

Investor Guide Albion VCTs' Prospectus Top-Up Offers

2022/2023

IMPORTANT INFORMATION

This Investor Guide is a prospectus advertisement and investors should not subscribe for any shares referred to 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/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. Investment capital is at risk. The market value of, and income derived from shares can fluctuate. All data and factual information provided within this document is sourced by Albion Capital and is correct at 10 October 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.

The UK is currently experiencing its highest level of inflation in decades, rising interest rates and sterling volatility, in addition to uncertainty over the future course of Russia's invasion of Ukraine and ongoing risks from Covid-19. The potential but unknown scale of any further impact that these events may have 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 these events, resulting in a reduction in the value of investors' shares.

It is anticipated that interest rates will continue to rise over the near term, which may have an adverse effect on the investee companies of the VCTs and, potentially, their value and have a negative impact on the net asset values of the VCTs and consequently a reduction in the value of investors' shares.

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

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. The availability of income tax relief on a subscription for shares in a VCT issued after 5 April 2014 is restricted where it is 'linked' to a sale of shares in the same VCT or in another VCT which is known to be merging with the VCT.

The ongoing consequences of the UK's withdrawal from the EU 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 VCTs invest, resulting in a reduction in the value of investors' shares.

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. As a result, Shareholders may be offered a price which is less than the full value of a VCT's underlying assets. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable.

Three portfolio companies accounted for approximately 20.6 per cent. of the VCTs' net asset value at 30 June 2022. A material diminution in the value of one or more of these companies could result in a reduction in the value of investors' shares. In addition, in the current economic climate the valuations of technology companies are more volatile.

INTRODUCTION

Albion Capital offers investors an opportunity to acquire new shares in six Albion VCTs through the Albion VCTs' Prospectus Top-Up Offers 2022/2023.

The current intention is for the VCTs, in aggregate, to raise up to £50m with over-allotment facilities of up to a further £30m, before issue costs.

Albion
Development
VCT

£8m / £5m*

Albion
Enterprise
VCT

£8.5m / £8m*

Albion
Technology &
General VCT

£8.5m / £7m*

Albion Venture
Capital Trust

£8.5m / £2.5m*

Crown
Place VCT

£8m / £3.5m*

Kings Arms
Yard VCT

£8.5m / £ 4m*

£50m/ £30m*

*potential over-allotment facility

WHY VCTs?

Diversification



As VCTs invest in early-stage companies, whose values are closely aligned to the underlying performance of the business, they typically have lower correlation to traditional investments.

Access innovation



Household names like Booking.com started life as a VCT-backed business.

Attractive return prospects



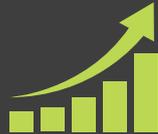
Investing in early-stage companies can be a risky business but those that do make it can flourish into some of the most exciting businesses.

Tax benefits



- 30 % upfront income tax relief (if held for five years)
- Tax-free dividends
- No capital gains tax when VCT shares are sold.

ALBION CAPITAL MANAGED VCTS



Strong track record

With 26 years of venture capital investing under our belt, we have the experience to navigate difficult markets



AUM

Our VCTs have c.£620m in AUM as at 30 June 2022



Diversification on many fronts

A portfolio of c.60 companies providing exposure to Albion's target sectors diversified across businesses from early stage to scale up



Focused on growth

Sector focus on healthcare and B2B mission critical software

5%

Regular tax-free income

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

WHY ALBION?

Experience

Investing in venture capital over the last 26 years and witnessing various economic cycles has given us the knowhow to navigate difficult markets. This experience is now more crucial than ever.

Expertise

Our investment team have backgrounds in healthcare, accountancy, investment banking and strategy consulting. These key skills are not only vital to evaluating the businesses we invest in but allow us to offer valuable strategic support to help them scale.

Conviction

The Albion team and Albion VCT directors invest in the VCTs. By investing alongside our investors on the same terms, we are aligned with our shareholders.

ESG

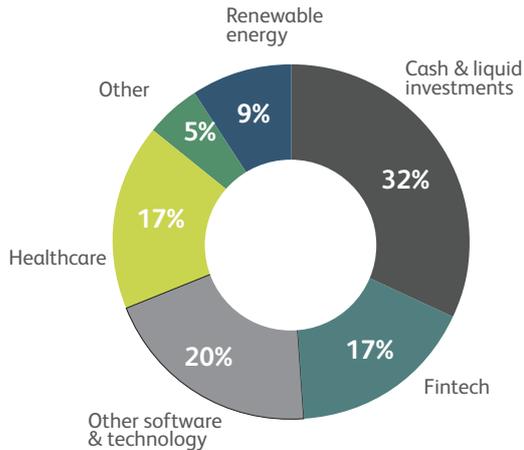
We practice responsible investing as we believe this is where sustainable value is created.

Albion's healthcare investments are saving and improving lives, our digital security investments are helping protect us online and the renewable energy investments provide clean power.

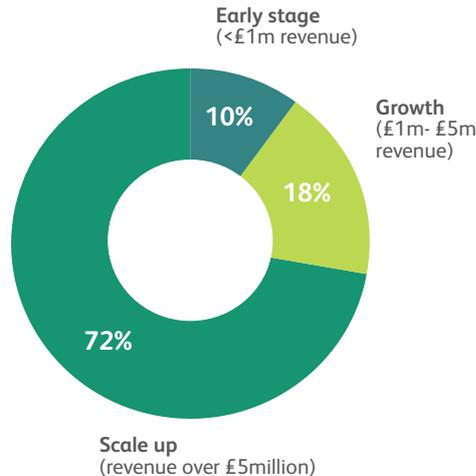
PORTFOLIO ANALYSIS AT 30 JUNE 2022

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

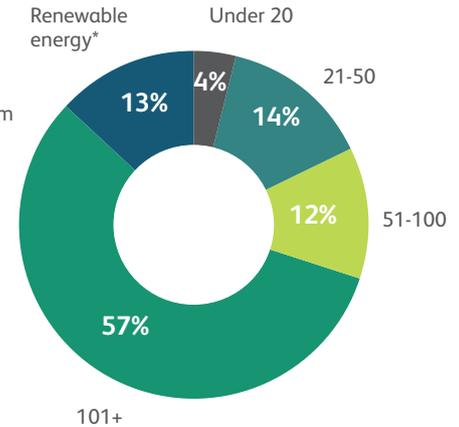
Sector split



Stage split



Employee split

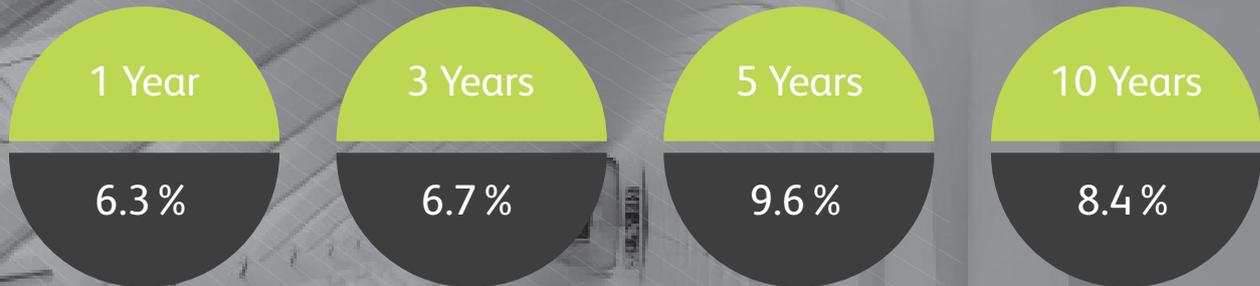


*Renewable energy companies do not have any employees

TRACK RECORD

Average annual return over 1, 3, 5 and 10 years to 30 June 2022

VCT RETURNS



The diagram sets out the average annual performance of the VCTs over one year, three years, five years and ten years to 30 June 2022, 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

These make up 20.6 % of the VCTs' combined NAV at 30 June 2022

Company		Investment date	Cost	Book value	Revenue growth	Employment growth
 Quantexa	Uses the latest advances in big data analytics and artificial intelligence to help its banking, insurance and government customers detect financial crime	2017	£10.1m	£65.6m	>30x	30 to over 400
 Proveca	European specialty pharmaceutical company focused on children's medicines	2012	£7.7m	£31.6m	>£14 m	4 to 50
 egress	A leading cloud encryption platform ensuring data security for email, file transfer and collaboration environments	2014	£8.4m	£30.3m	>17x	23 to over 300
			£26.2m	£127.5m		

Sector:

Other

Fintech

Healthtech

Digital risk

Data / AI

NEW INVESTMENTS SINCE THE LAST FUNDRAISE



Raised: £8m

Provider of a digital relocation platform which helps companies build mobile, distributed workforces



Raised: £5m

Ophelos is transforming the debt collection industry through machine learning and behavioural science



Raised: £5.9m

An innovative digital therapeutics company empowering patients and their families to get their life back after suffering a stroke, traumatic brain injury or spinal cord injury



Raised: £18m

Toqio is a Fintech SaaS platform that allows any business to launch embedded finance solutions in a matter of days

SELECTED EXITS

CC CREDIT KUDOS

Software provider that uses consumers' banking data to make more informed credit checks on loan applications

Acquired by:
Apple Inc.

5.2x Return on cost

2yrs Investment period



Provides an end-to-end pharmacovigilance solution to simplify adverse event and product quality data capture and accelerate safety insights

Acquired by:
Stanley Capital partners

4x Return on cost

9yrs Investment period



AI-powered SaaS platform that revolutionises customer experiences through AI-powered content

Acquired by:
Capital D

3.5x Return on cost

3.5yrs Investment period

Sector: Other Fintech Healthtech Digital risk Data / AI

ESG AT ALBION CAPITAL

We incorporate ESG across all three pillars of our business. Examples of some our initiatives include:

Firm

- Measuring, reducing and offsetting carbon footprint since 2021
- Net Zero target by 2030
- Mental Health First Aid programme
- Partnering with FairHQ to enhance diversity and inclusion practices; mission statement published

Portfolio

- Integrating ESG principles across the full investment cycle to ensure an appropriate risk return profile for our investments
- Measuring the effectiveness of portfolio companies' ESG strategy

Founders

- Actively encouraging strong ESG practices
- Developing long term ESG strategies for our portfolio companies
- Enhanced internal practices to improve female entrepreneurs' access to the tools, resources and finance needed to grow their companies

SUMMARY OF THE OFFERS

Invest across six Albion VCTs with an asset value of approximately £620m as at 30 June 2022.

Diversified Portfolio

Structured as a portfolio of c.60 companies providing exposure to Albion's target sectors diversified across businesses from early stage to scale up

Focused strategy

Sector focus on healthcare and B2B mission critical software

Capital Growth

Option to reinvest dividends in new shares without dealing costs and with 30% income tax relief on the reinvested dividends

Tax-free Dividends

Target annual dividend yield of around 5% of NAV, equivalent to c 7.1% on net cost after tax relief *

*Each VCT pays dividends twice a year.

THE OFFERS

Subscriptions for new shares will be split equally across all 6 VCTs, or varying amounts across individual VCTs if directed, subject to a minimum subscription of £1,000 for each VCT.

**Minimum investment
£6,000**



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) available at www.albion.capital/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

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

Initial fee: 2.5%

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

Early bird discount

Existing shareholders: 1%
New shareholders: 0.5%

Annual costs

Average annual management fee of 2.0% with an average cap on annual running cost of 2.7%

Early Bird Offer is available on the first £10 million raised, which is expected to be reached soon after launch

HOW TO APPLY



To invest in our current offers, apply online:
albion.capital/current-offers

Investments into our current offers can be made using our online application form on our website: www.albion.capital/current-offers

The Prospectus, comprising the Securities Note, Registration Document and Summary, along with the Key Information Documents for each VCT are available on the Albion Capital website.

Subscription monies must be paid electronically. Applications or cheques by post will not be accepted.

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 chosen charity Whizz-Kidz (www.whizz-kidz.org.uk).

Have questions?

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