

Albion Venture Capital Trust PLC

AGM September 2023

Results for the year to 31 March 2023

AGENDA

Financial summary

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Performance data

Highlights in the year

Investment portfolio

Realisations

Investment strategy

ESG & responsible investing

Prospects, Q1 results and shareholder events

FINANCIAL SUMMARY TO MARCH 2023

0.3%

Shareholder return for the year
ended 31 March 2023

2.65p

Total tax-free dividend per
share paid during the year
ended 31 March 2023

50.88p

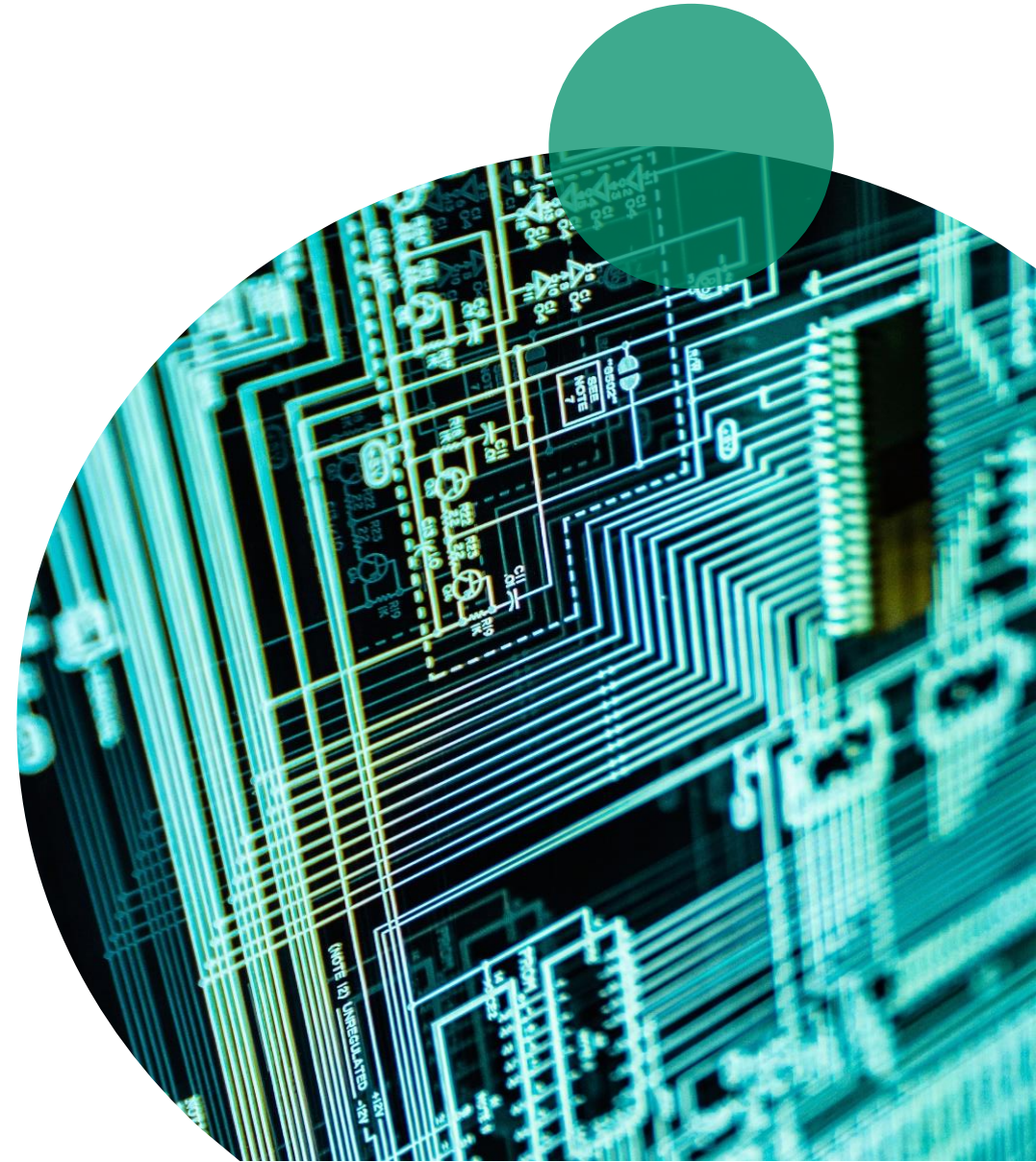
Net asset value per share as at
31 March 2023

242.87p

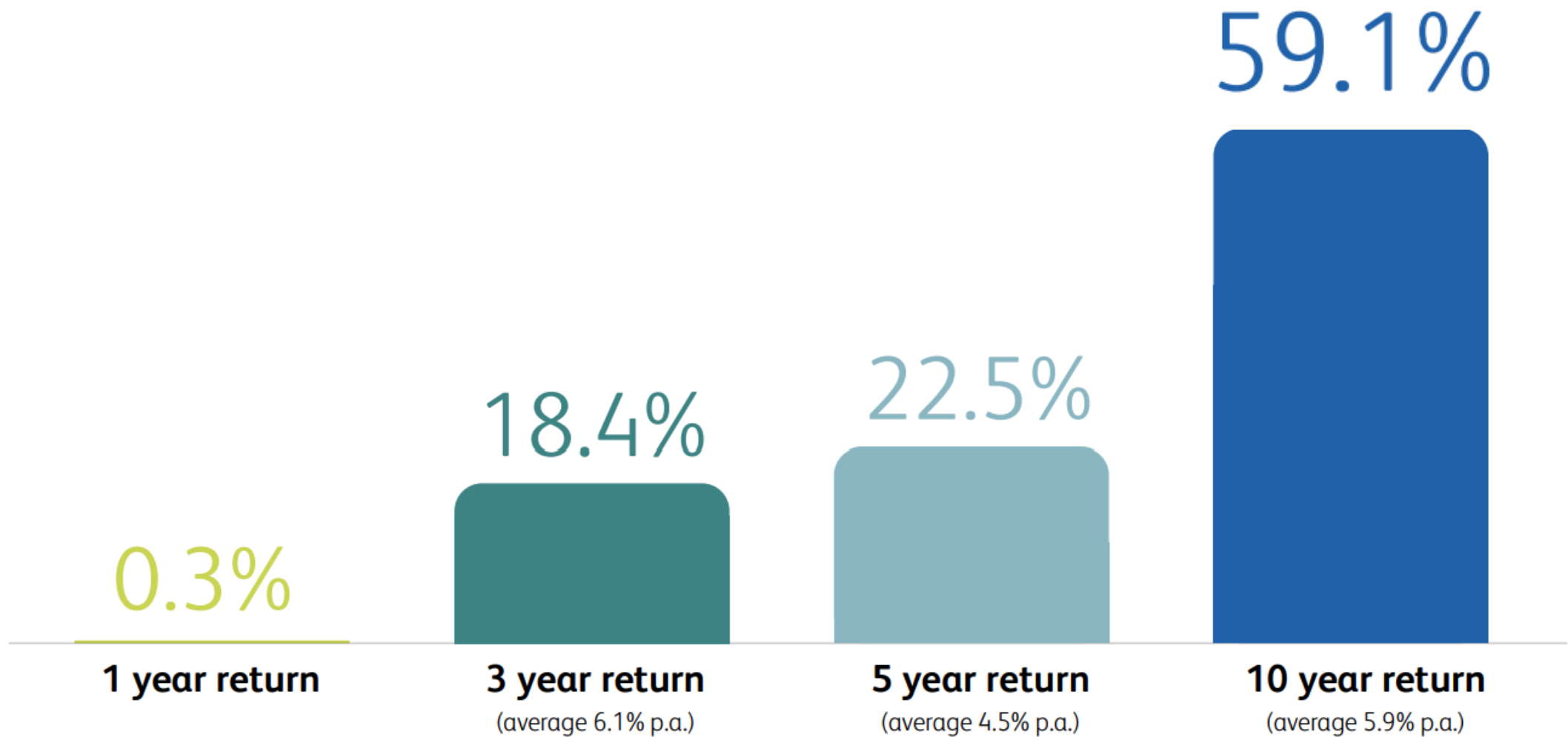
Total shareholder value per
share from launch to 31 March
2023

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	£9.0m	£11.2m	
Exits	£4.9m	£0.6m	2022 included Phrasee and Credit Kudos
Investment rate	£7.8m	£9.4m	£5.6m in 13 new companies and £3.8m into existing portfolio
Share buybacks	£2.0m	£1.4m	
Dividends	£25.4m	£3.3m	2022 included 22 pence per share of special dividends
Performance Incentive Fee	-	-	

KEY VALUE DRIVERS IN THE YEAR

	2023	Notes
Threadneedle Software Holdings (T/A Solidatus)	£0.8m	Strong trading
Kew Green VCT (Stansted)	£0.5m	Strong trading
uMotif	(£0.9m)	Slower growth and now exited
Elliptic Enterprises	(£0.7m)	Slower growth
Other – write ups	£3.0m	Including: Runa Network, The Evewell Group and Seldon Technologies, renewable energy assets
Other – write downs	(£2.1m)	Including: Cantab Research (T/A Speechmatics), Concirrus and Beddlestead
TOTAL	£0.6m	

PORTFOLIO ANALYSIS

Sector breakdown

Investment portfolio by sector
(including cash and net assets)



- Cash and net assets 34% (41%)
- Healthcare (including digital healthcare) 13% (11%)
- Renewable energy 14% (16%)
- FinTech 12% (10%)
- Software & other technology 16% (13%)
- Other (including education) 11% (9%)

Investment portfolio by sector
(excluding cash and net assets)



- Healthcare (including digital healthcare) 20% (18%)
- Renewable energy 22% (27%)
- FinTech 19% (18%)
- Software & other technology 24% (21%)
- Other (including education) 15% (16%)

Portfolio of 48 companies employing over 2,500 people predominantly in the UK

PORTFOLIO ANALYSIS

Stage of investment by revenue generation






- Early Stage (revenue less than £1 million) 13% (15%)
- Growth (revenue between £1 million and £5 million) 36% (37%)
- Scale up (revenue over £5 million) 51% (48%)

Number of employees





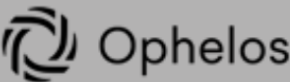


- Under 20 7% (7%)
- 21 - 50 22% (23%)
- 51 - 100 22% (19%)
- 101+ 27% (24%)
- Renewable energy* 22% (27%)

TOP 3 ACCOUNT FOR 14.4% OF THE NAV AT MARCH 2023

		Investment date	Cost £000	Book value £000	Revenue growth	Employee growth
	Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands	2013	3,074	4,528	N/A	N/A
	Enabling enterprises to deploy Machine Learning models in production	2020	2,539	2,862	3x	26 to 90
	Operates an independent school, Radnor House Sevenoaks, a co-educational independent school for students aged 2 -18	2015	1,259	2,808	3x	Number of students increased 2.5x
			£6.9m	£10.2m		

NEW INVESTMENTS

				
£1.2 million into Peppy Health, a platform providing expert support for underserved areas of health and wellness (e.g., menopause) via content, video, chat support as an employee benefit	£0.8 million into Toqio FinTech Holdings, a provider of embedded FinTech solutions	£0.6 million into PeakData, a software platform providing insights and analytics to pharmaceutical companies	£0.5 million into GX Molecular (T/A CS Genetics), a developer of single-cell sequencing solutions	£0.4 million into Ophelos, an autonomous and ethical debt resolution platform

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 £1.2m from AAVC
- 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 £0.8m from AAVC
- Funding will be used for product development and expansion

FOLLOW-ONS



£0.8m

Healios is a provider of an online platform delivering family centric psychological care primarily to children and adolescents



£0.7m

Gravitee Topco (T/A Gravitee.io) is an API management platform



£0.7m

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



£0.4m

Cantab Research (T/A Speechmatics) is a provider of low footprint automated speech recognition which can be deployed in the cloud, on premise or on device

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

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

SOCIAL

- 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

- 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 and portfolio volatility
- 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 50.42p
 - Decrease of 0.90% to the 31 March 2023 NAV
- Virtual AGMs
- Physical annual shareholder seminar
- First dividend of 1.27p per share paid on 31 July 2023

Shareholder seminar details

 15 November 2023

 Royal College of Surgeons
Lincoln's Inn Fields, London

 To reserve a place, email
info@albion.capital

Thank you

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