

28 November 2024

Vela Technologies plc
("Vela" or "the Company")
Quarterly Investment Update

The Board of Vela (AIM:VELA), an AIM-quoted investing company focused on early-stage and pre-IPO disruptive technology investments, is pleased to report an investment update for the quarter ended 30 September 2024.

Key numbers as at 30 September 2024

- The value of Vela's total assets (including cash) increased by £251,000 during the quarter to £3,055,000 from £2,804,000 (quarter to 30 June 2024 - a decrease of £2,737,000).
- The fair value of the investment portfolio (excluding cash) at 30 September 2024 was £2,952,000 (30 June 2024 - £2,747,000).
- During the quarter, a profit of £28,000 was realised on sales of investments and there was a net unrealised gain of £20,000 on the remaining listed investments.
- During the quarter Vela issued shares to Hamak Gold Limited in return for a £300,000 convertible loan note.
- Vela's cash balance stood at £103,000 (30 June 2024 - £57,000).

Comment

James Normand, Executive Director, commented: *"The markets stubbornly fail to reflect the excellent results posted by certain of Vela's principal UK listed investee companies. Vela's Board has concluded that the Company can no longer simply wait for the long-expected upturn in markets. It is therefore actively taking opportunities to realise a proportion of its existing investment portfolio, where it can do so without crystallising material losses, with the intention of recycling the proceeds into investment opportunities that offer the prospect of more favourable returns."*

Changes in the investment portfolio during the quarter

The following table sets out the changes in the investment portfolio during the quarter ended 30 September 2024:

	30 June 2024 at fair value	Quarter to 30 September 2024			30 September 2024		
		(Sales) and purchases	Realised profit on sales	Unrealised profit (loss)	No. of shares	% of equity	Fair value
Shares							
Listed in the UK							
On the main market							
R8 Capital Investments plc (formerly Mode Global Holdings plc)	14,000	-	-	-	620,581	< 1	14,000
On AIM							
Northcoders Group plc	740,000	-	-	(45,000)	347,499	4.3	695,000
EnSilica plc	290,000	(22,000)	4,000	74,000	616,707	< 1	342,000
Skillcast Group plc	244,000	(19,000)	7,000	43,000	575,676	< 1	268,000
Finseta plc	150,000	-	-	-	400,000	< 1	150,000
Tribe Technology PLC	128,000	-	-	11,000	3,125,000	1.3	139,000
Ethernity Networks Ltd	2,000	-	-	(1,000)	350,000	< 1	1,000
MTI Wireless Edge Ltd	74,000	(74,000)	17,000	-	-	-	-
On AQSE							
TruSpine Technologies plc	72,000	-	-	(21,000)	6,000,000	3.9	51,000
Igraine PLC	66,000	-	-	(6,000)	23,928,080	27.7	60,000
Global Connectivity plc	15,000	-	-	-	1,200,000	< 1	15,000
	<u>1,795,000</u>	<u>(115,000)</u>	<u>28,000</u>	<u>55,000</u>			<u>1,735,000</u>
Listed overseas							
NASDAQ							
Conduit Pharmaceuticals Inc	124,000	-	-	(35,000)	1,005,760	1.0	89,000
Unlisted							
Community Social Investment Limited (formerly WeShop Limited)	427,000	-	-	-	71,429	< 1	427,000
Aeristech Limited	401,000	-	-	-	145,833	1.0	401,000
	<u>828,000</u>	<u>-</u>	<u>-</u>	<u>-</u>			<u>828,000</u>
Convertible loan stock							
Hamak Gold Limited		300,000	-	-	-	-	300,000
Total investments	<u>2,747,000</u>	<u>185,000</u>	<u>28,000</u>	<u>20,000</u>			<u>2,952,000</u>
Cash	<u>57,000</u>						<u>103,000</u>
Total assets	<u>2,804,000</u>						<u>3,055,000</u>
Net assets per share (pence)	0.0169						0.0161

The figures contained within this quarterly investment update are taken from unaudited management information.

Investments traded on a recognised stock market are valued using the accounting policies outlined in the notes to the annual financial statements. Unlisted investments and other financial assets are stated at the values attributed to them in the audited balance sheet as at 31 March 2024, unless there has been a transaction since that date which suggests a materially different valuation.

Key developments in principal investee companies since the last report (30 August 2024)

Northcoders Group plc ("Northcoders")

Northcoders published its half-year results (to 30 June 2024) which showed a 26% increase in revenue, a gross margin improvement from 62% to 67%, a ten-fold increase in underlying adjusted EBITDA (to £0.4 million) and a strong balance sheet with cash of £1.3 million. Northcoders' Board is confident in the company's ability to deliver full year revenue and profits in line with market expectations. In November Northcoders announced that its consultancy brand, 'Counter', had been accepted onto the UK government's public sector digital marketplace which opens up for the company new opportunities in the public sector.

EnSilica Plc ("EnSilica")

EnSilica has made a number of announcements of valuable contracts that it has secured in the period. In November EnSilica announced its final results (for the year ended 31 May 2024), reporting 23% growth in revenue and an increase in EBITDA of £0.1 million to £1.7 million. Cash balances increased to £5.2 million following successful completion of an equity fundraising. In November EnSilica also announced a new enlarged and less costly debt facility of up to £9 million.

Skillcast Group PLC ("Skillcast")

Skillcast published its half-year results (to 30 June 2024) which showed a 27% growth in annualised recurring revenue, a £0.8 million improvement in EBITDA and continued growth in cash balances (to £8.3 million).

Conduit Pharmaceuticals Inc. ("Conduit")

There have been no significant developments and no interim reports from Conduit on the investigations into improper share dealing that it instigated and announced in August 2024. Conduit continues to trade and has recently announced the appointment to the Board of Simon Fry, an experienced investment banking executive.

Community Social Investments Limited ("CSIL")

The ability for Vela to realise its interest in CSIL is dependent upon the sale or listing of WeCap plc ("WeCap"). In November 2024, WeCap announced that it had cleared an important obstacle to its listing process. The announcement did not suggest a timetable to listing.

Aeristech Limited ("Aeristech")

Aeristech reported to shareholders in October that it had satisfied conditions set by a prospective major funder and/or buyer to allow it to conduct due diligence on the company. This is currently in train. The Vela board understands that Aeristech's business continues to grow in revenue and in profitability.

Other activities

- Since the publication of the last quarterly update in August 2024, the Board of Vela has spoken to or met with representatives of the following investee companies:
 - Northcoders Group plc
 - TruSpine Technologies plc
 - Aeristech Limited
 - Conduit Pharmaceuticals Inc
 - Igraine PLC
 - Hamak Gold Limited
- Vela made one investment in the quarter (in Hamak Gold Limited ("Hamak")) and, since the quarter-end, a further investment in an existing investee company (Igraine PLC). These are detailed in announcements made by the Company at the time.
- Under the terms of the investment in the convertible loan note in Hamak, Hamak undertook to redeem £75,000 of the CLN at a minimum rate of £10,000 per month from 31 July 2024 onwards. On 21 October 2024 Vela announced that it had yet to receive any such payments and was in discussions with the Hamak board in order to reach a mutually beneficial longer-term solution. These discussions continue.
- Vela's management team has had, and continues to have, discussions with a number of prospective investee companies and any investments that arise from these will be announced at the appropriate time. There can be no guarantee that any of these discussions will lead to any investments being made by Vela.

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About Vela Technologies

Vela Technologies plc (AIM: VELA) is an investing company focused on early stage and pre-IPO long term disruptive technology investments. Vela's investment portfolio consists of early stage disruptive technology companies across a range of sectors including artificial intelligence, cybersecurity, fintech, healthcare, and sustainable technology.

technology investments. Vela's investee companies have either developed ways of utilising technology or are developing technology with a view to disrupting the businesses or sector in which they operate. Vela Technologies will also invest in already-listed companies where valuations offer additional opportunities.

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