



Investor Guide  
to Albion VCTs'  
Prospectus  
Top-Up Offers

2021/22

# IMPORTANT INFORMATION

This Investor Guide is not a prospectus but is a prospectus advertisement and investors should not subscribe for any shares referred to in this Investor Guide except on the basis of information in the Prospectus approved by the VCT boards.

The Prospectus, comprising the Securities Note, Registration Document and Summary, is available on the Albion Capital Group LLP (Albion Capital) website <https://www.albion.capital/vct-hub/current-offers> and will exclusively form the basis of any application.

It is important that Investors read and fully understand the key risks involved before deciding whether this investment is right for them and we recommend Investors read the comprehensive list of risk factors and other information in the Prospectus. Albion Capital does not provide financial advice or ensure suitability with respect to any of its investment funds. We always recommend that investors talk to a qualified financial adviser before making any investment decisions. The information relating to tax in this document should not be construed as tax advice. Current tax levels and relief are liable to change. Investors should consult their own tax adviser in relation to their individual circumstances.

All data and factual information provided within this document is sourced by Albion Capital and is correct at 6 January 2022, unless otherwise stated.

Issued by Albion Capital which is authorised and regulated by the Financial Conduct Authority. Albion Capital acts exclusively for the VCTs and for no-one else. Investors in the VCTs are not regulatory customers of Albion Capital.



# INVESTMENT RISK



Investors should be aware of the changes introduced in the Finance Act 2018, focusing investment in innovative growth companies. This has led to a reduction in the Albion VCTs' exposure to asset-based businesses and may lead to increased volatility in the value of the Companies' Shares. The reduction in asset-based business is also leading to an increasing reliance on capital profits to pay dividends.

Three portfolio companies accounted for approximately 23.4 per cent. of the Albion VCTs' net asset value at 30 September 2021. A material diminution in the value of one or more of these companies could result in a reduction in the value of investors' shares.

The ongoing consequences of the UK's withdrawal from the EU and the completion of the transition period on 31 December 2020 continue to unfold and may still have an impact on the business models, business operations and financial results of, or sales demand, material and labour costs, availability and cost of finance for, the businesses in which the Albion VCTs invest.

The COVID-19 pandemic and measures taken by the UK Government to contain the spread of the virus have resulted in significant disruption and ongoing uncertainty for businesses and consumers, and the effects of the pandemic are expected to continue to present significant challenges going forward. The impact that this has on existing portfolio companies, and those in which the Albion VCTs may invest in the medium and long term, is difficult to predict. Existing and future portfolio companies may lose value or fail as a result of the ongoing effects or aftermath of the pandemic, resulting in a reduction in the value of investors' shares.

Investment in the Shares should be viewed as long term in nature and is not suitable for all individuals.

The secondary market for VCT shares is generally illiquid, so shares tend to be valued at a discount to their net asset value and may be difficult to realise. The disposal of New Shares within five years of their issue will result in some or all of the 30 per cent. income tax relief available upon investment becoming repayable. On this basis, investing in New Shares should be considered a long-term investment.

Further details of risk factors relating to the Companies are contained in the Prospectus.

# INTRODUCTION

Albion Capital offers investors an opportunity to acquire new shares in six Albion VCTs through the Albion VCTs' Prospectus Top-Up Offers 2021/2022.

The current intention is for the Companies, in aggregate, to raise up to £80 million, with over-allotment facilities of up to a further £20 million in aggregate, before issue costs, as follows:

Albion  
Development VCT

**£15m/£6m\***

Albion  
Enterprise VCT

**£20m/£3m\***

Albion Technology  
& General VCT

**£20m/£4m\***

Albion Venture  
Capital Trust

**£10m/£0m\***

Crown Place  
VCT

**£7m/£5m\***

Kings Arms  
Yard VCT

**£8m/2m\***

**£80m/£20m\***

\*potential over-allotment facility

# WHY VCTs?



Income tax relief  
on initial amount invested



Minimum  
holding period

**Opportunity  
to invest**

in high growth  
unquoted small companies

**Tax free  
Dividends**

**Tax free  
Capital gains**

on VCT shares

# ALBION CAPITAL

**£545m**

£545m total funds under management, across the 6 VCTs at 30 September 2021

**£75m+**

During the two year period to 31 December 2021 the Albion VCTs invested over £75m and generated exit proceeds of over £99m



Sector focus in B2B software, healthcare (including healthtech) and mission critical tech enabled services

**c.70**  
Companies

Structured as a portfolio of c.70 companies providing exposure to Albion's target sectors diversified across businesses from early stage to scale up

**5%**

Targeting a regular and predictable income yield of around 5% with the prospect of longer-term capital growth

# WHY INVEST IN AN ALBION CAPITAL MANAGED VCT?



## Experience

Experienced venture capital investment team **founded in 1996** and now one of the largest VCT investors in the UK. **6 VCTs** combined with net assets of **c. £545m** at 30 September 2021



## Deep sector knowledge

Technology, healthcare, education and renewable energy



## Albion Group

Albion also manages (or provides administration services) to six institutional funds investing in renewable energy assets, university IP, care homes, broadband and other technology



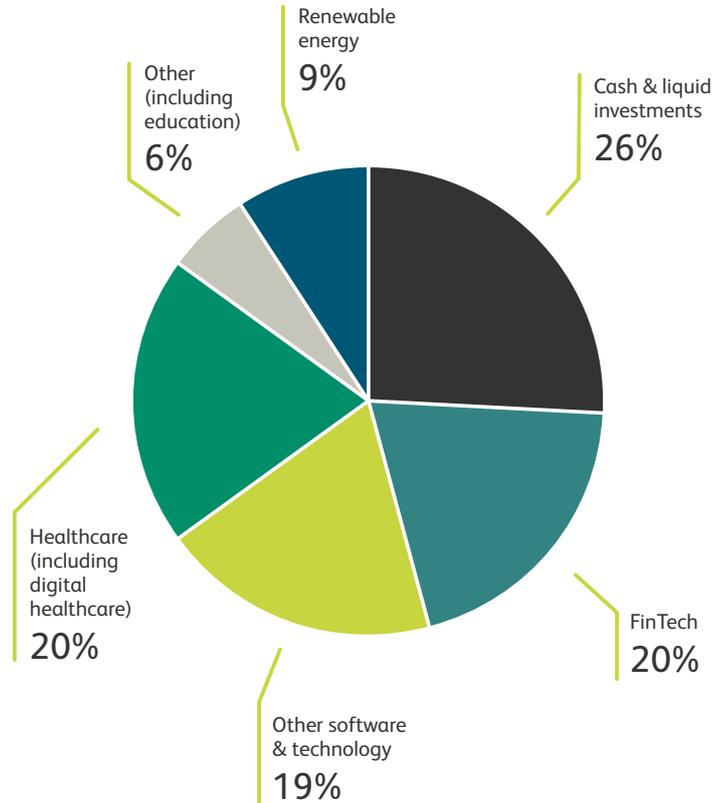
## ESG

ESG considerations are key to Albion's processes throughout: pre-investment, during ownership and at exit

# INVESTMENT STRATEGY

We invest from seed to Series B in high growth companies, with a focus on technology particularly within B2B software, healthcare (including healthtech) and tech enabled services in the UK.

Total investment portfolio breakdown as at 30 September 2021

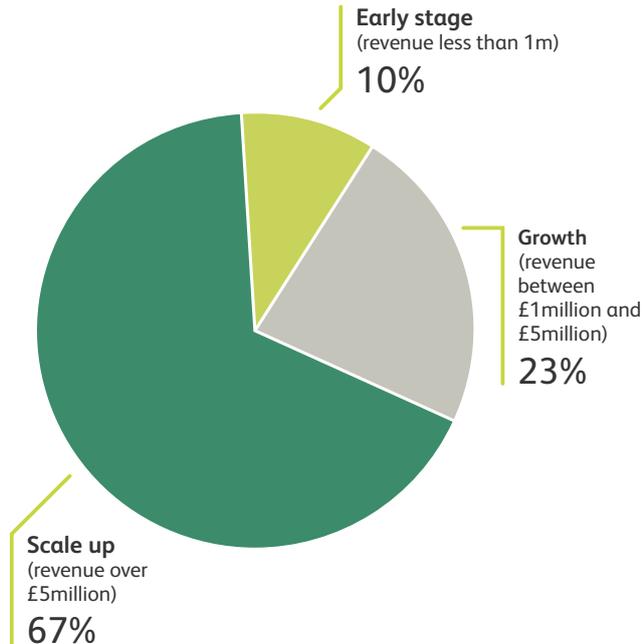


# PORTFOLIO SPLIT BY STAGE & EMPLOYEES

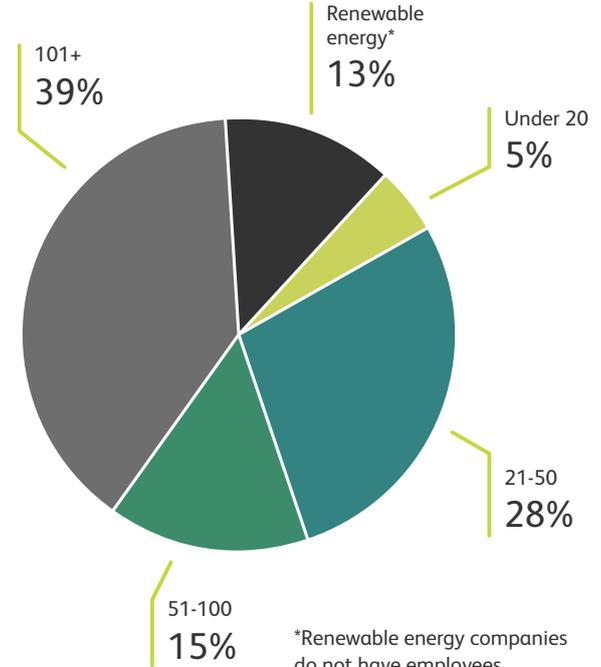
Total investment portfolio (excluding cash) as at 30 September 2021



### Portfolio split by stage



### Portfolio split by employee



\*Renewable energy companies do not have employees

# TRACK RECORD

Average annual return over 1, 3, 5 and 10 years to 30 September 2021

## VCT RETURNS

1 Year	3 Years	5 Years	10 Years
19.5%	8.4%	10.3%	8.4%

The table sets out the average annual performance of the VCTs over one year, three years, five years and ten years to 30 September 2021, being the cumulative return for the period comprising dividends paid and change in net asset value. This does not include tax relief. Past performance is not a guide to future performance.

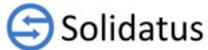
# TOP 3 CURRENT INVESTMENTS

Company	Investment date	Cost	Book value	Revenue growth	Employment growth
 Uses the latest advances in big data analytics and artificial intelligence to help its banking, insurance and government customers detect financial crime	2017	£10m	£65.6m	>30x	30 to over 400
 European specialty pharmaceutical company focused on children's medicines	2012	£7.7m	£31.9m	invested pre-revenue, now >£10.0m	4 to 45
 A leading cloud encryption platform ensuring data security for email, file transfer and collaboration environments	2014	£8.4m	£29.9m	>13x	23 to 250
		<b>£26.1m</b>	<b>£127.4m</b>		

Data as at 30 September 2021

# RECENT INVESTMENTS

During the 2 years to 31 December 2021 the Albion VCTs have completed investments totalling over £75m.



Data lineage and metadata management solution that helps businesses rapidly map and visualise their data landscape



Accelex is a data acquisition, analytics and reporting solution for private market investors and asset servicers



NuvoAir's digital respiratory care platform empowers patients to manage their health better. The technology and care services fit seamlessly into a patient's routine and allow the patient and doctor to make care decisions based on real-time data and insights



Provider of platforms to control complex operational data and application system software



Brytlyt is a data analytics and visualisation technology provider

# SELECTED EXITS



## Initial investment date 2007

Albion VCT investment > £2.1m invested  
Revenue growth > 10x from £2.1m to £20m P. A.

10.4X

SIEMENS

Acquired by > Siemens in September 2019

Total return to Albion VCTs > 10.4X



## Initial investment date 2014

Albion VCT investment > £2.9m invested  
Revenue growth > 10x from £2.9m to £30m P. A.

10X



Acquired by > Oracle in May 2018

Total return to Albion VCTs > 10X



## Initial investment date 2017

Albion VCT investment > £4.7m invested  
Growth > From 8 streets to 2,000+

3.8X



Acquired by > USS and Cube December 2020

Total return to Albion VCTs > 3.8X

# ESG AT ALBION CAPITAL

Overview of Albion Capital's Environmental, Social, Governance (ESG) activities



## Environmental

- Measuring and offsetting carbon footprint in 2021
- Targeting Net Zero carbon emissions in the medium term
- Supporting local climate action



## Social

- Unconscious Bias training for leadership team
- Mental Health First Aid training and support network established
- FairHQ, working with expert consultancy to further develop diversity and inclusion practices for AlbionVC
- Women in Leadership Series, video interview with women founders and CEOs from Albion VCT portfolio companies



## Governance

- Investment process incorporates ESG considerations
- Regular ESG updates provided to VCT boards
- Albion Capital is actively involved in promoting ESG within the VC industry

# ESG INVESTMENT PROCESS

Albion Capital has been a signatory of the UN Principles for Responsible Investment (UN PRI) since May 2019. UN PRI is the world's leading network seeking to implement sustainable investment processes by integrating Environmental, Social, Governance (ESG) factors for fund managers and their investment process.



# SUMMARY OF KEY ELEMENTS OF OFFERS



## Invest

Invest across 6 Albion VCTs  
with an asset value of  
approximately £545m as at  
30 September 2021

## Diversified Portfolio

Structured as a portfolio of c.70  
companies providing exposure  
to Albion Capital target sectors  
diversified across businesses  
from early stage to scale up

## Strategy

Investment strategy  
with a focus on  
growth & technology

## Tax-free Dividends

The dividend policy of the VCTs is to target  
an annual dividend yield of around 5% p.a.  
of the NAV, equivalent to c 7.1% on net  
cost after tax relief. \*

## Capital Growth

Shareholders can reinvest their dividends  
in new shares without dealing costs  
and with 30% income tax relief on the  
reinvested dividends

# THE OFFERS

We are delighted to offer investors the opportunity to acquire new shares across six Albion VCTs. Amounts subscribed will be invested equally across each of the six Albion VCTs or otherwise as directed by investors, subject to a minimum subscription of £1,000 for each VCT.



**Minimum  
investment  
£6,000**



## Investment options

Ability to invest equally across all 6 VCTs or varying amounts across individual VCTs if preferred

## VCT full capacity

Should a VCT reach full capacity, the default option is that investment will be spread equally across the remaining open VCTs

Further details of the offers are set out in the Prospectus (comprising a Securities Note, Registration Document and Summary) which are available on the Albion Capital Website ([www.albion.capital/vct-hub/current-offers](http://www.albion.capital/vct-hub/current-offers))

# DETAILS OF THE OFFER



## Minimum Investment

£6,000 in aggregate per investor and applications should be in multiples of £1,000

## Maximum Investment

£200,000 per investor in VCTs, in total, for the current tax year

## Initial fee

Initial fee 2.5%\*

## Annual costs

Average annual management fee of 2.1% with an average cap on annual running cost of 2.7%

\* Details of the pricing formula to calculate the offer price are set out in the Securities Note

Early Bird Discount Offer	Percentage
Early bird discount - existing shareholders	1%
Early bird discount - new shareholders	0.5%

Early Bird Offer is available on the first £10 million raised prior to 2pm on 25 February 2022.  
The first £10 million is expected to be raised well before this date

# HOW TO APPLY

The Prospectus, comprising the Securities Note, Registration Document and Summary, is available on the Albion Capital website.

<https://www.albion.capital/vct-hub/current-offers>

To make the application process quicker and easier, whilst also reducing paper waste, we have developed an online Application Form for those who wish to subscribe for shares, which is available on our website. Subscription monies must be paid electronically. We will not be accepting any applications or cheques by post.

We are keen to encourage Shareholders to receive communications electronically and investors who subscribe will be deemed to consent to electronic communication unless the box on the Application Form requesting hard copy documentation is ticked.

Albion Capital will donate £1 to charity for every investor who chooses not to opt out of receiving electronic communications; the two chosen charities are [Whizz-Kidz](http://www.whizz-kidz.org.uk) (www.whizz-kidz.org.uk) and [Generating Genius](http://generatinggenius.org.uk) (generatinggenius.org.uk).

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