



**Albion**Capital

Investor Guide  
Albion VCTs' Prospectus  
Top-Up Offers

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2023/2024

# IMPORTANT INFORMATION

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## This is a prospectus advertisement issued by Albion Capital

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>

We recommend you read the Prospectus to fully understand the risks involved before deciding whether this investment is right for you.

Albion Capital does not provide financial or taxation advice or ensure the investment is suitable for you. We recommend you speak to a financial adviser.

Albion Capital is authorised and regulated by the Financial Conduct Authority. You are not a regulatory customer of Albion Capital.

All data and information is correct as at 30 September 2023 and relates to the five VCTs participating in the offers unless otherwise stated.

# INTRODUCTION

Albion Capital offers investors an opportunity to acquire new shares in five Albion VCTs through the Albion VCTs' Prospectus Top-Up Offers 2023/2024.



# WHY VCTs?



## Access innovation

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



## Income generating

VCTs pay tax-free dividends which can provide an attractive, supplementary income.

Dividends are not guaranteed.



## Diversification

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



## Tax benefits

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

Tax treatments depends on individual circumstances and tax rules may change. Tax reliefs are available on the first £200k invested in VCTs each tax year and depend upon a VCT maintaining its VCT qualifying status.

# IS A VCT INVESTMENT RIGHT FOR YOU?



## Long-term hold

You must be able to hold the investment long-term - any income tax relief claimed is repayable if the shares are sold within 5 years

If you do not pay enough UK tax you cannot claim the full benefit of available tax reliefs

You may not be able to sell your investment immediately as the market for VCT shares is limited



## Risk tolerance

You may lose some or all of the capital you invest

VCTs do not provide guaranteed income

You may not be able to sell your shares at a price which reflects net asset value

Share buy back schemes operated by the Albion VCTs buy back at a discount to net asset value and are not guaranteed



## Protection

VCTs are not authorised financial services firms and investments in them are not covered by the Financial Services Compensation Scheme

You are not a regulatory customer of Albion Capital

# ALBION CAPITAL MANAGED VCTs



## Growth focused

Sector focus on healthcare and B2B mission critical software



## £645m AUM in our VCTs

We are one of the largest VCT managers



## Diversification

A portfolio of c.65 companies in Albion's target sectors diversified across business maturity



## Strong track record

Albion's VCTs have delivered attractive returns over the medium and long term



## Regular income

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

# WHY ALBION?

## Knowledge

Investing in venture capital over the last 27 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 vital to evaluate the businesses we invest in and to offer valuable strategic support to help them scale.

## Focus

We focus on long-term trends that we believe will drive enduring value. We are thematic investors in technology and healthcare, with deep domain expertise to match.

Our specialist healthcare team has created one of the largest early-stage healthcare portfolios in Europe.

## 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.



# STRONG TRACK RECORD



## VCT RETURNS

Average annual return 30 September 2023

1 Year  
**1.3%**

3 Years  
**8.8%**

5 Years  
**6.6%**

10 Years  
**7.4%**

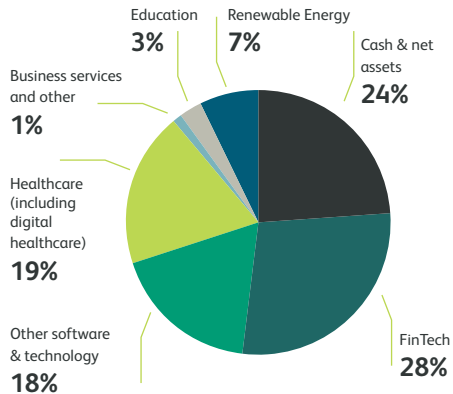
The table sets out the average annual performance of the five VCTs over one year, three years, five years and ten years to 30 September 2023, being the cumulative return for the period comprising dividends paid and change in net asset value. This does not include tax relief. Past performance is not a guide to future performance.



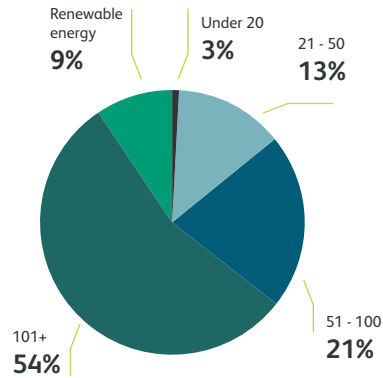
# DIVERSIFICATION ACROSS TARGET SECTORS, STAGE & SIZE

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

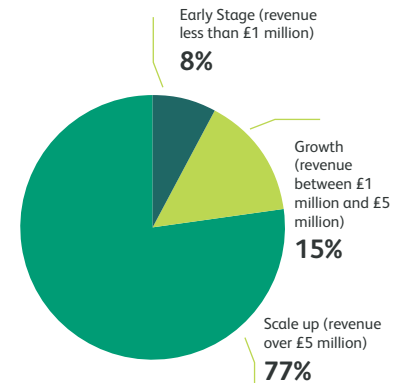
PORTFOLIO ANALYSIS  
BY SECTOR



PORTFOLIO ANALYSIS  
BY NUMBER OF EMPLOYEES






PORTFOLIO ANALYSIS  
BY STAGE OF INVESTMENT



Data as at 30 September 2023

## TOP 3 CURRENT INVESTMENTS

These make up 31.2 % of the VCTs' combined 30 September 2023 NAV

Company		Investment date	Cost	Book value	Revenue growth	Employment growth
	Uses the latest advances in big data analytics to help its banking, insurance and government customers detect financial crime	2017	£10.1m*	£109.8m*	>40x	30 to over 600
	European specialty pharmaceutical company focused on children's medicines	2012	£9.5m	£38.6m	Invested pre-revenue. Now c.£16m p.a.	4 to over 60
	A leading cloud encryption platform ensuring data security for email, file transfer and collaboration environments	2014	£8.4m	£32.1m	>20x	23 to over 300
*Subsequent to September 2023, four of the VCTs sold a proportion of their holdings, realising proceeds of £9.4m on cost of £0.9m.			£28m	£180.5m		

## NEW INVESTMENTS

23 new investments over the past three years.  
Some recent examples:



Conversational AI platform for regulated businesses

Raised: £4.4m



Provides SaaS operating systems for non-bank B2B lenders

Raised: £10.2m



PHASECRAFT

Market leading quantum algorithm company

Raised: £13m

## SELECTED EXITS

21 exits over the past three years.  
Some notable examples:

### C<< CREDIT KUDOS

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

Acquired by:  
Apple

**4.8x** Return on cost

**2yrs** Investment period



Leading SaaS provider of adverse event and product quality complaint collection solutions

Acquired by:  
Stanley Capital partners

**4.1x** Return on cost

**9yrs** Investment period



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

Acquired by:  
Capital D

**3.0x** Return on cost

**3.5yrs** Investment period

# OUR STANCE ON ESG

Driving sustainable practices within Albion and across our portfolio companies is a key focus for Albion. Examples of some of our initiatives include:

## Albion

Measuring, reducing and offsetting carbon footprint since 2021

Partnering with FairHQ to enhance diversity and inclusion practices

Albion's Social Outreach group is championing involvement in local community and schools/education

Albion's Net zero group is championing action on climate change within Albion

## 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

**Awarded 'Excellence in ESG Venture Capital (all sizes)' in 2023  
from the British Venture Capital Association (BVCA)**

# DETAILS OF THE OFFER

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## Minimum investment

£5,000 in aggregate per investor

## Maximum investment

Invest up to £200,000 in VCTs per tax year



## Early bird discount

Existing shareholders: 1 %

New shareholders: 0.5 %

Discounts the initial fee. Early Bird Offer is only available on the first £10m raised, which may be reached soon after launch



## Initial fee: 3%

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

## Annual costs

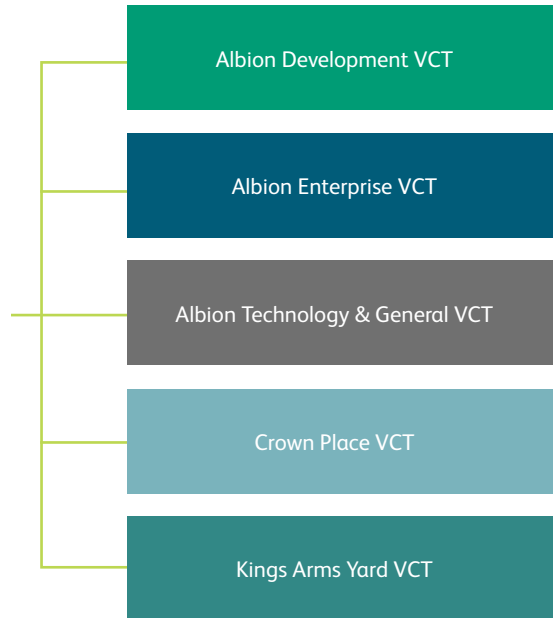
Average annual management fee of 2 % with an average cap on annual running costs of 2.75 %

# THE OFFERS

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You can invest equally across all five VCTs or choose different amounts, subject to at least £1000 in any VCT you select and an overall minimum amount of £5,000 in total

**Minimum  
investment  
£5,000**



## **VCT full capacity**

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

# HOW TO APPLY

Full details of our current offers, including the Prospectus (comprising the Securities Note, Registration Document and Summary), are on our website.

[www.albion.capital/current-offers](http://www.albion.capital/current-offers)

The online application form will be made available on our website on 2 January 2024. You cannot apply before then.

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

We continue to encourage shareholders to receive communications electronically. New investors who subscribe will be deemed to consent to electronic communication. Existing investors will retain their current communication preferences. If your registered preference is “deemed consent”, Albion will update your e-communications details with the email address provided in the Application Form. If you would like to change your registered communication preference, please contact the Companies’ Registrar, Computershare Investor Services PLC.

**Albion**Capital

To invest, apply online:

 [albion.capital/current-offers](http://albion.capital/current-offers)

Have questions?

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