

Albion Technology & General VCT PLC Interim Management Statement

Introduction

I present Albion Technology & General VCT PLC (the "Company")'s interim management statement for the period from 1 July 2016 to 22 November 2016.

Performance and dividends

The Company's unaudited net asset value (NAV) as at 30 September 2016 was £64.3 million or 71.00 pence per share (excluding treasury shares), an increase of 1.78 pence per share or 2.6 per cent. since 30 June 2016 (69.22 pence per share) as a result of an increase in investment valuations.

After accounting for the fourth dividend of 1.25 pence per share which was paid on 31 October 2016 to shareholders on the register as at 7 October 2016, the NAV is 69.75 pence per share.

Dividend target from 2017

The Company paid dividends totalling 5.0 pence per share during the financial year in line with the Company's policy, which it has maintained for the last six years. For most of this period, however, the dividend has not been fully covered by total returns, resulting in a gradual decline in NAV per share over the years. In an economic environment of persistently low interest rates, the Board considers a recalibration of the annual dividend target to 4.0 pence per share to be more appropriate, representing a dividend yield on current NAV of 5.7 per cent. This target will apply from 2017.

Share issues

On 4 November 2016 the Board announced, subject to obtaining the requisite regulatory approval, its intention to launch a prospectus offer of new ordinary shares for subscription in the 2016/2017 and 2017/2018 tax years (the "Offer"). The Offer will form part of top up offers for the six VCTs managed by Albion Ventures LLP seeking to raise, in aggregate, up to £24m.

Full details of the Offer will be contained in a prospectus that is expected to be published on or around 29 November 2016 and will be available on the Albion Ventures LLP website (www.albion-ventures.co.uk). A copy of the securities note will be sent to shareholders in December 2016. The Offer is expected to close on 29 September 2017 unless fully subscribed or closed earlier.

During the period from 1 July 2016 to 22 November 2016, the Company issued the following shares under the dividend reinvestment scheme:

Date	Number of shares issued	Issue price per share	Net proceeds £'000
31 October 2016	244,254	67.97 pence	164

The Company continues to offer a Dividend Reinvestment Scheme to existing shareholders. Details of this Scheme can be found at www.albion-ventures.co.uk/funds/AATG.

Share buy-backs

During the period from 1 July 2016 to 22 November 2016, the Company purchased 983,000 shares for £637,000 at an average price of 64.80 pence per share. All of the shares are to be held in treasury.

It remains the Board's policy to buy back shares in the market, subject to the overall constraint that such purchases are in the Company's interest, including the maintenance of sufficient resources for investment in existing and new portfolio companies and the continued payment of dividends to shareholders. It is the Board's intention for such buy-backs to be at around a 5 per cent. discount to the most recently announced net asset value, so far as market conditions and liquidity permit.

Portfolio

The following investments have been made during the period from 1 July 2016 to 22 November 2016:

New investments	£000's	Activity
Convertr Limited	650	Digital lead generation software
Secured by Design Limited	410	Research and consulting for the global automotive sector
Oviva AG	165	Medical nutritional therapy
Total new investments	1,225	

Further investments	£000's	Activity
DySIS Medical Limited	216	Medical devices for detection of cervical cancer
Proveca Limited	108	Reformulation of paediatric medicines
Abcodia Limited	90	An anaerobic digestion plant
Total further investments	414	

Disposals and loan stock repayments

The following loan stock repayments were made during the period from 1 July 2016 to 22 November 2016:

Portfolio company	£000's	
Radnor House School (Holdings) Limited	153	Loan stock repayment
Hilson Moran Holdings Limited	36	Loan stock and redemption premium repayment
Total proceeds	189	

Top ten holdings as at 30 September 2016:

Investment	Carrying value £000's	% of net asset value	Activity
Radnor House School (Holdings) Limited	9,370	14.6%	Independent schools for children aged 5-18
Process Systems Enterprise Limited	3,947	6.1%	Process modelling software and services
Blackbay Limited	3,135	4.9%	Provider of mobile data solutions
Bravo Inns II Limited	2,800	4.4%	Owner and operator of freehold pubs
Chonais River Hydro Limited	2,784	4.3%	Hydropower project in Scotland
Earnside Energy Limited	2,273	3.5%	An anaerobic digestion plant in Scotland
Mi-Pay Group plc	2,153	3.3%	Payment processing services for pre-paid mobile networks and other customers
Bravo Inns Limited	1,860	2.9%	Owner and operator of freehold pubs
Gharagain River Hydro Limited	1,800	2.8%	Hydropower project in Scotland
memsstar Limited	1,666	2.6%	Refurbisher and manufacturer of MEMS and semiconductor fabrication equipment

A full breakdown of the Company's portfolio can be found on the Fund's webpage on the Manager's website at www.albion-ventures.co.uk/funds/AATG, by following the 'Portfolio of Investments' link under the 'Funds reports' section.

Material events and transactions

There have been no further significant events or transactions that the Board is aware of which would have a material impact on the financial position of the Company between 1 July 2016 to 22 November 2016.

Further information

Further information regarding historic and current financial performance and other useful shareholder information can be found on the Fund's webpage on the Manager's website at www.albion-ventures.co.uk/funds/AATG.

Dr. Neil Cross, Chairman

22 November 2016

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