

Albion Technology & General VCT PLC
Interim Management Statement
LEI code: 213800TKJUY376H3KN16

Introduction

I present Albion Technology & General VCT PLC (the “Company”)’s interim management statement for the period from 1 January 2020 to 31 March 2020.

Impact of coronavirus (Covid-19) and Net asset value

The Board has been monitoring the ongoing disruption caused by the coronavirus (Covid-19) pandemic and its current impact on portfolio companies. These are unprecedented times with major uncertainty as to the ongoing economic and societal impact of the coronavirus (Covid-19) pandemic, the extent of which is still unknown.

In light of this, the Company announces its unaudited net asset value (NAV) as at 31 March 2020 of £86.21 million or 77.37 pence per share (excluding treasury shares), which represents a decrease of 5.21 pence per share (6.31 per cent.) since 31 December 2019. This reflects reductions across the portfolio, which is carried at fair value, as a result of market conditions arising from the healthcare pandemic. The Board has reassessed the carrying values of all companies within the portfolio and has reduced those affected by the current situation. Some of the individual reductions to portfolio companies are significant, given the severity of the financial crisis. However, the portfolio is well diversified and has weightings in sectors that are less badly affected by coronavirus (Covid-19) and there are companies within the portfolio which may prove to be well suited to operating in a remote environment.

The Company will pay a dividend of 2.00 pence per share on 30 June 2020 to shareholders on the register on 5 June 2020. After accounting for the dividend the NAV will be 75.37 pence per share.

Liquidity

Principally as a result of disposals in the preceding financial year, at 31 March 2020 the Company had cash balances of £30.3 million which represents 35% of net assets. As commented in the Chairman’s statement in the year end financial statements, it is important for a venture capital fund, which by its nature has illiquid investments, to hold sufficient cash to manage operating costs, to service dividends and buy backs and, most importantly, to make follow on and new investments, when they arise. This must be balanced against the requirements of a venture capital trust to be invested in qualifying investments. Under current challenging economic conditions, it is helpful for the Company to have significant cash and reserves.

The Board will continue to assess what future investment and operational cash requirements the Company has, how much liquidity is required to service ongoing buy backs and payments of dividends which the Board considers as critical features for existing shareholders (to provide return and liquidity as required).

Share buy-backs

Given the uncertainty on valuations caused by coronavirus (Covid-19) and its impact on financial markets in recent times, the Board agreed to suspend the Company’s buy back operation on 18 March 2020 until such time as the Company could provide an updated valuation as at 31 March 2020 of the portfolio and the Company’s NAV.

With this announcement of the NAV of the Company at 31 March 2020, the Board is pleased to announce the resumption of its share buy-back policy, 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. However, the level of share buybacks until the announcement of the Company’s interim results, expected during September 2020, shall be limited to £1,000,000.

It is the Board’s intention for such buy-backs to be at around a 5 per cent. discount to net asset value, so far as market conditions and liquidity permit.

Portfolio

The following investments have been made during the period from 1 January 2020 to 31 March 2020:

New investments	£000s	Activity
Concirrus Limited	1,632	<i>A software provider bringing real-time behavioural data analytics to the marine and transport insurance industries</i>
Credit Kudos Limited	816	<i>Challenger credit bureau helping lenders optimise and automate their affordability and risk assessments</i>
Total new investments	2,448	

Top ten holdings as at 31 March 2020:

Investment	Carrying value £'000	% of net asset value	Activity
Radnor House School (TopCo) Limited	4,424	5.1	<i>Independent school for children aged 5-18</i>
Chonais River Hydro Limited	4,057	4.7	<i>Owner and operator of a 2 MW hydro-power scheme in the Scottish Highlands</i>
Quantexa Limited	3,202	3.7	<i>Network analytics platform to detect financial crime</i>
Proveca Limited	2,858	3.3	<i>Reformulation of paediatric medicines</i>
Mirada Medical Limited	2,298	2.7	<i>Developer of medical imaging software using Deep Learning</i>
Gharagain River Hydro Limited	2,134	2.5	<i>Owner and operator of a 1 MW hydroelectricity plant in the Scottish Highlands</i>
Egress Software Technologies Limited	2,114	2.5	<i>Encrypted email & file transfer service provider</i>
G.Network Communications Limited	1,828	2.1	<i>Ultra-fast fibre optic broadband provider in central London</i>
Oxsensis Limited	1,784	2.1	<i>A developer and producer of industrial sensors for use in ultra-high temperature environments</i>
Concirrus Limited	1,632	1.9	<i>A software provider bringing real-time behavioural data analytics to the marine and transport insurance industries</i>

Material events and transactions after the period end

There have been no significant events or transactions between 1 April 2020 and 22 April 2020 that the Board is aware of which would have had a material impact on the financial position of the Company.

Further information

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

Dr. Neil Cross, Chairman

22 April 2020

For further information please contact:

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