

Q&A for Albion Technology & General VCT PLC AGM 3 June 2020

This document contains the answers to questions that have been submitted by shareholders, in place of a live question and answer session at the Annual General Meeting for Albion Technology & General VCT PLC. *This has been produced with the health of the public and shareholders in mind.*

1. How sustainable are dividends going forward?

The Board is aware of the importance of dividends to shareholders and its intention is to continue to pay regular dividends as far as liquidity permits. The Board regularly reviews the target dividend to maintain a yield of approximately 5%. Over the last three years, the Company has paid a 4 pence per share dividend each year.

2. What are you doing with regards to share buy backs?

The Company resumed buybacks on 22 April 2020, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new portfolio companies and the continued payment of dividends to shareholders. However, the level of share buybacks until the announcement of the Company's interim results, expected during September 2020 has been limited to £1,250,000. It is the Board's intention for such share buybacks to be at around a 5% discount to NAV, so far as market conditions permit.

3. In allotting new shares under the Dividend Reinvestment Scheme, what price is used?

Dividends for the Dividend Reinvestment Scheme (DRIS) are reinvested at the last prevailing NAV. The Manager values the VCTs on a quarterly basis in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines as is the industry standard. These guidelines set out recommendations, intended to represent current best practice, on the valuation of private capital investment. These were recently updated to include 'Coronavirus Special Valuation Guidance'.

4. Investment income relies mainly on loan stock interest - is this likely to fall over the longer term?

A greater focus has been given to growth and technology investments, which has resulted in a decrease of asset-based investments as a percentage of the portfolio. We expect that this will continue to decrease over time as the Company increasingly transitions towards a growth and technology portfolio. Given this change in focus, and a number of loan stock repayments and exits during the year, the loan-stock interest is expected to fall over time. Therefore, total returns will increasingly be weighted to capital returns.

5. You have very high cash balances - do you see good opportunities to make investments?

Principally as a result of disposals, at 31 December 2019 the Company had cash balances of £32.5 million which represents 37% of net assets. In the short to medium term we expect that the focus will be on supporting existing portfolio companies, however, we do plan to make selected new investments as they arise. Since 31 December 2019, the Company has made three new investments in Concirrus, TransFICC and Credit Kudos.

As commented in the Chairman's statement in the year-end financial statements, it is important for a venture capital fund, which by its nature has illiquid investments, to hold sufficient cash to manage operating costs, to service

dividends and buy backs and, most importantly, to make follow on and new investments when they arise. This must be balanced against the requirement for a venture capital trust to be invested in qualifying investments. Under current challenging economic conditions, it is helpful for the Company to have significant cash and reserves.

6. Has Coronavirus (Covid- 19) provided some new opportunities and ideas?

The Manager's investment team are continuously evaluating new opportunities and the investment environment. History tells us that times of change give rise to investment opportunities. Additionally, several of our existing healthcare companies are helping with the fight against Coronavirus (Covid- 19) and these include MyMeds&Me, Locums Nest, Healios and Forward Clinical (T/A Pando).

7. Why have Net Asset Values Fallen?

The Board, together with the Manager, has recently undertaken a revaluation exercise to take account of the impact that Coronavirus (Covid-19) has had on the underlying portfolio companies. Whilst the diversified make-up of the portfolio has shown some resilience, several of the companies and sectors have been more exposed than others to the pandemic. Unsurprisingly, this was reflected by a fall in the 31 March 2020 NAV .

8. How have the sectors that you have exposure to been affected?

The Manager has structured the Company's portfolio as an all-weather portfolio containing c.60 companies which is diversified across sector and stage of maturity of businesses. Exposure is small to at-risk sectors that include leisure, hospitality, retail and travel. The key points to note are as follows:

- Renewable energy assets account for 12% of the portfolio and have been entirely unaffected.
- Digital businesses in mission-critical sectors are proving particularly resilient.
- Following exits in 2019 of 45 pubs and one school we have sharply reduced exposure to consumer-facing businesses.
- Exposure to leisure businesses now accounts for under 1% of the aggregate portfolio.
- Education accounts for 7% of the portfolio. We are watching this sector closely, but our schools have highly professional management, top quality standards and excellent customer satisfaction.
- Several VCT healthcare companies are helping with the fight against Coronavirus (Covid- 19). These include MyMeds&Me, Locums Nest, Healios and Pando.
- Following several successful exits, the Company has a strong level of cash representing 35% of the portfolio.

9. What is the outlook?

It is impossible to predict the future; however, a recession seems likely and we don't yet know what this will look like. Our portfolio companies are making tough decisions with the necessary courage and conviction to protect their businesses. We are doing all we can to support them. Each business will have its own challenges, but we believe they will recover and have bright futures. Following our recent successful exits, the Company has a good level of cash and is in a strong position to support our portfolio companies as they navigate these difficult times.

Important Documents - please ensure that you retain your share certificates in a safe place. Should you choose to sell your shares you will be required to produce these share certificates and copies will not suffice. Replacement certificates requested from Computershare, the registrars, will incur a substantial fee.

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