

Albion Development VCT PLC

AGM June 2024

Results for the year to 31 December 2023

AGENDA

Financial summary

Background

Performance data

Highlights in the year

Investment portfolio

Realisations

Investment strategy

ESG & responsible investing

Prospects, Q1 results and shareholder events

FINANCIAL SUMMARY TO DEC 2023

88.70p

Net asset value (NAV)
per share as at
31 December 2023

206.78p

Total shareholder value
as at 31 December 2023

5.14%

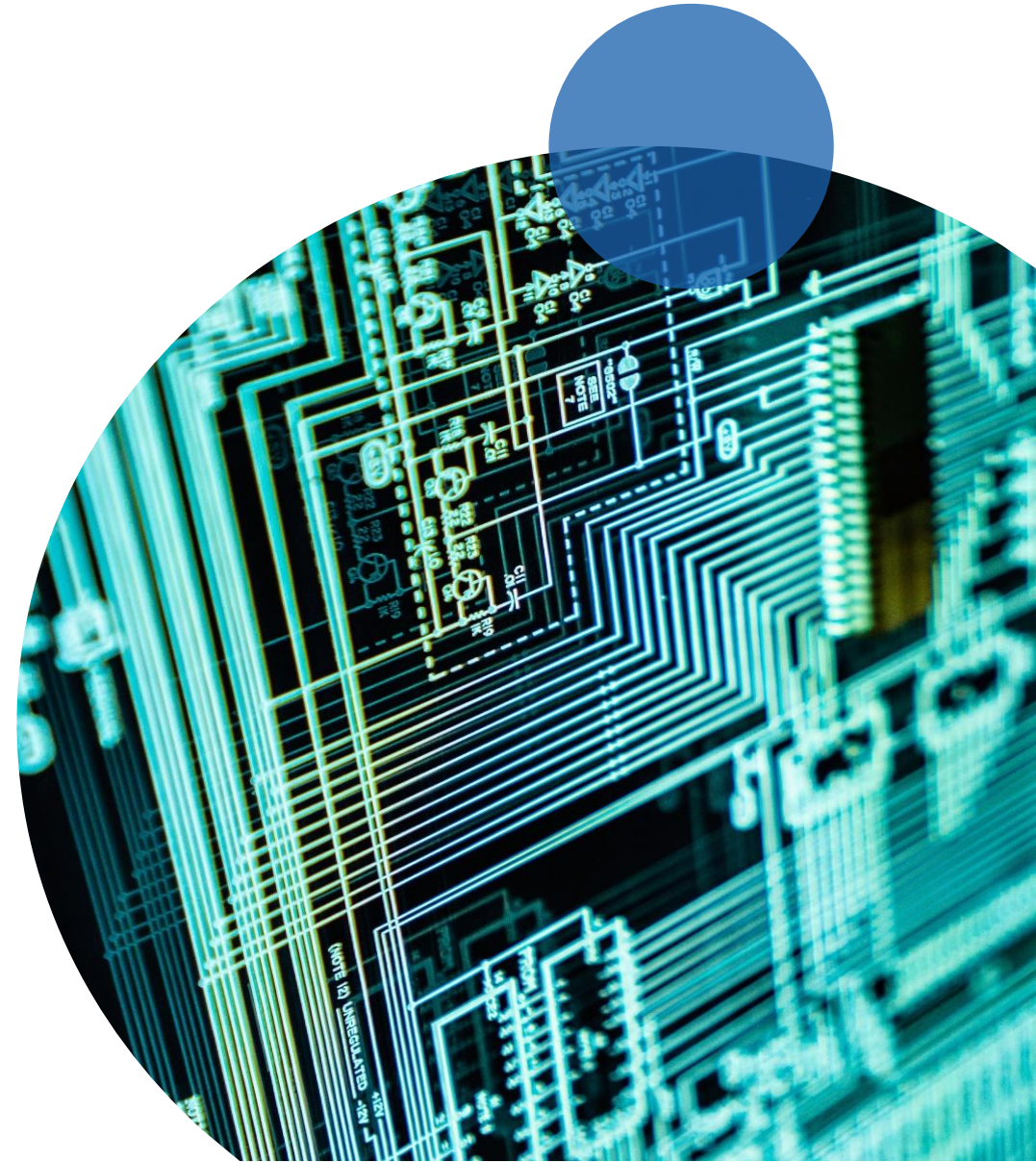
Shareholder return for
the year ended 31
December 2023

4.51p

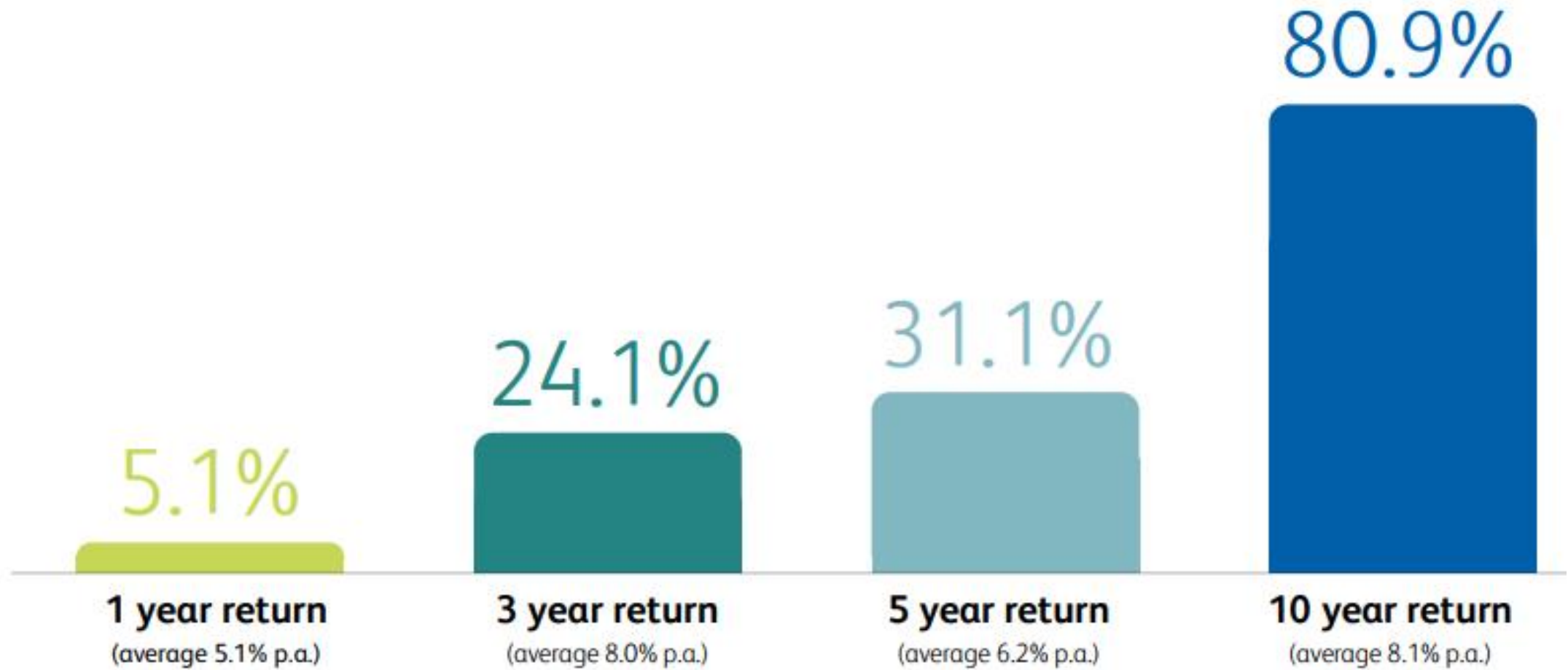
Tax-free dividends
per share paid
during the year

BACKGROUND

- Heightened global macro and geo-political uncertainties
- Falling inflation but high interest rates remain
- Portfolio focus on mission critical products and services is designed to provide resilience
- An encouraging return for the year despite challenging market conditions
- Positive Q1 performance



PERFORMANCE DATA



HIGHLIGHTS IN THE YEAR

	2022	2023	Notes
Fundraising	£26.1m	£7.0m	2022 fundraising included allotments under two offers: 2021/22 & 2022/23 Top Up Offers
Exits	£7.7m	£5.3m	2023 included sale of Ophelos and a part disposal of Quantexa
Investment rate	£15.6m	£6.9m	£2.2m in 5 new companies and £4.7m into existing portfolio
Share buybacks	£2.2m	£2.5m	
Dividends	£5.8m	£6.1m	

KEY VALUE DRIVERS IN THE YEAR

	2023	Notes
Quantexa	£10.0m	Series E fundraising – UK’s first “unicorn” of 2023
Egress	£1.5m	Strong trading – sale agreed after year end
Black Swan	(£1.6m)	Impacted by macroeconomic environment
Threadneedle Software Holdings (T/A Solidatus)	(£0.8m)	Impacted by macroeconomic environment
Other – write ups	£2.9m	Including: Proveca, Opehlos and Radnor House School
Other – write downs	(£4.7m)	Including: Healios, PeakData and Neurofenix
TOTAL	£7.3m	

PORTFOLIO ANALYSIS

Sector breakdown



- Healthcare (including digital healthcare) 20% (21%)
- Renewable energy 7% (8%)
- FinTech 26% (18%)
- Software & technology 23% (24%)
- Cash and other net assets 20% (25%)
- Other (including Education) 4% (4%)

Portfolio of 63 companies employing over 4,500 people predominantly in the UK

PORTFOLIO ANALYSIS

Stage of investment






- Early stage (revenue less than £1 million) 7% (10%)
- Growth (revenue between £1 million and £5 million) 13% (15%)
- Scale up (revenue over £5 million) 80% (75%)

No. of employees



- Under 20 3% (4%)
- 21 - 50 12% (14%)
- 51 - 100 20% (21%)
- 101+ 57% (51%)
- Renewable energy* 8% (10%)

TOP 3 ACCOUNT FOR 35.3% OF THE NAV AT DEC 2023

		Investment date	Cost £000	Book value £000	Revenue growth	Employee growth
	Uses the latest advances in big data analytics and artificial intelligence to help its financial services and government customers detect financial crime	2017	2,052	22,283	>50x	30 to c.600
	The leading cloud encryption platform ensuring data security for email, data transfer and collaboration environments	2014	2,332	10,534	>25x	23 to c.300
	European specialist pharmaceutical company focussed on children's medicines	2012	2,922	9,371	Pre revenue to >£16m p.a	4 to 64
			£7.3m	£42.2m		

NEW INVESTMENTS



£0.9m

AI powered chatbots
and virtual assistants



£0.5m

Distributed Energy
Resources modelling
software



£0.4m

Quantum computer
software



£0.2m

Software for non-bank
lenders



£0.2m

Supply chain
emissions modelling
software

NEW INVESTMENT: OPENDIAGLOG AI

1

OpenDialog AI is a provider of AI powered chatbots and virtual assistants



- OpenDialog allows organisations to create and deploy AI powered chatbots and virtual assistants in a no-code environment
- Repeat founders (Thoughtonomy acquired by Blue Prism Group PLC)
- £5.0m invested by Albion VCTs, of which £0.9m from AADV

NEW INVESTMENT: GRIDCOG INTERNATIONAL




2

GridCog International is a provider of modelling software for Distributed Energy Resources (DERs)



- Gridcog's DERs modelling platform enables customers to analyse, design, invest in and track their clean energy projects
- Repeat founders (Greensense and Limejump – acquired by Shell PLC)
- £3.0m invested by Albion VCTs, of which £0.5m from AADV

FOLLOW-ONS

 panaseer	 Proveca Medicines for Children	 SELDON
£1.4m	£1.1m	£0.6m
Provider of cyber security software	Provider of a reformulation of medicines for children	A software company that enables enterprises to deploy Machine Learning models in production

INVESTMENT STRATEGY



Seed to Series B
(early stage
to growth)



Backing
long-term
trends



Focus on
B2B



Target
software and
healthcare



ESG AND RESPONSIBLE INVESTING

Our commitment

- Devise an appropriate risk-return profile for our investments
- Deliver value to our investors
- Develop sustainable long-term strategies for our portfolio companies

Our process

- Integrates ESG principles at all stages of investment
- Measures ESG performance across the portfolio
- Annual ESG reporting to industry bodies and UN PRI

ESG AT ALBION

ENVIRONMENTAL

- Net zero road mapping plan
- Carbon footprint measuring and offsetting
- Purchased carbon removal permits for 2022/2023 emissions

SOCIAL

- Fair HQ score improvement (from 6.1 to 6.6 out of 10) over the year
- Social outreach group launched to encourage students from lower socio-economic backgrounds to enter VC
- Continued support for Whizz Kidz

GOVERNANCE

- ESG principles integrated across the full investment cycle
- Completion of 2023 ESG BSC portfolio reporting and plans for 2024
- Regular ESG updates for all stakeholders

PROSPECTS

- Ongoing uncertainties but balanced by strong individual portfolio company growth
- Well-balanced portfolio across target sectors and stage of maturity
- Focus on mission critical products and services, designed to provide resilience
- Limited exposure to discretionary consumer facing sectors
- Good level of cash to capitalise on new opportunities

ELECTRONIC VOTING

- Online voting is quick and simple
- Notification emails are sent before the AGM with full instructions
- Two options:
 - Before the AGM via notification email or visit www.investorcentre.co.uk/eproxy
 - During the AGM via the [Lumi platform](#)
- Any questions, contact us



Q1 RESULTS & EVENTS

- NAV at 31 March 2024 of 91.24p
 - Increase of 2.86% to the 31 December 2023 NAV
- Sale of Egress Software Technologies agreed, expected to close in the coming months subject to customary closing conditions and regulatory approvals
- Physical annual shareholder seminar
- First dividend of 2.22p per share paid on 31 May 2024
- Top three investments now account for 34.1% of NAV at 31 March 2024

Shareholder seminar details

 20 November 2024

 No.11 Cavendish Square,
London W1G 0AN

 To reserve a place, email
info@albion.capital

Thank you

This presentation is issued by Albion Capital for information purposes only and is not to be regarded as an offer to buy or sell, or the solicitation to buy or sell shares in Albion Development VCT PLC. Any person considering an investment should seek advice from an authorised financial advisor.

Albion Capital Group LLP does not offer investment advice or make investment recommendations, nor offer tax advice and nothing in this presentation should be considered investment or tax advice.

The market value of, and the income derived from shares can fluctuate and there is no guarantee that the market price of shares will fully reflect their underlying net asset value. There can be no guarantee that the investment objectives will be met. There is no guarantee that target dividends will be paid.

Albion Capital Group LLP is authorised and regulated by the Financial Conduct Authority.