

Kings Arms Yard VCT PLC

AGM June 2024

Results for the year to 31 December 2023



AGENDA

Financial summary

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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

0.42p

Basic and diluted return
per share for the year ended
31 December 2023

2.2%

Shareholder return for the
year ended
31 December 2023

1.05p

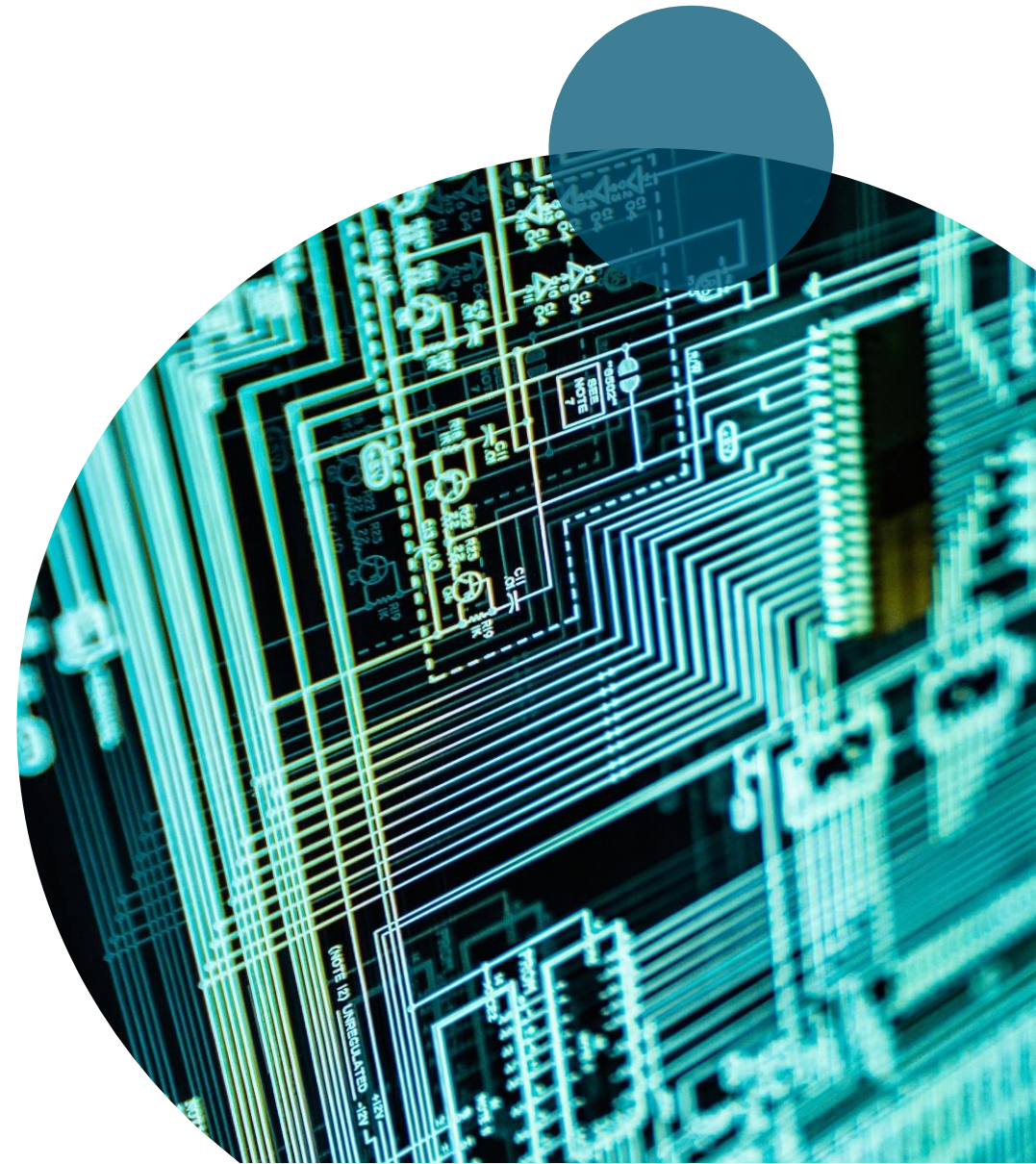
Total tax free dividends per
share paid in the year to
31 December 2023

20.37p

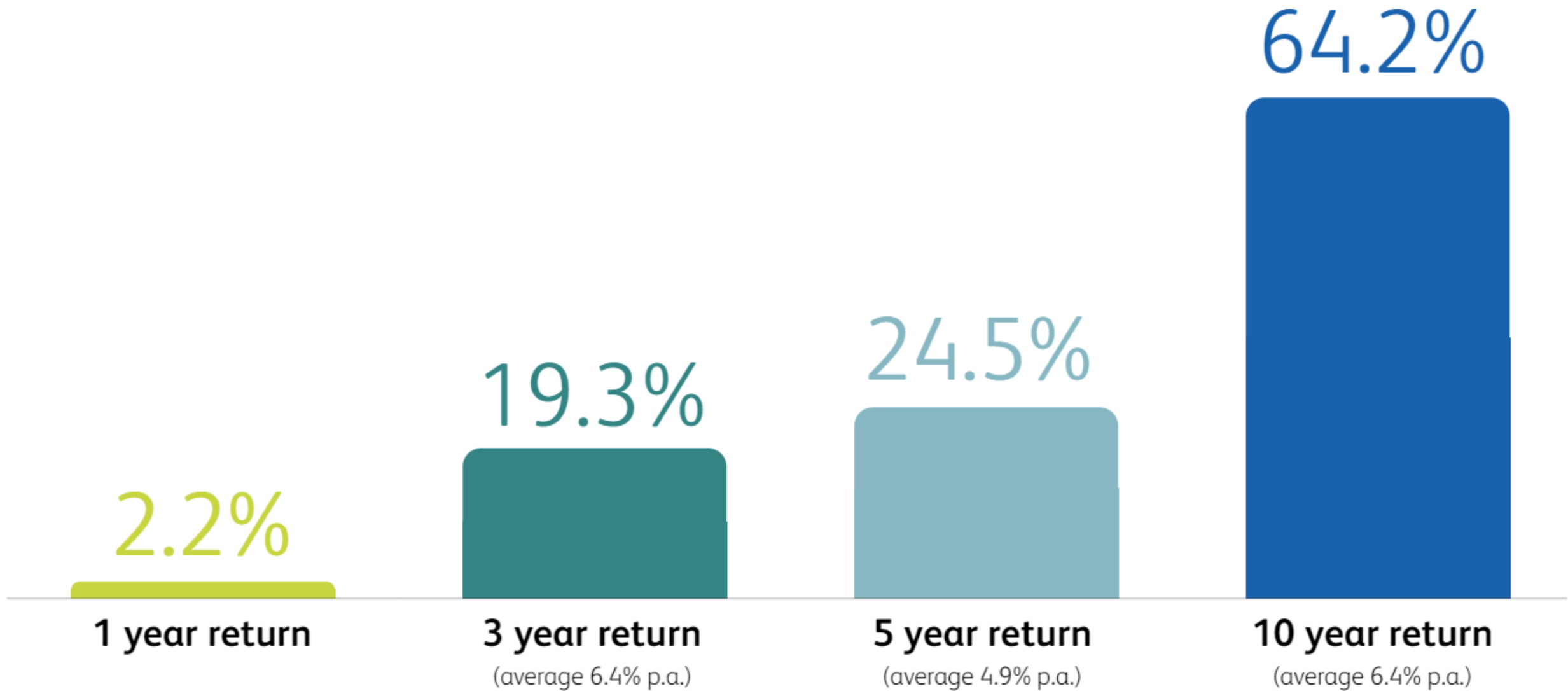
Net asset value per share as
at 31 December 2023

BACKGROUND

- Name to change to “Albion KAY VCT PLC” during June 2024
- 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

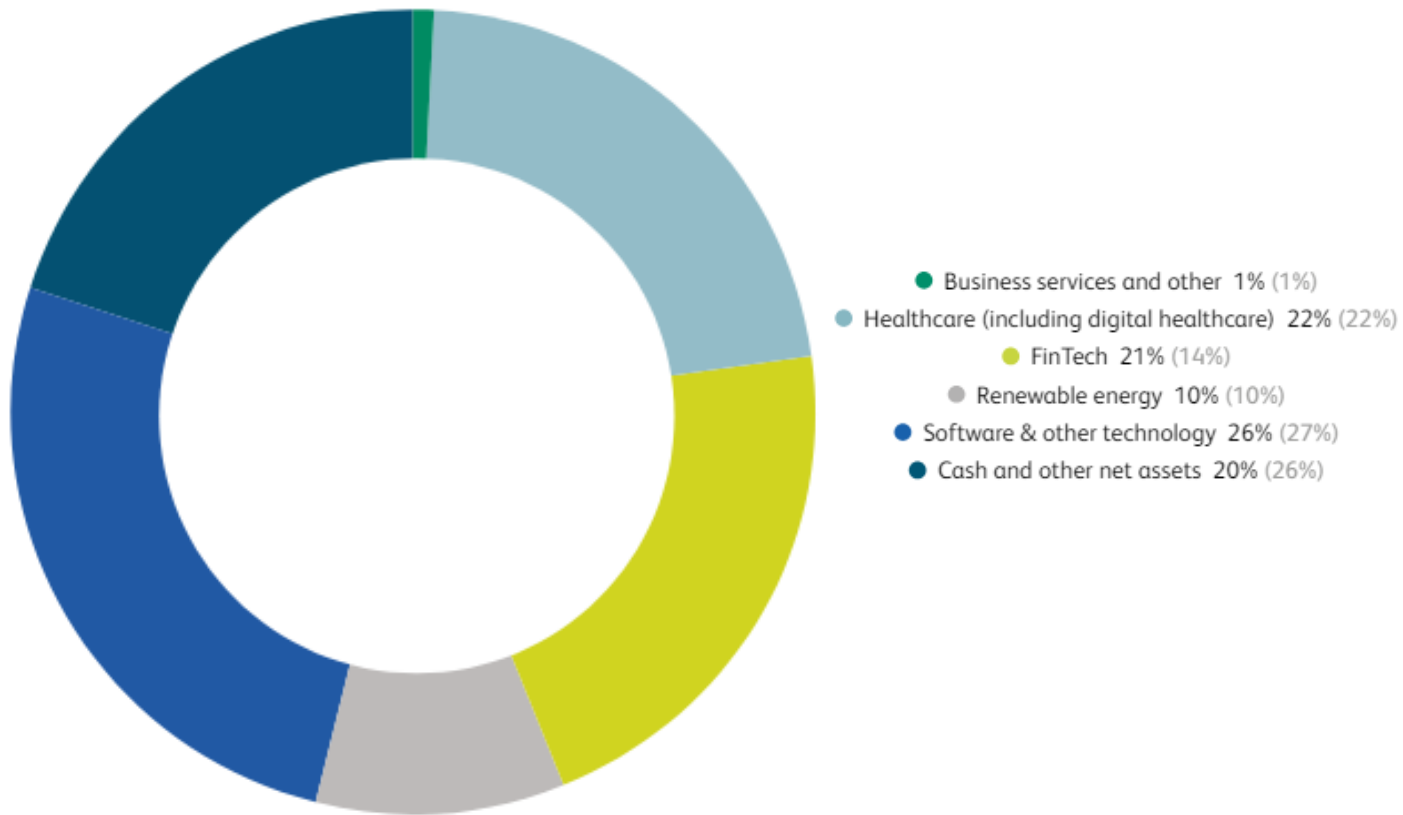
	2022	2023	Notes
Fundraising	£12.9m	£7.1m	2022 fundraising included allotments under two offers: 2021/22 & 2022/23 Top Up Offers
Exits	£8.7m	£2.8m	Including Ophelos, achieving a 2.1x return on cost
Investment rate	£16.7m	£6.5m	£2.1m in 5 new companies and £4.4m into existing portfolio
Share buybacks	£2.3m	£3.0m	
Dividends	£10.8m	£5.5m	2022 includes £5m special dividend paid July 2022
Performance Incentive Fee	-	-	

KEY VALUE DRIVERS IN THE YEAR

	2023	Notes
Quantexa	£6.1m	Successful externally led Series E fundraising
Egress	£1.1m	Strong trading - Sale agreed after year end
Black Swan	(£1.1m)	Impacted by macroeconomic environment
Threadneedle Software Holdings (T/A Solidatus)	(£0.6m)	Impacted by macroeconomic environment
Other – write ups	£3.0m	Including: Proveca, Ophelos and Accelex Technology
Other – write downs	(£5.2m)	Including: Brytlyt, PeakData and PerchPeek
TOTAL	£3.3m	

PORTFOLIO ANALYSIS

Sector breakdown



Portfolio of 64
companies
employing over
4,600 people

PORTFOLIO ANALYSIS

Stage of investment






- Early stage (revenue less than £1 million) 11% (12%)
- Growth (revenue between £1 million and £5 million) 18% (18%)
- Scale up (revenue over £5 million) 71% (70%)

No. of employees








- Up to 20 5% (6%)
- 21 - 50 13% (12%)
- 51 - 100 29% (24%)
- 101+ 41% (44%)
- Renewable energy* 12% (14%)

TOP 3 ACCOUNT FOR 32.7% 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	1,329	15,274	>50x	30 to c.600
	European specialist pharmaceutical company focussed on children's medicines	2012	3,559	11,804	Pre revenue to >£16m p.a	4 to 64
	The leading cloud encryption platform ensuring data security for email, data transfer and collaboration environments	2014	1,644	7,426	>25x	23 to c. 300
			£6.5m	£34.5m		

NEW INVESTMENTS

 OpenDialog	 Gridcoo	 PHASECRAFT	 kennek	 mondra
£0.8m	£0.5m	£0.4m	£0.2m	£0.2m
AI powered chatbots and virtual assistants	Distributed Energy Resources modelling software	Quantum computer software	Software for non-bank lenders	Supply chain emissions modelling software

NEW INVESTMENT: OPENDIALOG 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 £0.8m from KAY

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 KAY

FOLLOW-ONS



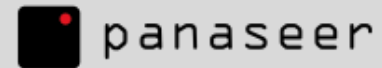
£1.3m

Provider of a reformulation
of medicines for children

gravitee.io

£0.7m

A next generation API
management platform



£0.6m

Provider of cyber
security software



£0.4m

A cloud platform and
infrastructure that enables
corporates to issue digital
incentives and payouts

1

REALISATIONS: OPHELOS

- Using machine learning to create a new standard for how organisations manage customer debt - ethically and efficiently
- Acquired by Intrum AB (Swedish listed)

£3.2m

Invested by Albion VCTs

2.1x

Cash on cash multiple

£1.5m

KAY VCT proceeds

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

BOARD CHANGES



- Thomas Chambers retires as a director of the company
- Appointed in October 2011
- During Thomas' tenure, he served as Chairman of the Audit and Risk Committee

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:
 1. Before the AGM via notification email or visit www.investorcentre.co.uk/eproxy
 2. During the AGM via the [Lumi platform](#)
- Any questions, contact us




Q1 RESULTS & EVENTS

- NAV at 31 March 2024 of 20.91p
 - Increase of 2.65% 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 0.51p per share paid on 30 April 2024
- Top three investments now account for 32.1% 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

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