

# Albion Enterprise VCT PLC

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**AGM August 2023**

Results for the year to 31 March 2023

# AGENDA

Financial summary

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Investment portfolio

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# FINANCIAL SUMMARY TO MAR 2023

**128.60p**   **197.47p**   **2.12%**   **6.49p**

Net asset value (NAV)  
per share as at  
31 March 2023

Total shareholder value  
as at 31 March 2023

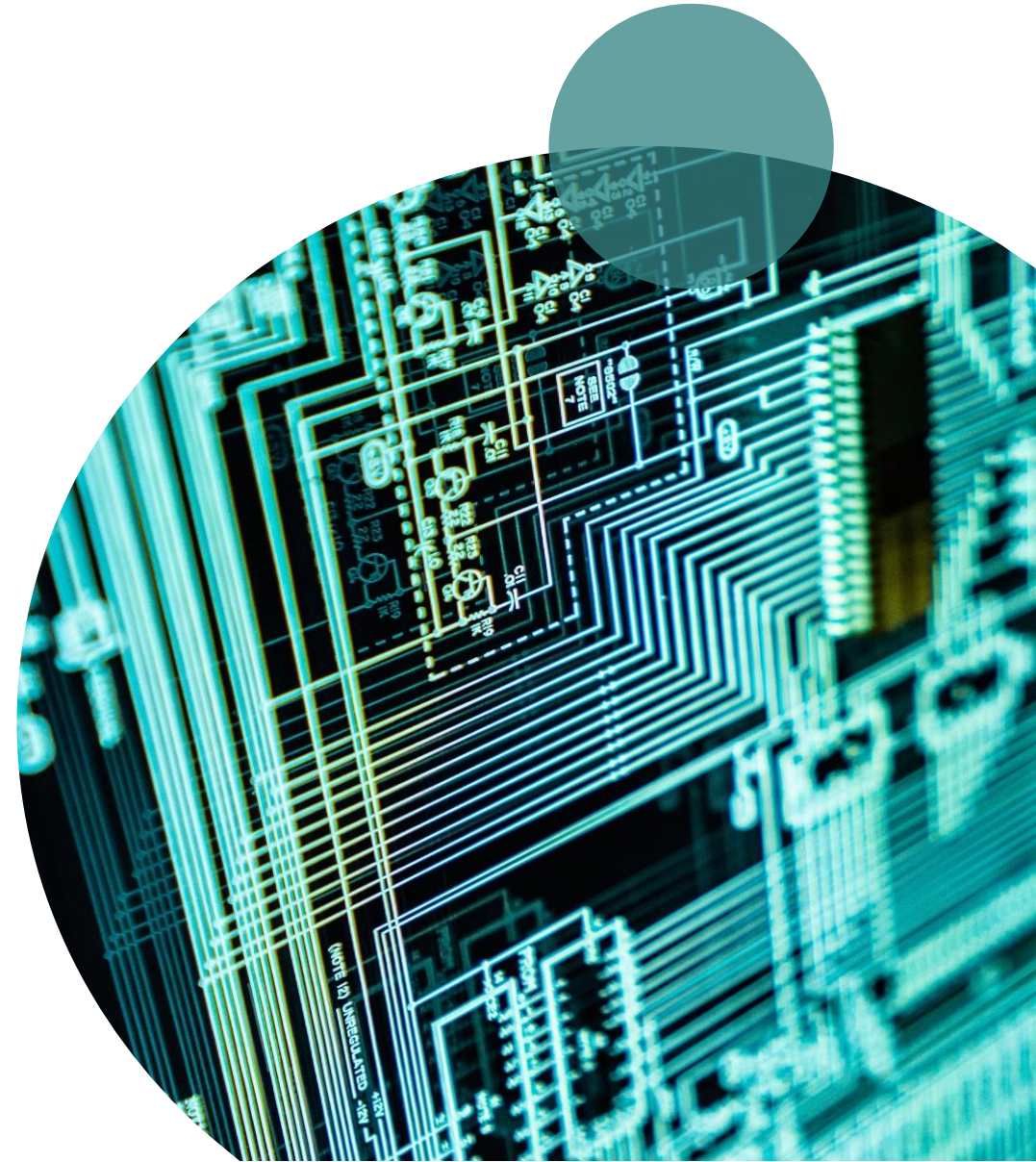
Shareholder return for  
the year ended 31  
March 2023

Tax-free dividends  
per share paid  
during the year

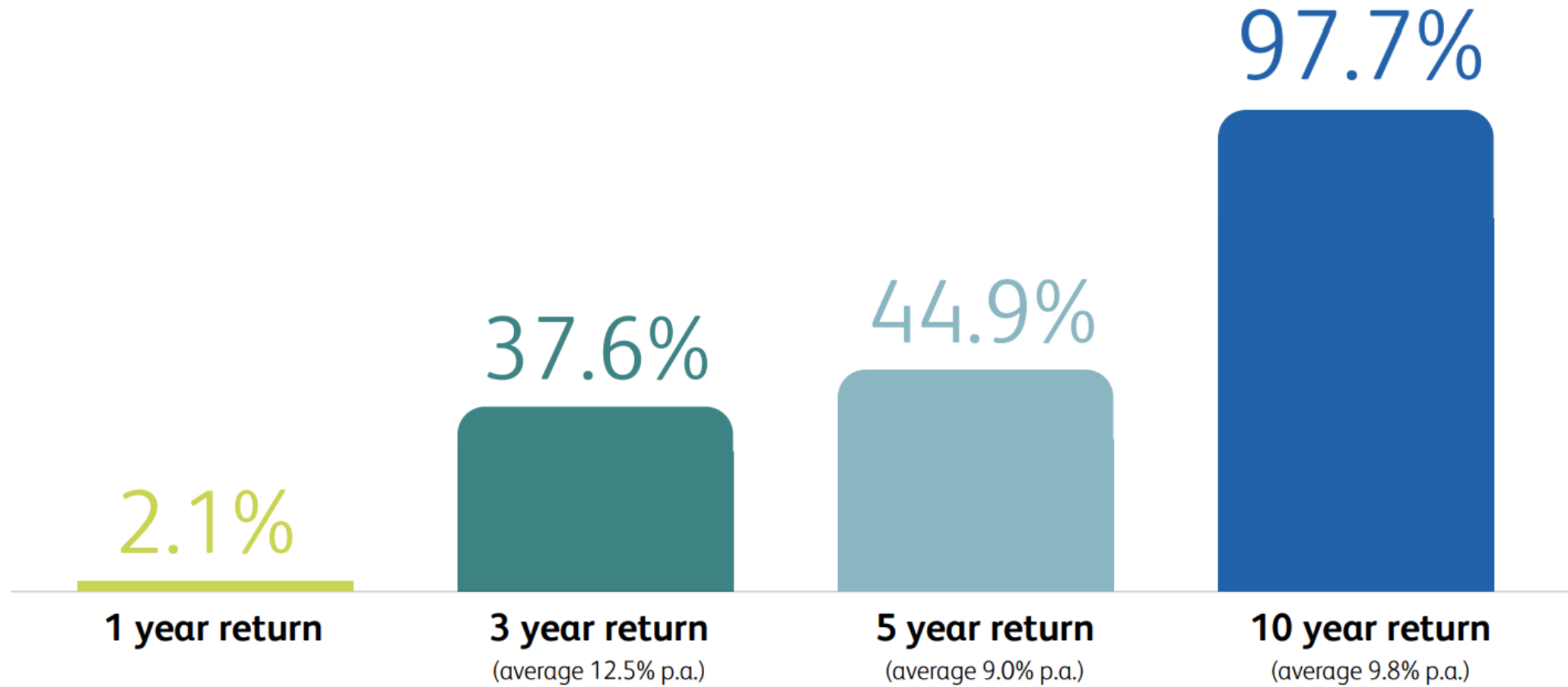


# BACKGROUND

- Continued global macro and geo-political uncertainties
- Inflationary environment and increasing interest rate rises
- Reduced M&A activity
- Below target return for the year due to challenging market conditions
- Portfolio focus on mission critical products and services is designed to provide resilience



## PERFORMANCE DATA



# HIGHLIGHTS IN THE YEAR

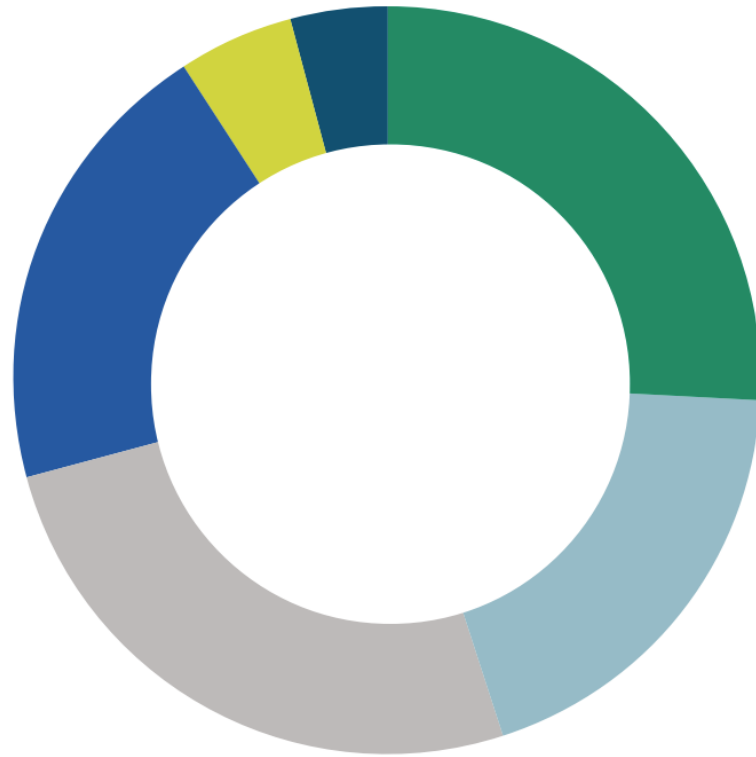
	2022	2023	Notes
Fundraising	£20.6m	£16.4m	
Exits	£10.2m	£1.8m	Including Zift and part of Arecor (listed on AIM)
Investment rate	£9.0m	£12.5m	£7.9m in 13 new companies and £4.6m into the existing portfolio
Share buybacks	£1.8m	£2.9m	
Dividends	£4.5m	£6.0m	6.49p per share in 2023 (2022: 6.09p per share)
Performance Incentive Fee	£1.9m	-	

# KEY VALUE DRIVERS IN THE YEAR

	2023	Notes
Quantexa	£9.8m	Series E fundraising - UK's first "Unicorn" of 2023
Convertr Media	£1.0m	Strong trading
Black Swan	(£2.1m)	Slower growth
Oviva	(£1.4m)	Slower growth
Other – write ups	£3.6m	Including: Solidatus, Radnor House and The Evewell
Other – write downs	(£6.4m)	Including: uMotif, Oxsensis and Egress
TOTAL	£4.5m	

# PORTFOLIO ANALYSIS

## Sector breakdown



- Cash and other net assets 26% (32%)
- Healthcare (including digital healthcare) 19% (19%)
- FinTech 26% (17%)
- Software & technology 20% (23%)
- Renewable energy 5% (5%)
- Other (including Education) 4% (4%)

Portfolio of 55 companies employing over 4,700 people predominantly in the UK



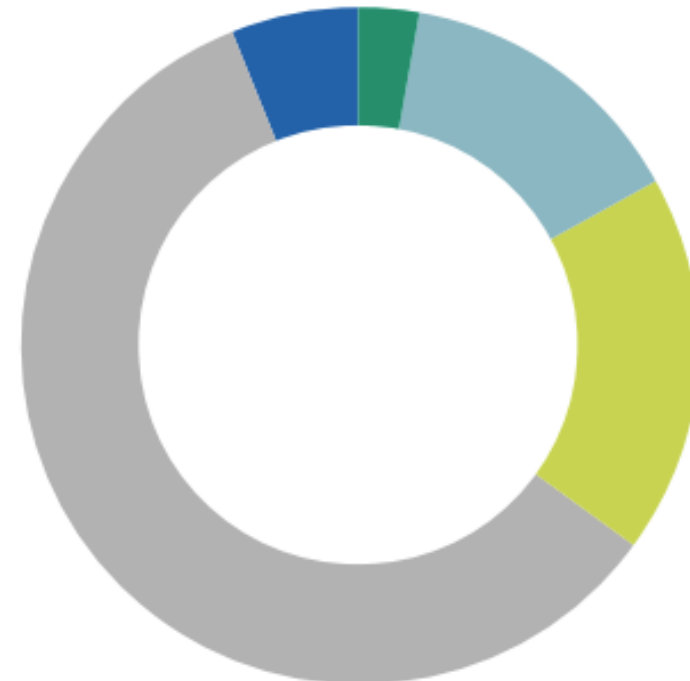
# PORTFOLIO ANALYSIS

## Stage of investment






- Early stage (revenue less than £1 million) 7% (8%)
- Growth (revenue between £1 million and £5 million) 14% (16%)
- Scale up (revenue over £5 million) 79% (76%)

## No. of employees



- Under 20 3% (1%)
- 21 - 50 14% (23%)
- 51 - 100 18% (11%)
- 101+ 59% (57%)
- Renewable energy\* 6% (8%)

# TOP 3 ACCOUNT FOR 33.8% OF THE NAV AT MAR 2023

		Investment date	Cost £000	Book value £000	Revenue growth	Employee growth
	Uses the latest advances in big data analytics and artificial intelligence to help its financial services and government customers detect financial crime	2017	2,108	24,319	>50x	30 to c.600
	The leading cloud encryption platform ensuring data security for email, data transfer and collaboration environments	2014	3,365	12,757	>20x	23 to c.300
	European specialist pharmaceutical company focussed on children's medicines	2012	1,850	6,724	Pre revenue to £15m p.a	4 to 64
			<b>£7.3m</b>	<b>£43.8m</b>		

# QUANTEXA

- Received recent investment of £100m and a valuation of c.£1.4bn
- Investing £125m in AI research and development over the next three years, £85m of that will be spent in the UK
- **Rishi Sunak, Prime Minister** said: “... Quantexa’s new £85m London AI Innovation Centre will... create over 170 jobs, harness the extraordinary potential of AI as we grow our economy, and lead the way on responsible AI development around the world.”



# NEW INVESTMENTS

**Peppy**

**£1.4m**

An employee digital healthcare platform for underserved health and wellness areas

**TOQIO**

**£1.3m**

Provider of embedded FinTech solutions



**£0.9m**

Provides insights and analytics to pharmaceutical companies about therapeutic areas

csgenetics  
SINGLE-CELL AT SCALE SINGLE-CELL AT SPEED

**£0.8m**

GX Molecular (T/A CS Genetics) develops single-cell sequencing solutions

**OutThink**

**£0.6m**

A software platform for measuring and managing human risk for enterprises



# NEW INVESTMENT: PEPPY HEALTH

1

Employee digital  
healthcare platform  
for underserved  
health and wellness  
areas



- Launched in 2018 with menopause support as an employee benefit – the first in the world
- £8m invested by Albion VCTs, of which £1.4m from AAEV
- Funding will be used to accelerate expansion in the US

# NEW INVESTMENT: TOQIO

2

Toqio Fintech Holdings is a provider of embedded FinTech solutions



- Toqio allows any business to launch embedded finance within days without building and managing complex software
- £7.4m invested by Albion VCTs, of which £1.3m from AAEV
- Funding will be used for product development and expansion

# FOLLOW-ONS



**£1.4m**

Provider of an online platform delivering family centric psychological care primarily to children and adolescents



**£0.8m**

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



**£0.7m**

A software company that enables enterprises to deploy Machine Learning models in production



**£0.7m**

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)

# REALISATIONS

## ZIFT CHANNEL SOLUTIONS

- Business collaboration and communication solutions
- Acquired by Investcorp

**£1.4m**

Invested by Albion Enterprise VCT PLC

**0.7x**

Cash on cash multiple including interest received

**£1.0m**

AAEV proceeds over holding period (including interest received)

## ARECOR THERAPEUTICS PLC

- Development of biopharmaceuticals via a formulation technology platform
- Listed shares sold

**£0.2m**

Cost of shares sold by AAEV during the year

**2.1x**

Cash on cash multiple

**£0.4m**

AAEV proceeds



# INVESTMENT STRATEGY



Seed to Series B  
(early stage  
to growth)



Backing  
Long-term  
trends



Focus on  
B2B



Target  
software and  
healthcare



# ESG AND RESPONSIBLE INVESTING

## Our commitment

- Devise an appropriate risk-return profile for our investments
- Deliver value to our investors
- Develop sustainable long-term strategies for our portfolio companies

## Our process

- Integrates ESG principles at all stages of investment
- Measures the sustainability and societal impact of our investments

# ESG AT ALBION

## ENVIRONMENTAL

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- Net zero target by 2030
- Measuring carbon footprint with Plan A
- Purchased carbon removal permits for 2021/2022 emissions
- Encouraging electronic communication

## SOCIAL

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- Fair HQ score for equity, diversity and inclusion up from 3.8 to 6.1 out of 10
- Social outreach group hosted workshop day for students from under-privileged backgrounds in local community
- Radia Accelerator programme to support women founders

## GOVERNANCE

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- ESG principles integrated across the full investment cycle
- Completion of 2022 ESG BSC portfolio reporting and targets set for 2023
- UN PRI score 2020/21: 3/5 stars
- Regular ESG updates for all stakeholders

# PROSPECTS

- Challenging macroeconomic and geopolitical environment resulting in slower portfolio revenue growth
- Well-balanced portfolio across target sectors and stage of maturity
- Focus on mission critical products and services, designed to provide resilient portfolio growth in the long term
- Limited exposure to discretionary consumer facing sectors
- Good level of cash to capitalise on new opportunities and to support existing portfolio companies




# Q1 RESULTS & EVENTS

- NAV at 30 June 2023 of 127.43p
  - Decrease of 0.9% to the 31 March 2023 NAV
- Virtual AGMs
- Physical annual shareholder seminar
- First dividend of 3.22p per share to be paid on 31 August 2023
- Top three investments now account for 33.9% of NAV at 30 June 2023

## Shareholder seminar details

 15 November 2023

 Royal College of Surgeons  
Lincoln's Inn Fields, London

 To reserve a place, email  
[info@albion.capital](mailto:info@albion.capital)

# Thank you

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