

Albion Enterprise VCT PLC

Manager Presentation September 2024

Results for the year to 31 March 2024

AGENDA

Financial summary

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Performance data

Highlights in the year

Investment portfolio

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Sunset Clause

Investment strategy

ESG & responsible investing

Prospects and Q1 results

FINANCIAL SUMMARY TO MARCH 2024

125.77p

Net asset value (NAV)
per share as at
31 March 2024

200.92p

Total shareholder value
as at 31 March 2024

2.68%

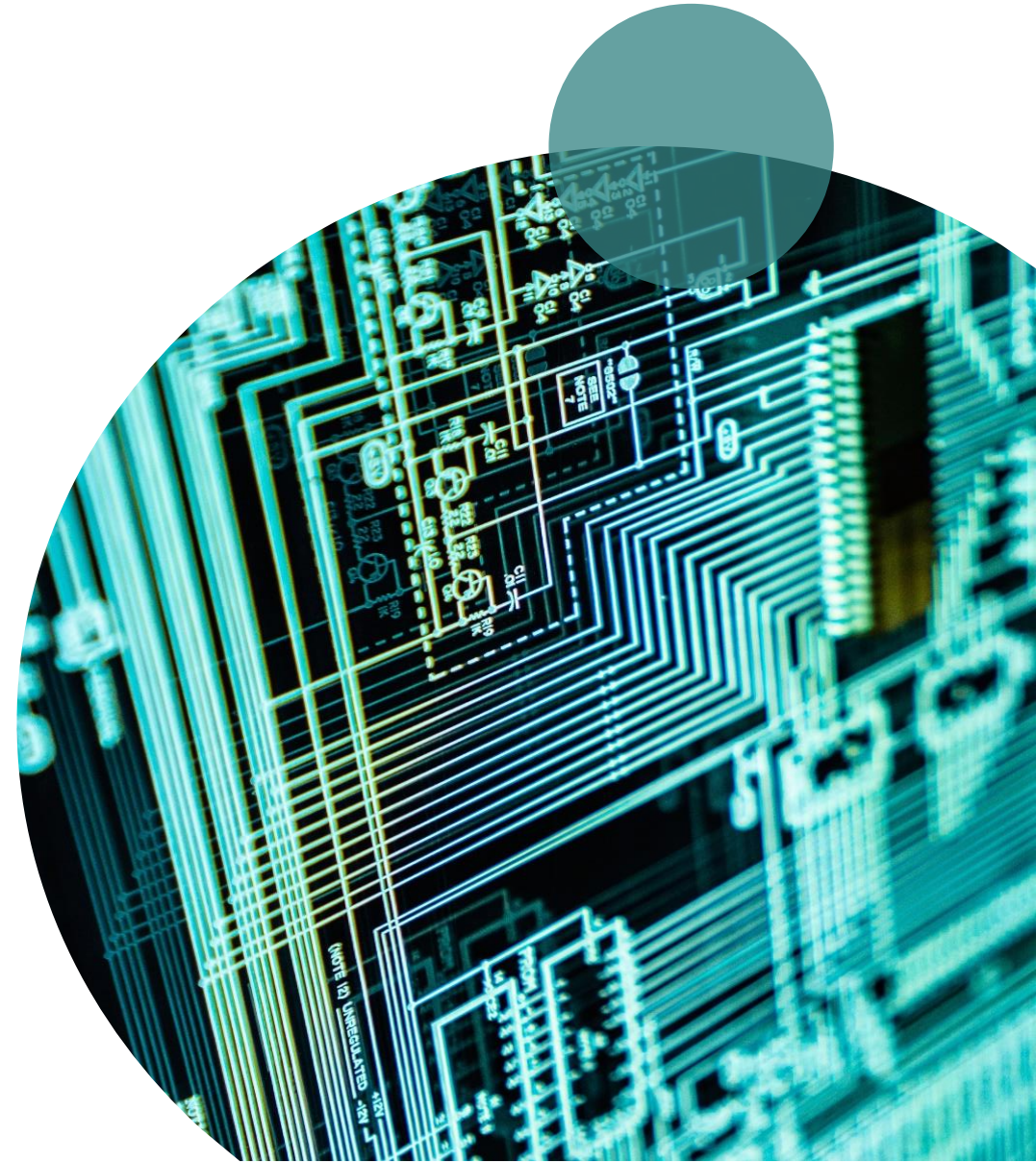
Shareholder return for
the year ended 31
March 2024

6.28p

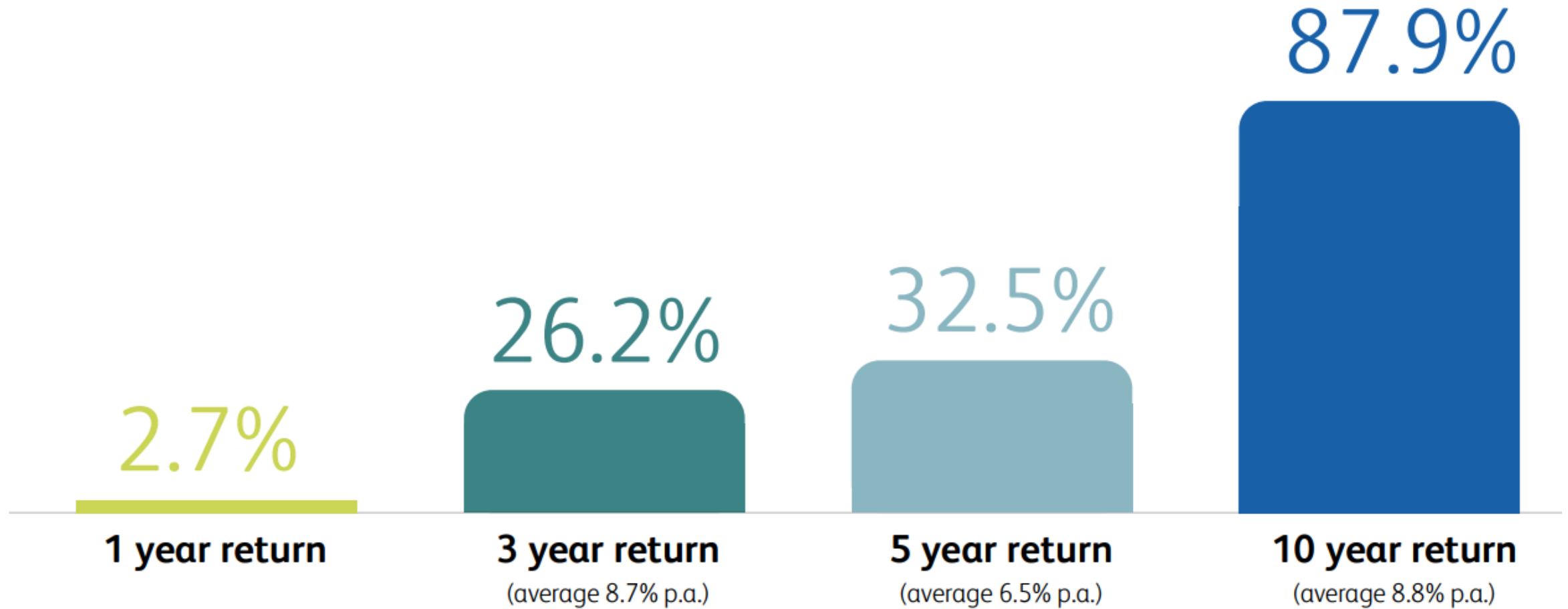
Tax-free dividends
per share paid
during the year

BACKGROUND

- Continuing global macro and geo-political uncertainties
- Falling inflation and elevated interest rates
- 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

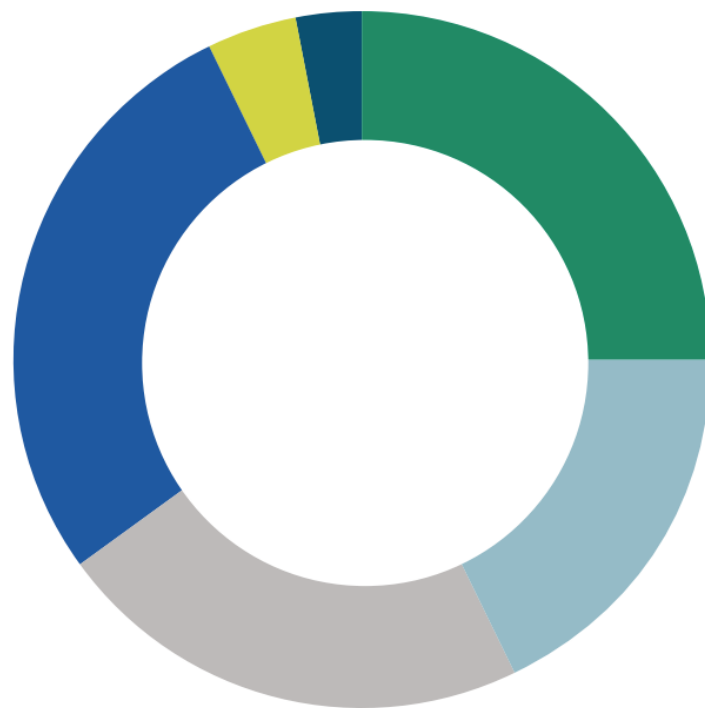
	2023	2024	Notes
Fundraising	£16.4m	£15.4m	
Exits	£1.8m	£6.0m	Including sale of Ophelos and part disposal of Quantexa
Investment rate	£12.5m	£8.9m	£3.6m in 6 new companies and £5.3m into the existing portfolio
Share buybacks	£2.9m	£2.5m	
Dividends	£6.0m	£6.3m	

KEY VALUE DRIVERS IN THE YEAR

	2024	Notes
Egress	£8.0m	Agreed sale at over 7x return on cost (completed, 1 July 2024)
Proveca	£0.9m	Strong trading
Threadneedle Software Holdings (T/A Solidatus)	(£0.8m)	Impacted by macroeconomic environment
PeakData	(£0.8m)	Impacted by macroeconomic environment
Other – write ups	£3.1m	Including: Gravitee, Ophelos and Accelex
Other – write downs	(£5.5m)	Including: Solidatus, PeakData, The Evewell, and Seldon
TOTAL	£4.9m	

PORTFOLIO ANALYSIS

Sector breakdown



- Cash and other net assets 25% (26%)
- Healthcare (including digital healthcare) 18% (19%)
- FinTech 22% (26%)
- Software & technology 28% (20%)
- Renewable energy 4% (5%)
- Other (including Education) 3% (4%)

Portfolio of 56 companies employing over 4,500 people predominantly in the UK

PORTFOLIO ANALYSIS

Stage of investment



- Early stage (revenue less than £1 million) 7% (7%)
- Growth (revenue between £1 million and £5 million) 11% (14%)
- Scale up (revenue over £5 million) 82% (79%)




No. of employees








- Under 20 4% (3%)
- 21 - 50 12% (14%)
- 51 - 100 15% (18%)
- 101+ 64% (59%)
- Renewable energy* 5% (6%)

*Renewable energy companies have no employees

TOP 3 ACCOUNT FOR 36.4% OF THE NAV AT MARCH 2024

		Investmen t date	Cost £000	Book value £000	Revenue growth	Empleye e growth
 outcomes delivered	Uses the latest advances in big data analytics and artificial intelligence to help its financial services and government customers detect financial crime	2017	2,069	22,164	>50x	30 to c.600
 egress	The leading cloud encryption platform ensuring data security for email, data transfer and collaboration environments	2014	3,365	20,795	>25x	23 to c.300
 Proveca Medicines for Children	European specialist pharmaceutical company focussed on children's medicines	2012	2,487	8,194	Pre revenue to £16m p.a	4 to 64
			£7.9m	£51.2m		

NEW INVESTMENTS

 TREEFERA	 OpenDialog	Gridcoo	 PHASECRAFT	 kennek	 mondra
£1.4m	£0.9m	£0.5m	£0.5m	£0.2m	£0.2m
AI enabled platform providing insights on nature-based assets	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 CLIMATE TECH INVESTMENT: TREEFERA

1

An AI-enabled data management platform providing transparency and accuracy to nature-based asset reporting



- Treefera's platform integrates satellite, drone and ground truth data at huge scale with cutting-edge AI algorithms, to provide continuous monitoring, assurance and risk evaluation
- Founding team ex JP Morgan and UiPath
- £7.0m invested by Albion VCTs, of which £1.4m from AAEV

NEW DEEPTech INVESTMENT: PHASECRAFT




2

Phasecraft is a quantum algorithm company led by leading academics from UCL and the University of Bristol



- A quantum software company focused on quantum advantage, that has reduced the cost of modelling materials on a quantum computer – by +1,000,000x compared with the best previous algorithms.
- World-leading team in quantum algorithm development, creating highly valuable intellectual property.
- £2.4m invested by Albion VCTs, of which £0.5m from AAEV

FOLLOW-ONS

 panaseer £1.0m	 Proveca Medicines for Children £1.0m	 gravitee.io £0.7m
Provider of cyber security software	Provider of a reformulation of medicines for children	An API management platform that enables enterprises to manage their APIs through their lifecycle

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

£1.1m

AAEV VCT proceeds

2

REALISATIONS: PARTIAL SALE OF QUANTEXA

- Data and analytics company pioneering contextual decision intelligence
- Partial sale reduces portfolio concentration risk
- Sold to experienced private equity investors through their investment vehicle Albion Growth Opportunities II

£0.9m

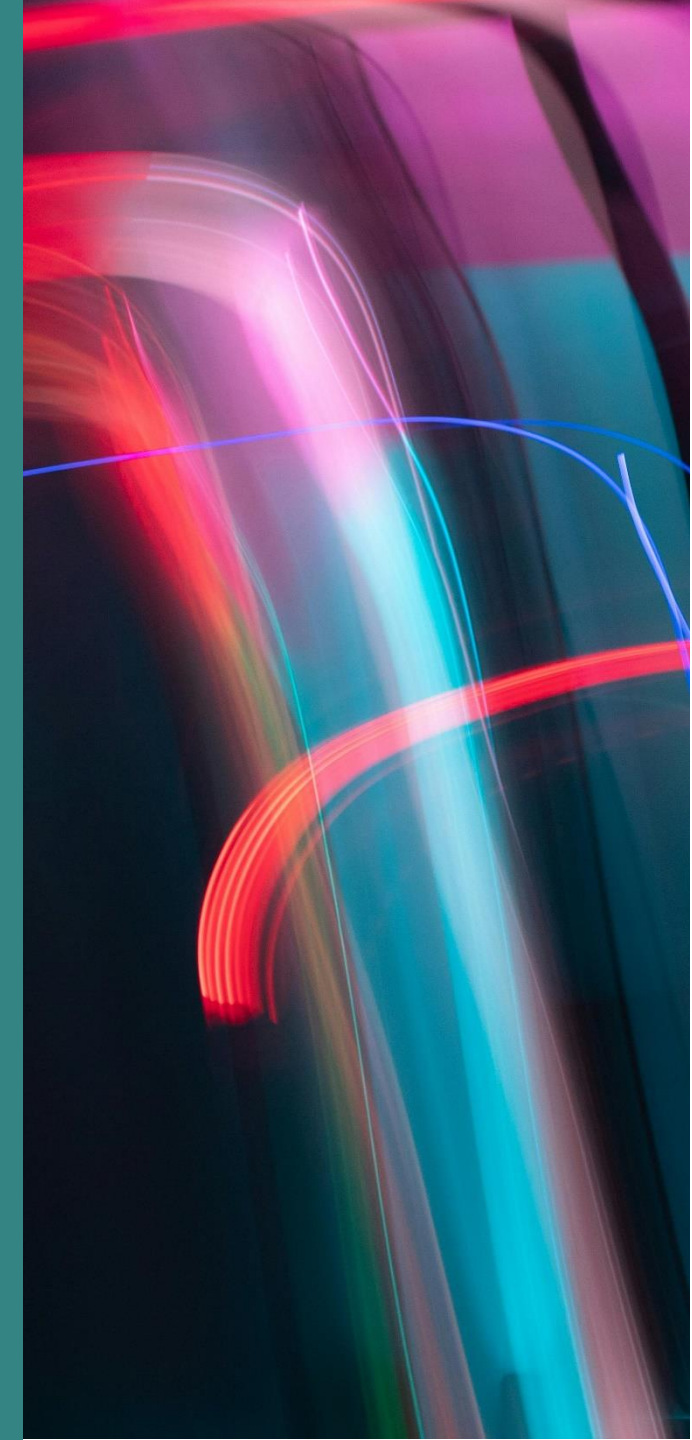
Weighted average
investment by Albion VCTs

11.5x

Cash on cash multiple

£2.2m

AAEV VCT proceeds



SUNSET CLAUSE

“The VCT Association has continuously sought to demonstrate the positive impact made by our members throughout the UK, through their investment in the next generation of early-stage businesses.”

Chris Lewis, Venture Capital Trust Association

- The Government has confirmed the continuation of the VCT scheme by extending the current sunset clause to April 2035
- The European Commission has now confirmed that the VCT scheme can be extended
- Strong engagement with the recently elected Labour government
- VCTs are an important backer of high growth innovative early-stage companies in the UK

INVESTMENT STRATEGY



**Seed and Series A
(early stage)**



**Backing
Long-term
trends**



**Focus on
B2B**



**Target
software
and
healthcare**

ESG AT ALBION

ENVIRONMENTAL

- Albion is transitioning to Net Zero
- Measuring carbon footprint and purchased carbon removal permits for 2023/2024 emissions
- Formation of Albion Net Zero team to formulate a road map for transitioning to net zero

SOCIAL

- Fair HQ score improvement (from 6.1 to 6.6 out of 10) in 2023
- Albion's Social Outreach Team has a mandate on local educational outreach
- Radia Accelerator launched to support women entrepreneurs

GOVERNANCE

- ESG principles integrated across the full investment cycle
- Completion of 2023 ESG BSC portfolio reporting
- UN PRI score 2023: 4/5 stars
- Regular ESG updates for all stakeholders

BOARD CHANGES



- Maxwell Packe retires as Chairman of the company
- Appointed in 2006 when Albion Enterprise VCT PLC was launched and initially raised £20m
- Total shareholder value 31/03/2024 of 200.92p
- Fund NAV now £141m
- Christopher Burrows to become new Chairman

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 investment 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

- NAV at 30 June 2024 of 136.10p
Increase of 8.2% to the 31 March 2024 NAV
- Sale of Egress Software Technologies completed 1 July 2024
- First dividend of 3.14p per share paid on 30 August 2024
- Top three investments now account for 40.5% of NAV at 30 June 2024 and will reduce following Egress sale



Thank you

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