

Albion Venture Capital Trust PLC

Manager Presentation September 2024

Results for the year to 31 March 2024

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 MARCH 2024

(6.9)%

Shareholder loss for the year
ended 31 March 2024

2.46p

Total tax-free dividend per
share paid during the year
ended 31 March 2024

44.93p

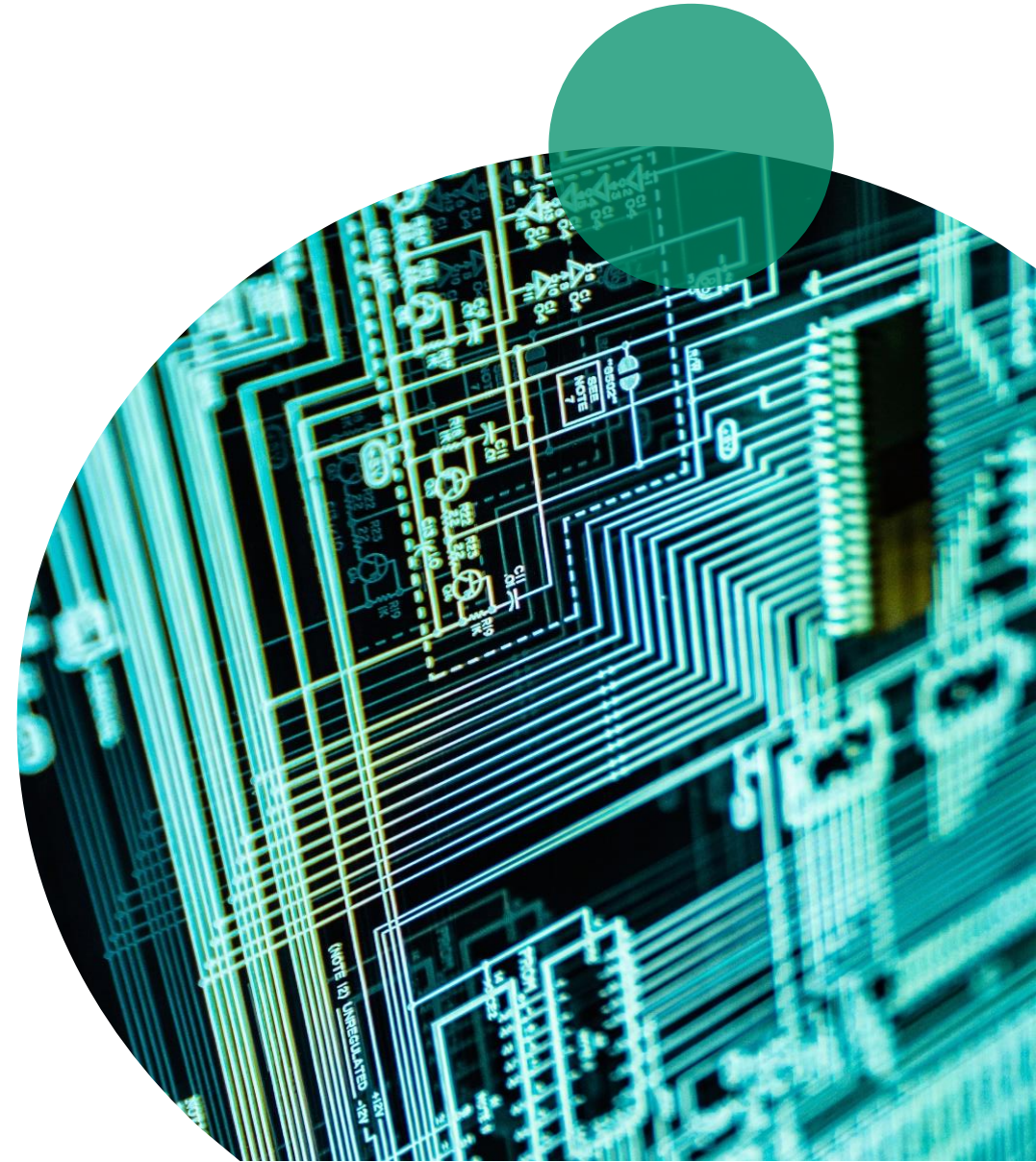
Net asset value per share as at
31 March 2024

239.38p

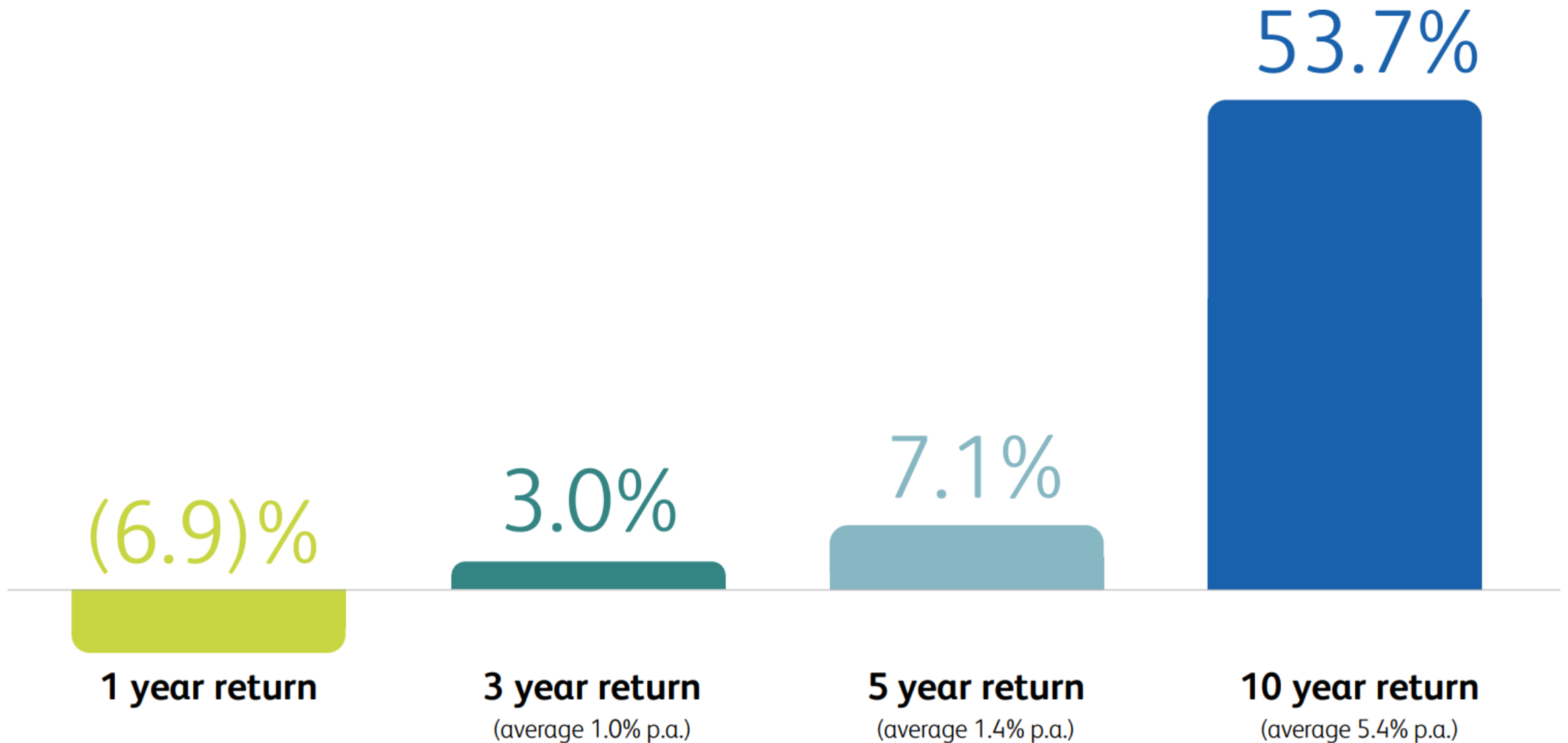
Total shareholder value per
share from launch to 31 March
2024

BACKGROUND

- A disappointing loss for the year, characterised by an immature portfolio
- 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
- Improved Q1 results



PERFORMANCE DATA



PERFORMANCE RESULTS EXPLAINED

- Challenging macroeconomic environment for young technology companies
- Volatile valuations of quoted technology companies
- Change of investment policy in 2018 (young growth companies)
- 67% of invested portfolio is now growth companies
- “J curve effect” of a relatively immature growth portfolio
- “Winners” expected to emerge as the portfolio matures

HIGHLIGHTS IN THE YEAR

| | 2023 | 2024 | Notes |
|-----------------|--------|-------|--|
| Fundraising | £11.2m | £0.4m | AAVC didn't participate in the 2023/24 Top Up Offer |
| Exits | £0.6m | £1.3m | Including Ophelos, at a 2.1x return on cost |
| Investment rate | £9.4m | £6.2m | £2.7m in 6 new companies and £3.5m into existing portfolio |
| Share buybacks | £1.4m | £1.6m | |
| Dividends | £3.3m | £3.4m | |

KEY VALUE DRIVERS IN THE YEAR

| | 2023 | Notes |
|--|---------|--|
| Gravitee TopCo (T/A Gravitee.io) | £0.8m | Strong trading |
| Ophelos | £0.5m | Sale at 2.1x return on cost |
| Seldon | (£1.0m) | Slower growth |
| Threadneedle Software Holdings (T/A Solidatus) | (£0.8m) | Slower growth |
| Other – write ups | £1.1m | Including: Accelex Technology, Tem Energy and Runa Network |
| Other – write downs | (£5.4m) | Including: Chonais River Hydro, Brytlyt and PeakData |
| TOTAL | (£4.8m) | |

PORTFOLIO ANALYSIS

Investment portfolio by sector
(including cash and net assets)



- Cash and net assets 25% (34%)
- Healthcare (including digital healthcare) 14% (13%)
- Renewable energy 14% (14%)
- FinTech 14% (12%)
- Software & other technology 22% (16%)
- Other (including education) 11% (11%)

Portfolio of 50 companies
employing over
2,300 people
predominantly
in the UK

PORTFOLIO ANALYSIS

Investment portfolio by stage of investment



- Early Stage (revenue less than £1 million) 13% (13%)
- Growth (revenue between £1 million and £5 million) 31% (36%)
- Scale up (revenue over £5 million) 56% (51%)




Investment portfolio by number of employees








- Under 20 11% (7%)
- 21 - 50 21% (22%)
- 51 - 100 21% (22%)
- 101+ 28% (27%)
- Renewable energy* 19% (22%)

*Renewable energy companies have no employees

TOP 3 ACCOUNT FOR 16.0% OF THE NAV AT 31 MARCH 2024

| | | Investment date | Cost £000 | Book value £000 | Revenue growth | Employee growth |
|--|---|-----------------|-----------|-----------------|-------------------------|-------------------------------|
|  | Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands | 2013 | 3,074 | 3,801 | N/A | N/A |
|  | API management platform | 2021 | 2,189 | 3,412 | Over 8x since investing | 35 to 110 |
|  Radnor House celebrating every individual | Operates an independent school, Radnor House Sevenoaks, a co-educational independent school for students aged 2 -18 | 2015 | 1,259 | 2,694 | 3x | 2.5x increased student intake |
| | | | £6.5m | £9.9m | | |

NEW INVESTMENTS

| | | | | |
|---|--|---|---|---|
|  |  |  |  |  |
| £0.9m | £0.6m | £0.5m | £0.3m | £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 | 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
- £7.0m invested by Albion VCTs, of which £0.9m from AAVC

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 £0.3m from AAVC

FOLLOW-ONS

gravitee.io

£0.7m

Gravitee Topco (T/A Gravitee.io) is an API management platform

uMed+

£0.6m

uMedeor (T/A uMed) is a middleware technology platform that enables life science organisations to conduct medical research programmes

Runa

£0.5m

Runa Network (previously WeGift) is a cloud platform and infrastructure that enables corporates to issue digital incentives and payouts

NUVOAIR

£0.5m

NuvoAir is a digital therapeutics and decentralised clinical trials for respiratory conditions

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

£0.9m

AAVC 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 passed legislation to continue the VCT scheme by extending the current sunset clause to April 2035
- 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 to Series B
(early stage
to growth)



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

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



PROSPECTS

- Focus on mission critical products and services, designed to provide resilience
- Limited exposure to discretionary consumer facing sectors
- Ongoing uncertainties but potential for longer term returns as portfolio matures
- Well-balanced portfolio across target sectors

Q1 RESULTS & EVENTS

- NAV at 30 June 2024 of 44.90p
 - Decrease of 0.07% to the 31 March 2024 NAV
- Virtual AGMs
- Physical annual shareholder seminar
- First dividend of 1.12p per share paid on 31 July 2024
- Top three investments now account for 16.2% of NAV at 30 June 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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