	12,271	12,271	6,134
HQ costs	(3,118)	(800)	(741)	(779)	(4,532)	(4,532)	(2,540)
Company EBITDA	2,654	1,334	1,093	295	7,739	7,739	3,594
Company EBITDA %	15%	17%	14%	4%	14%	14%	17%

Balance Sheet

(£'000)	Entry	FYTD
Current assets	3,435	2,132
Current liabilities	(6,784)	(19,431)
Net current liabilities	(3,349)	(17,299)
Cash	4,299	10,669
Bank Debt LT	(12,850)	(18,762)
Bank Debt ST	(650)	-
Other Debt (inc. shareholder)	(43,335)	(3,910)
Total debt	(56,835)	(22,672)
Net liabilities	(17,794)	(2,636)

SPL

Investment date	25 Aug 2015	Fund commitment (£'000)	9,761	Invested capital (£'000)	9,761
Industry	Logistics	Investor group ownership	-	Realised proceeds (£'000)	18,235
Headquarters	London, UK	Management ownership	-	Reported value (£'000)	-
EV at entry (£'000)	12,749	Board representation	-	Investment multiple	1.9x
		Board members	-	Gross IRR	218.1%

*Sold 9 February 2016

Investment background

SPL, trading as PDP, is one of a small number of global players in the highly specialised logistics market for clinical trials and life sciences. Core acquired SPL as an established but small platform with a strong organic growth opportunity from expanding geographical reach and coverage and additional services. SPL has grown its geographic coverage from its single London base to cover India, Singapore, Korea and USA and is increasing its penetration of major contract research organisations (CROs) throughout the world.

EXIT TERMS

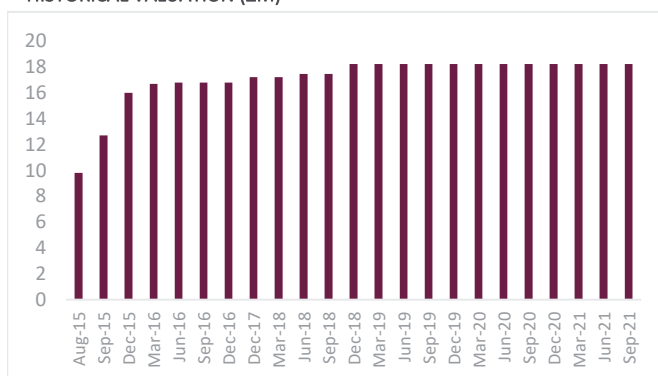
Day 1

- £26m EV agreed based on £21m up front consideration and £5m earn out. CCP II LP receives its share of c£17m.

Earnout/Escrows

- Following the release of all escrows, CCP II LP received at total of £18.2m (including the upfront payment)

HISTORICAL VALUATION (£M)



Ark

Investment date	25 Aug 2015	Initial Fund commitment (£'000)	4,961	Invested capital (£'000)	8,528
Industry	Healthcare	Investor group ownership	-	Realised proceeds (£'000)	1,511
Headquarters	Sheffield, UK	Management ownership	-	Reported value (£'000)	20
EV at entry (£'000)	6,464	Board representation	-	Investment multiple	0.2x
		Board members	-	Gross IRR	-38.8%

*liquidated Dec 18

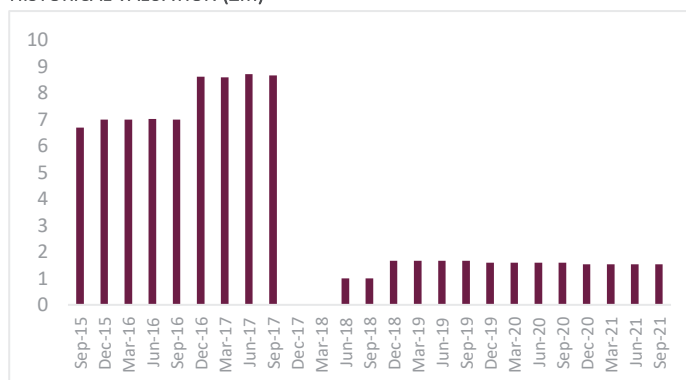
Investment background

Ark was established with the acquisition of three companies to form a platform business on which to build a substantial group through acquisitions and organic growth in the growing market of domiciliary home healthcare. The business was adversely affected by weak management, contracting government budgets and increasing regulatory and labour costs. In 2013-2014, the business invested heavily to implement a major business model reconfiguration to address these trends, resulting in all back office and middle office functions being operated centrally in Sheffield. Following a further management change, the business returned to a 'branch lite' structure established to serve the local markets and care workers whilst minimising branch and central overheads.

EXIT TERMS

- £1.25m received in Q1 2019 and a further £0.3m received in Q1 2021.

HISTORICAL VALUATION (£M)



Allied

Investment date	25 Aug 2015	Fund commitment (£'000)	4,800	Invested capital (£'000)	4,800
Industry	Business Services	Investor group ownership	-	Realised proceeds (£'000)	16,884
Headquarters	San Diego, USA	Management ownership	-	Reported value (£'000)	-
EV at entry (£'000)	4,800	Board representation	-	Investment multiple	3.5x
		Board members	-	Gross IRR	80.4%

*sold 9 August 2017

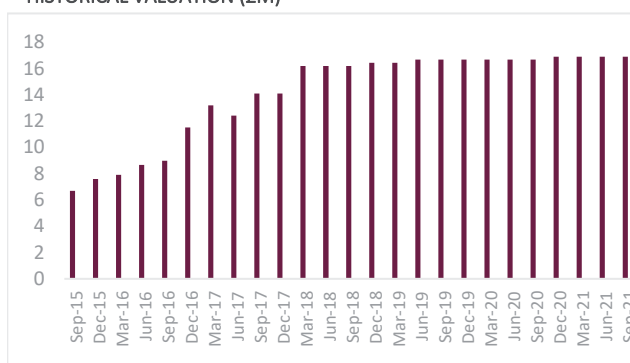
Investment background

Allied is the leading Destination Management Company (DMC) in the USA with 6 corporate owned offices and 14 franchisees across the country. It offers events design and development to a large and diversified customer base including top tier end user corporates as well as intermediaries (incentive houses) and associations. The business was acquired as a turnaround investment at the trough of the last recession. Since then, Core has restructured the business, including closing the European operations, and introducing stronger leadership at both senior and managerial levels. The remaining core US business has achieved consistent year on year growth since we first invested in the business.

EXIT TERMS

- \$46m EV agreed based on 6.9x current year forecast EBITDA.
- Following the release of all escrows, CCP II LP received a total of £16.9m.

HISTORICAL VALUATION (£M)



Cording

Investment date	25 Aug 2015	Fund commitment (£)	1	Invested capital (£)	1
Industry	Real Estate	Investor group ownership	-	Realised proceeds (£'000)	905
Headquarters	London, UK	Management ownership	-	Reported value (£'000)	-
EV at entry (£'000)	-	Board representation	-	Investment multiple	-
		Board members	-	Gross IRR	-

*sold 6 February 2018

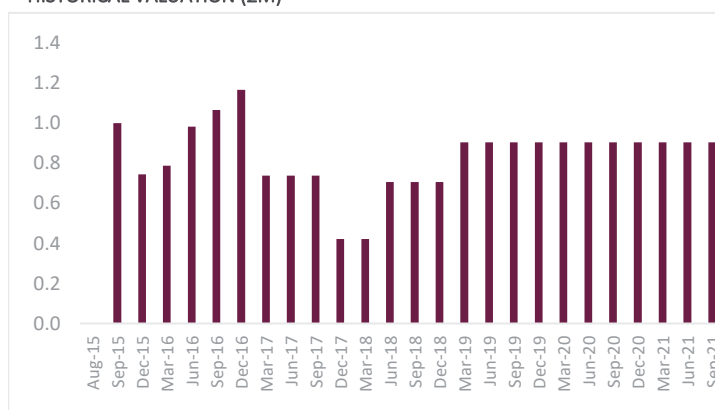
Investment background

The Cording Real Estate Group was established by a group of industry leading professionals with strong track records in real estate. The principals have founded, and grown, major discretionary fund management organisations as well as investment advisory firms that have specialised in the execution of transactions, asset management and property management. Cording has expanded its senior team and has grown significantly in carefully targeted markets of the UK, Germany, Holland and Scandinavia to have AUM of €2.7billion.

EXIT TERMS

- Basis in line with the agreed sale terms

HISTORICAL VALUATION (£M)



Turbine Efficiency

Investment date	28 Oct 2016	Fund commitment (£'000)	-	Invested capital (£'000)	11,100
Industry	Engineering	Investor group ownership	96%	Income proceeds (£'000)	-
Headquarters	Lincoln, UK	Management ownership	4%	Reported value (£'000)	-
EV at entry (£'000)	3,801	Board representation	2 of 6	Investment multiple	-
		Board members	WF, SE	Gross IRR	-

Investment background

TEL is an after-market services provider to industrial gas turbines. Following a downturn in trading, Core Capital acquired a majority stake in October 2016 and recapitalised the balance sheet. The decline in FY16 trading was caused by two large projects in the prior year which did not repeat. However, the core business of delivering maintenance and repair services ("MRO") under long-term service agreements has delivered consistent growth over the last 15 years.

We have re-focussed the Group on core MRO services which has significant growth potential (current market share ~3%) and attractive economics. Multiple strategic growth opportunities exist for TEL to accelerate growth, including i) broadening the existing service offering into new turbine fleets or adjacent products, and ii) vertical integration. We have also ensured that TEL is sufficiently capitalised to exploit these opportunities, either organically or via M&A.

We expect to provide this investment with further capital to support organic growth and acquisitions.

INVESTMENT THESIS

- Highly defensible business model with long term customer contracts and workforce specialisation.
- Proven proposition with capability to successfully compete with incumbent market leader.
- Large market opportunity estimated at over £600m per annum.
- Platform for expansion, via acquisition or investment. Multiple options for strategic expansion.

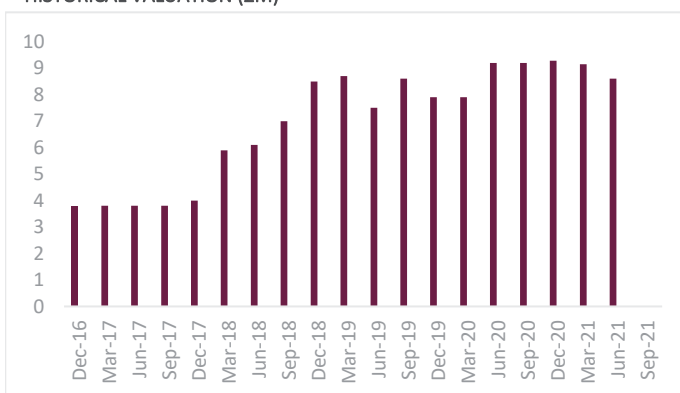
RECENT EVENTS

- Working capital issues exacerbated by order delays due to COVID and recovery of oil and gas prices
- £1.5m working capital requirement in mid-November
- Core Capital will not provide further funding with recovery of investment unlikely

VALUATION BASIS

- Written down to zero.

HISTORICAL VALUATION (£M)



INVESTMENT STRUCTURE

Instrument	Units	Total Invested (£)	Reported Value (£)	Realised proceeds (£)
A Ord Shares	200,060,500	2,800,605	-	-
Preference Shares	1,799,800	1,799,800	-	-
Loan Note	6,500,000	6,500,000	-	-
		11,077,583	-	-

TRADING DATA

Current period: 31 August 2021; Fiscal year end: 31 March; FYTD: Financial Year to Date; FY: Full Year; PY: Prior Year

(£'000)	FYTD			FY		
	Act	Bud	Prior Year	Bud	For	Prior Year
Turnover	4,738	7,016	3,204	19,829	17,551	16,881
Gross Profit	1,095	1,884	1,430	5,903	5,114	6,372
Gross Margin	23%	27%	45%	30%	29%	38%
Overheads	(2,236)	(2,067)	(2,075)	(4,731)	(4,900)	(4,954)
EBITDA	(1,141)	(183)	(645)	1,172	214	1,418
%	(24)%	(3)%	(20)%	6%	1%	8%

Balance Sheet

(£'000)	FYTD
Current assets	12,968
Current liabilities	(7,904)
Net current assets	5,064
Cash	155
Bank Debt LT	-
Bank Debt ST	-
Other Debt (inc. shareholder)	12,680
Total debt	12,680
Net Liabilities	2,482

Avonside

Investment date	09 Aug 17	Fund commitment (£'000)	-	Invested capital (£'000)	10,300
Industry		Investor group ownership	15%	Realised proceeds (£'000)	503
Headquarters	Lancashire UK	Management ownership	85%	Reported value (£'000)	19,497
EV at entry (£'000)		Board representation	1	Investment multiple	2.0x
		Board members	SE	Gross IRR	17.4%

Investment background

Avonside services clients across the UK through 38 branches, primarily specialising in residential roofing. Its clients span house builders, construction companies, local authorities and corporate end users. Barratt Homes, Taylor Wimpey, Kier, Persimmon and Countryside Properties are some of Avonside's largest clients.

Core invested in Avonside to assist Management in driving its acquisition strategy and professionalising the business leading up to an eventual exit. The business aims to more than double in size over the next three years to reach £250m in sales, which will be generated by both organic sales growth from a supportive housebuilding market as well as acquisitions.

INVESTMENT THESIS

- Organic growth from new housebuilder market.
- Strong buy and build opportunity in highly fragmented market.
- Structured preferred investment providing c.2x base case return.

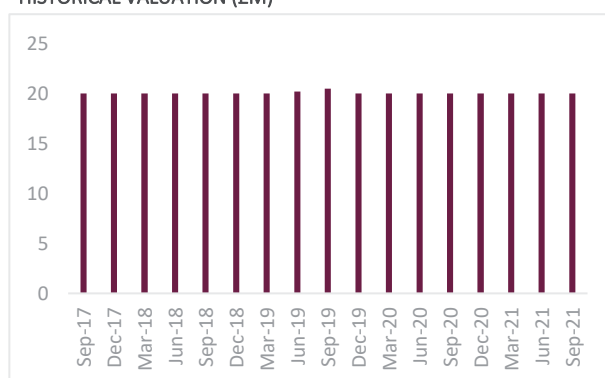
RECENT EVENTS

- No material events occurred during the quarter.

VALUATION BASIS

- Maintainable EBITDA
- 7.0x EBITDA multiple – in line with historical transactions.

HISTORICAL VALUATION (£M)



INVESTMENT STRUCTURE

Instrument	Units	Total Invested (£)	Reported Value (£)	Realised proceeds (£)
Preference Ordinary Shares	3,216	9,748,409	19,496,817	503,183
Warrant	1	300,000	-	-
		10,048,409	19,496,817	503,183

TRADING DATA

Current period: 31 August 2021; Fiscal year end: 31 December; FYTD: Financial Year to Date; FY: Full Year; PY: Prior Year

(£'000)	FYTD			FY		
	Act	Bud	PY	Bud	For	PY
Turnover	85,147	91,496	71,299	142,156	135,808	113,708
Gross Profit	18,741	21,718	16,199	33,347	30,484	25,518
Gross Margin	22%	24%	23%	24%	22%	22%
Overheads	(14,048)	(15,569)	(13,829)	(23,524)	(22,029)	(21,122)
EBITDA	4,693	6,149	2,369	9,823	8,455	4,396
%	6%	7%	3%	7%	6%	4%

Balance Sheet

(£'000)	FYTD
Current assets	46,281
Current liabilities	(29,706)
Net current assets	16,575
Cash	-
Bank Debt LT	-
Bank Debt ST	(11,204)
Other Debt (inc. shareholder)	-
Total debt	(11,204)
Net Assets	19,137

Alpine

Investment date	Mar 18	Fund commitment (£'000)	-	Invested capital (£'000)	6,643
Industry	Active fire suppression	Investor group ownership	30%	Income proceeds (£'000)	6,643
Headquarters	Lancashire UK	Management ownership	70%	Reported value (£'000)	10,099
EV at entry (£'000)	£10.8m	Board representation	1	Investment multiple	2.5x
		Board members	DS	Gross IRR	34.0%

Investment background

Alpine Fire Engineers is a leading active fire safety business. It offers design and installation (D&I) in addition to service and maintenance (S&M) services almost exclusively to large warehouse facility owners and main contractors involved in the construction and modification of such facility types.

CCP II LP supported a BIMBO transaction, with exiting management, roll over management and a buy-in CEO taking a majority ownership in the equity of the business. The investment case plans are for the management team to grow the business organically with emphasis on continuing to be the go-to provider to the warehouse facility sector, but to diversify in to factory facility types. Focus upon growing the contracted service and maintenance book will also be a key aspect of management's plans. Bolt-on acquisitions will also form part of the growth plans.

INVESTMENT THESIS

- Positive dynamics to underlying exposure to the UK warehouse new build and refit market.
- Potential to grow contracted service and maintenance revenues both organically and via bolt-on acquisitions.
- Preferred senior secured investment structure, with high cash generation/conversion dynamic of business.
- Significant engagement of exiting, remaining and buy-in management team.

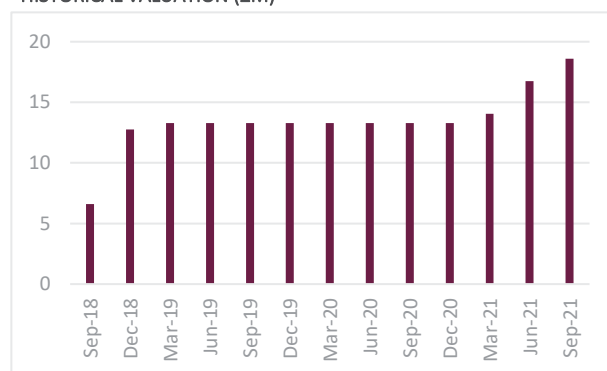
RECENT EVENTS

- Exit planning commencing with plans to engage a corporate finance advisor

VALUATION BASIS

- 7.0x LTM EBITDA.

HISTORICAL VALUATION (£M)



INVESTMENT STRUCTURE

Instrument	Units	Total Invested (£)	Reported Value (£)	Realised proceeds (£)
Ordinary Shares	2,679	27	5,319,603	-
Series A Secured Loan Note 2023	1	6,642,688	6,642,688	6,642,688
		6,642,715	11,962,291	6,642,688

TRADING DATA

Current period: 31 August 2021; Fiscal year end: 31 March; FYTD: Financial Year to Date; FY: Full Year; PY: Prior Year

(£'000)	FYTD			FY		
	Act	Bud	PY	Bud	For	PY
Turnover	16,762	13,566	9,548	32,450	35,646	25,215
Gross Profit	4,486	3,689	2,352	9,091	9,888	6,947
Gross Margin	27%	27%	25%	28%	28%	28%
Overheads	(2,426)	(2,363)	(1,667)	(5,754)	(5,918)	(4,394)
EBITDA	2,060	1,326	685	3,337	3,970	2,553
%	12%	10%	7%	10%	11%	10%

Balance Sheet

(£'000)	FYTD
Current assets	8,411
Current liabilities	(9,612)
Net current assets	(1,201)
Cash	7,726
Bank Debt LT	-
Bank Debt ST	-
Other Debt (inc. shareholder)	-
Total debt	-

INDIRECTLY HELD INVESTMENTS AS AT 30 SEPTEMBER 2021

INVESTMENTS HELD THROUGH CORE CAPITAL I LP

Investment	Date of Initial Investment	Instrument	Holding	% of equity held	Fair Value 30 Jun 21	Additions	(Disposals)	Valuation Movement	Fair Value 30 Sep 21	Interest since inception	IRR
Allied International Holdings Ltd	12 May 17	Series 2A Ord Shares	-		-	-	-	-	-	-	
Total				-	-	-	-	-	-	-	
Abriand Limited	25 Aug 15	Ordinary Shares	4,990		-	-	-	4,844,414	4,844,414	-	
		C Shares	267,207		-	-	-	90,468	90,468	-	
		Loan Stock	924,295		-	-	(33,546)	957,841	924,295	-	
Total				26.7%	-	-	(33,546)	5,892,723	5,859,177	-	
Minmar (1004) Limited (Ark)	25 Aug 15	A Ord Shares	-		20,050	-	-	-	20,050	-	
Total				-	20,050	-	-	-	20,050	-	

INDIRECTLY HELD INVESTMENTS AS AT 30 SEPTEMBER 2021

INVESTMENTS HELD THROUGH CORE CAPITAL I LP (CONT'D)

Investment	Date of Initial Investment	Instrument	Holding	% of equity held	Fair Value 30 Jun 21	Additions	(Disposals)	Valuation Movement	Fair Value 30 Sep 21	Interest since inception	IRR
Turbine Efficiency Limited	12 May 17										
		A Ordinary Shares	200,060,500		-	-	-	-	-	-	-
		Preference Shares	1,799,800		129,433	-	-	(129,433)	-	-	-
		Loan Note	6,500,000		6,500,000	-	-	(6,500,000)	-	-	-
Total				96.0%	6,629,433	-	-	(6,629,433)	-	-	
Avonside Group Services Limited	09 Aug 17										
		Warrant	1		-	-	-	-	-	-	-
		Preferred Ordinary Shares	3,216		19,496,817	-	-	-	19,496,817	-	-
Total				15.0%	19,496,817	-	-	-	19,496,817	-	

INDIRECTLY HELD INVESTMENTS AS AT 30 SEPTEMBER 2021

INVESTMENTS HELD THROUGH CORE CAPITAL I LP (CONT'D)

Investment	Date of Initial Investment	Instrument	Holding	% of equity held	Fair Value 30 Jun 21	Additions	(Disposals)	Valuation Movement	Fair Value 30 Sep 21	Interest since inception	IRR
Alpine Fire Services Ltd	27 Mar 18										
Alpine Topco Limited		Ordinary Shares	2,679		3,456,797	-	-	1,862,806	5,319,603	-	
Alpine Midco Limited		Secured Loan Note 2023	6,642,688		6,642,688	-	-	-	6,642,688	6,642,688	
Total				30.0%	10,099,485	-	-	1,862,806	11,962,291	6,642,688	
Total Portfolio									38,338,335		
Core Capital I LP Net current assets									6,888,396		
Total fair value of investments									44,226,731		
Cash									81,983		
Net current assets									78,797		
Fund Value									44,387,511		

CASH FLOW STATEMENT

	As at 30 Sep 21	As at 30 Jun 21
Net cash outflow from operating activities	(33,682)	(40,793)
General Partner		
Payments in respect of General Partner Share	(156,331)	(219,091)
Financing Activities		
Distribution to partners	-	-
Loan commitments from Partners	-	234,821
Net cash inflow from financing activities	-	234,821
Investing Activities		
Purchase of Investments	-	-
Disposal of Investments	250,000	30,000
Net cash inflow from investing activities	250,000	30,000
Increase in cash	59,987	4,937
Cash at the beginning of the period	21,997	17,060
Cash at the end of the period	81,983	21,997

Capital Accounts

(£)	%	Commitment	Total Contribution	Capital Account 30 Jun 21	Net Income & Capital Proceeds	Unrealised Losses	Loan Commitments	Distributions	Drawings General Partner	Capital Account 30 Sep 21
Access Secondary Bridge Fund LP	14.18	12,050,000.00	12,046,729.98	6,449,781.96	(3,493.22)	(122,729.39)	-	-	(31,243.15)	6,292,316.20
Adams Street UK Mid-Market Solutions LP	28.24	24,000,000.00	23,993,487.09	12,846,038.83	(6,957.45)	(244,440.28)	-	-	(62,227.03)	12,532,414.07
Arcano Secondary Fund BP II FCRD de Regimen Comun	0.46	391,067.00	390,960.88	209,319.21	(113.38)	(3,983.02)	-	-	(1,013.96)	204,208.85
Arcano Secondary Fund II FCRD de Regimen Simplificado	1.89	1,608,933.00	1,608,496.40	861,184.14	(466.42)	(16,387.00)	-	-	(4,171.63)	840,159.09
BVK Europe 2014 LP	6.33	5,380,000.00	5,378,540.02	2,879,653.67	(1,559.62)	(54,795.36)	-	-	(13,949.23)	2,809,349.46
FPCI Idinvest Secondary Fund II LP	7.06	6,000,000.00	5,998,371.77	3,211,509.91	(1,739.36)	(61,110.07)	-	-	(15,556.76)	3,133,103.72
Frippery Limited	6.27	5,340,000.00	5,338,550.87	2,858,241.83	(1,548.10)	(54,387.99)	-	-	(13,845.51)	2,788,460.23
Neuflize Vie PCA 1 FPCI	1.26	1,070,000.00	1,069,709.63	572,719.34	(310.18)	(10,897.96)	-	-	(2,774.29)	558,736.91
SL Capital SOF I LP	10.00	8,500,000.00	8,497,693.34	4,549,638.69	(2,464.11)	(86,572.60)	-	-	(22,038.74)	4,438,563.24
Overbay Fund XIV Aggregator (AIV III) LP	15.29	13,000,000.00	12,996,472.13	6,958,271.15	(3,768.61)	(132,405.15)	-	-	(33,706.31)	6,788,391.08
Stepstone AMP Opportunities Fund LP	0.21	181,635.00	181,585.71	97,220.50	(52.66)	(1,849.95)	-	-	(470.94)	94,846.95
Stepstone Atlantic Fund LP	0.58	490,414.00	490,280.93	262,494.99	(142.17)	(4,994.87)	-	-	(1,271.54)	256,086.41
Stepstone Secondary Opportunities Fund II LP	3.99	3,387,923.00	3,387,003.59	1,813,391.34	(982.14)	(34,506.04)	-	-	(8,784.18)	1,769,118.98
Stepstone Secondary Opportunities Fund II Offshore Holdings LP	1.57	1,334,579.00	1,334,216.74	714,335.61	(386.89)	(13,592.70)	-	-	(3,460.29)	696,895.73
Stepstone UWF Secondary Opportunities Fund LP	0.71	605,449.00	605,284.65	324,067.39	(175.52)	(6,166.51)	-	-	(1,569.80)	316,155.56
David Steel (ESO)	0.12	100,000.00	99,972.84	53,524.96	(28.99)	(1,018.50)	-	-	(259.28)	52,218.19
James Smallridge (ESO)	0.12	100,000.00	99,972.84	53,524.96	(28.99)	(1,018.50)	-	-	(259.28)	52,218.19
Rhonda Nicoll (ESO)	0.07	60,000.00	59,983.73	32,115.17	(17.40)	(611.10)	-	-	(155.57)	31,331.10
Stephen Edwards (ESO)	1.06	900,000.00	899,755.78	481,726.86	(260.90)	(9,166.51)	-	-	(2,333.51)	469,965.94
Christina Keogh (Amala)	0.01	10,000.00	9,659.13	5,357.03	(2.90)	(101.85)	-	-	-	5,252.28
Heidy Sparrow (Amala)	0.01	10,000.00	9,659.13	5,357.03	(2.90)	(101.85)	-	-	-	5,252.28
Helene Schutrumpf (Amala)	0.05	40,000.00	38,636.53	21,427.70	(11.58)	(407.40)	-	-	-	21,008.72
Ian Simpson (Amala)	0.47	400,000.00	386,364.98	214,275.04	(115.96)	(4,074.00)	-	-	-	210,085.08
Simone Brands (Amala)	0.05	40,000.00	38,636.53	21,427.70	(11.58)	(407.40)	-	-	-	21,008.72
Total LP Investors	100.00	85,000,000.00	84,960,025.22	45,496,605.01	(24,641.03)	(865,726.00)	-	-	(219,091.00)	44,387,146.98
Core GP II LLP	0.00	-	-	-	-	-	-	-	-	-
Core Carry II LP	0.00	364.28	364.28	364.28	-	-	-	-	-	364.28
Total as at 30 September 2021	100.00	85,000,364.28	84,960,389.50	45,496,969.29	(24,641.03)	(865,726.00)	-	-	(219,091.00)	44,387,511.26

LIMITED PARTNERS' UNDRAWN COMMITMENTS

Inception to 30 June 2021						Inception to 30 September 2021		
(£)	%	Commitment	Total Contribution	Undrawn	Total Commitment	Total Contribution	Undrawn	Total Commitment
Access Secondary Bridge Fund LP	14.18	12,050,000.00	12,046,729.98	3,270.02	12,050,000.00	12,046,729.98	3,270.02	12,050,000.00
Adams Street UK Mid-Market Solutions LP	28.24	24,000,000.00	23,993,487.09	6,512.91	24,000,000.00	23,993,487.09	6,512.91	24,000,000.00
Arcano Secondary Fund BP II FCRD de Regimen Comun	0.46	391,067.00	390,960.88	106.12	391,067.00	390,960.88	106.12	391,067.00
Arcano Secondary Fund II FCRD de Regimen Simplificado	1.89	1,608,933.00	1,608,496.40	436.60	1,608,933.00	1,608,496.40	436.60	1,608,933.00
BVK Europe 2014 LP	6.33	5,380,000.00	5,378,540.02	1,459.98	5,380,000.00	5,378,540.02	1,459.98	5,380,000.00
FPCI Iinvest Secondary Fund II LP	7.06	6,000,000.00	5,998,371.77	1,628.23	6,000,000.00	5,998,371.77	1,628.23	6,000,000.00
Frippery Limited	6.27	5,340,000.00	5,338,550.87	1,449.13	5,340,000.00	5,338,550.87	1,449.13	5,340,000.00
Neuflize Vie PCA 1 FPCI	1.26	1,070,000.00	1,069,709.63	290.37	1,070,000.00	1,069,709.63	290.37	1,070,000.00
SL Capital SOF I LP	10.00	8,500,000.00	8,497,693.34	2,306.66	8,500,000.00	8,497,693.34	2,306.66	8,500,000.00
Overbay Fund XIV Aggregator (AIV III) LP	15.29	13,000,000.00	12,996,472.13	3,527.87	13,000,000.00	12,996,472.13	3,527.87	13,000,000.00
Stepstone AMP Opportunities Fund LP	0.21	181,635.00	181,585.71	49.29	181,635.00	181,585.71	49.29	181,635.00
Stepstone Atlantic Fund LP	0.58	490,414.00	490,280.93	133.07	490,414.00	490,280.93	133.07	490,414.00
Stepstone Secondary Opportunities Fund II LP	3.99	3,387,923.00	3,387,003.59	919.41	3,387,923.00	3,387,003.59	919.41	3,387,923.00
Stepstone Secondary Opportunities Fund II Offshore Holdings LP	1.57	1,334,579.00	1,334,216.74	362.26	1,334,579.00	1,334,216.74	362.26	1,334,579.00
Stepstone UWF Secondary Opportunities Fund LP	0.71	605,449.00	605,284.65	164.35	605,449.00	605,284.65	164.35	605,449.00
David Steel (ESO)	0.12	100,000.00	99,972.84	27.16	100,000.00	99,972.84	27.16	100,000.00
James Smallridge (ESO)	0.12	100,000.00	99,972.84	27.16	100,000.00	99,972.84	27.16	100,000.00
Rhonda Nicoll (ESO)	0.07	60,000.00	59,983.73	16.27	60,000.00	59,983.73	16.27	60,000.00
Stephen Edwards (ESO)	1.06	900,000.00	899,755.78	244.22	900,000.00	899,755.78	244.22	900,000.00
Christina Keogh (Amala)	0.01	10,000.00	9,659.13	340.87	10,000.00	9,659.13	340.87	10,000.00
Heidy Sparrow (Amala)	0.01	10,000.00	9,659.13	340.87	10,000.00	9,659.13	340.87	10,000.00
Helene Schutrumpf (Amala)	0.05	40,000.00	38,636.53	1,363.47	40,000.00	38,636.53	1,363.47	40,000.00
Ian Simpson (Amala)	0.47	400,000.00	386,364.98	13,635.02	400,000.00	386,364.98	13,635.02	400,000.00
Simone Brands (Amala)	0.05	40,000.00	38,636.53	1,363.47	40,000.00	38,636.53	1,363.47	40,000.00
Total LP Investors	100.00	85,000,000.00	84,960,025.22	39,974.78	85,000,000.00	84,960,025.22	39,974.78	85,000,000.00
Core GP II LLP	-	-	-	-	-	-	-	-
Core Carry II LP	-	364.28	364.28	-	364.28	364.28	-	364.28
Total as at 30 September 2021	100.00	85,000,364.28	84,960,389.50	39,974.78	85,000,364.28	84,960,389.50	39,974.78	85,000,364.28

Loan Commitment during the quarter: Enil

Core Capital Partners II LP

Quarter Update: 30 September 2021

