

Kings Arms Yard VCT PLC Interim Management Statement

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Introduction

I am pleased to present Kings Arms Yard VCT PLC's (the "Company") interim management statement for the period from 1 January 2021 to 31 March 2021.

Performance and dividends

The Company's unaudited net asset value (NAV) as at 31 March 2021 was £98.28 million or 22.30 pence per share (excluding treasury shares), an increase of 0.46 pence per share (2.1 per cent.) since 31 December 2020.

After accounting for the dividend paid of 0.60 pence per share on 30 April 2021 to shareholders on the register on 16 April 2021, the NAV is 21.70 pence per share.

Fundraising and share issues

During the period from 1 January 2021 to 31 March 2021, the Company issued the following new Ordinary shares of nominal value 1 penny per share under the Albion VCTs Prospectus Top Up Offers 2020/21:

Date	Number of shares issued	Issue price per share (including costs of issue)	Net proceeds £'000
26 February 2021	66,727,244	21.6p to 21.8p	14,184

Share buy-backs

During the period from 1 January 2021 to 31 March 2021, the Company did not buy back any shares.

It remains the Board's policy to buy back shares in the market, 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.

It is the Board's intention for such buy-backs to be at around a 5% discount to net asset value, so far as market conditions and liquidity permit.

Portfolio

The following investments have been made during the period from 1 January 2021 to 31 March 2021:

<i>New investments</i>	£'000	Activity
Threadneedle Software Limited (T/A Solidatus)	917	<i>Provider of data lineage software to enterprise customers in regulated sectors, which allows them to rapidly discover, visualise, catalogue and understand how data flows through their systems.</i>
<i>Total new investments</i>	917	

<i>Follow on investments</i>	£'000	Activity
Black Swan Data Limited	588	<i>Predictive analytics for consumer brands.</i>
Healios Limited	468	<i>Provider of an online platform delivering family centric psychological care primarily to children and adolescents.</i>
ePatient Limited (T/A Raremark)	46	<i>Online community connecting people affected by rare diseases.</i>
<i>Total follow on investments</i>	1,102	

The following disposals were made during the period from 1 January 2021 to 31 March 2021:

Portfolio Company	Cost £'000	Proceeds £'000
Active Lives Care Limited	4,395	7,839
Ryefield Court Care Limited	3,070	5,753
OmPrompt Holdings Limited	1,377	3,152
Shinfield Lodge Care Limited	535	1,138
SBD Automotive Limited	173	360
Total	9,550	18,242

In March 2021, the Company completed the sale of its three care homes for the elderly; Active Lives Care Limited, Ryefield Court Care Limited and Shinfield Lodge Care Limited. The purpose-built residential care homes situated across the South of England, offer luxury living with all-inclusive service and an excellent level of care. The homes were trading at mature occupancy levels.

The first investments in the homes were made over 5 years ago and the sale generated a 2.4x return on cost (including interest received), an excellent result for the Company.

Top ten holdings as at 31 March 2021:

Portfolio company	Carrying value £'000	% of net asset value	Activity
Proveca Limited	8,722	8.9	<i>UK based pharma company specialising in medicines for children.</i>
Egress Software Technologies Limited	5,352	5.4	<i>Encrypted email and file transfer service provider.</i>
Quantexa Limited	4,300	4.4	<i>Network analytics platform to detect financial crime.</i>
Chonais River Hydro Limited	3,292	3.4	<i>Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands.</i>
Antenova Limited	2,448	2.5	<i>Supplier of integrated antennas and RF solutions.</i>
MyMeds&Me Limited	1,872	1.9	<i>Provides a platform for collecting data from pharmaceutical adverse events.</i>
The Street by Street Solar Programme Limited	1,819	1.9	<i>Owner and operator of photovoltaic systems on domestic properties in the UK.</i>
Phrasee Limited	1,689	1.7	<i>AI platform that generates optimised marketing campaigns.</i>
Regenerco Renewable Energy Limited	1,593	1.6	<i>Generator of renewable energy from roof top solar installations.</i>
Perpetuum Limited	1,413	1.4	<i>Provider of vibration harvester powered wireless sensing systems for the rail and industrial sectors.</i>

A full breakdown of the Company's portfolio can be found on the Company's webpage on the Manager's website at www.albion.capital/funds/KAY, by following the 'Portfolio of Investments' link under the 'Fund reports' section.

Material events and transactions after the period end

After the period end, the Company had the following material investment transactions:

- Proceeds of £1,332,000 received from the sale of Perpetuum Limited with an additional £162,000 held in escrow;
- Investment of £833,000 in a new portfolio company, an open sources API management platform that enables enterprises to manage their APIs through their lifecycle (from design to publishing to controlling access and security);
- Investment of £763,000 in a new portfolio company, a provider of digital therapeutics and decentralised clinical trials for respiratory conditions;
- Investment of £564,000, in an existing portfolio company, uMotif Limited, provider of a patient engagement and data capture platform for use in real world and observational research;
- Investment of £323,000 in a new portfolio company, a provider of data extraction and analytics technology for private capital markets; and
- Investment of £168,000 in an existing portfolio company, Panaseer Limited, a provider of cyber security services.

Other than as described above, there have been no material events or transactions during the quarter and to the date of this announcement.

Board composition and succession planning

The Board recognises the importance of succession planning, including the need to ensure Board continuity. As already announced, I am retiring from the Board at the close of the Annual General Meeting ("AGM") today. As part of that planning, it is the intention of Martin Fiennes to retire as a Director at the AGM in 2022 and Thomas Chambers to retire as a Director at the AGM in 2023. The nomination committee has commenced a recruitment process to identify candidates and announcements of new Director appointments will be made in due course. The Board believes that it will be necessary to have some overlap between existing Directors retiring and new Directors joining. The increased cap on Directors remuneration from £100,000 to £125,000, proposed at the AGM on 10 June 2021, will provide for this.

Further information

The Company continues to offer a Dividend Reinvestment Scheme to existing shareholders. Details of this scheme can be found at www.albion.capital/funds/KAY.

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Company's webpage on the Manager's website under www.albion.capital/funds/KAY.

Robin Field, Chairman
10 June 2021

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