AUGMENTUM FINTECH PLC

INTERIM REPORT FOR THE PERIOD FROM INCORPORATION ON 19 DECEMBER 2017 TO 30 SEPTEMBER 2018

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CHAIRMAN'S STATEMENT

Introduction

I am delighted to present the first Interim Report of Augmentum Fintech plc ("the Company" or "Augmentum Fintech") since our incorporation on the 19 December 2017 and the subsequent listing of its shares on the London Stock Exchange on 13 March 2018.

This report covers the period from incorporation to 30 September 2018.

Investment Policy

The Company will invest in early stage fintech businesses which are high growth, with scalable opportunities, and have disruptive technologies in the banking, insurance and asset management sectors, including other cross-industry propositions.

Share Capital

The Company raised £94 million at its launch. There are a total of 94 million ordinary shares in issue and we have a diverse and growing range of shareholders.

Performance and portfolio development

The Net Asset Value ("NAV") total return for the period was 5.1%. Our Portfolio Manager provides an update on the Initial Portfolio, acquired through the purchase of Augmentum I LP at launch, in their report starting on Page 7 and it is pleasing to note the positive revaluations of two of these investments, Zopa and interactive investor.

To add to the Initial Portfolio, our investment team have been working very hard evaluating hundreds of opportunities, reviewing and challenging financial and commercial metrics, to identify those most likely to be successful. That process has resulted in five new investments since IPO and there are several interesting opportunities in the final stages of due diligence.

Our rate of capital deployment is as anticipated. We expect to make announcements on further investments in due course as our Portfolio Manager works toward our objective of being substantially fully deployed by mid-2019.

Discount

As expected, the share price has remained relatively stable despite some volatility in the UK market. At the date of this report, the Company's share price was 96.1 pence per share, representing a 7.6% discount to the NAV per share. No shares have been bought back in the period under review.

CHAIRMAN'S STATEMENT continued

Dividends

The directors have resolved not to pay a dividend. The Company is focused on providing capital growth, and given the investment opportunities in the sector, we do not anticipate recommending to pay a dividend in the near future unless required to do so to maintain our investment trust status.

Augmentum Fintech Management Limited

It was reported in the Company's launch prospectus that Augmentum Fintech Management Limited (a wholly owned subsidiary of the Company) would manage the investment portfolio of the Company as a delegate of the Alternative Investment Fund Manager ("AIFM") once the FCA had granted the necessary authorisation. I am pleased to report that Augmentum Fintech Management Limited received this authorisation on 1 November 2018.

Interim Report

In the interests of cost control, Interim Reports to shareholders will only be available on the Company's website. These can be viewed and downloaded at www.augmentum.vc. Annual Reports, the first being for the period ending 31 March 2019, will be available on the website and in printed form.

People

We have a young and growing investment team, well supported by our advisor group, with a passion to succeed. I want to take this opportunity to thank them for their commitment and sheer hard work during this initial very busy period for the Company.

Outlook

As the UK's only listed fintech fund, the Company offers shareholders access to some of Europe's most exciting fintech businesses that are disrupting and enhancing the traditional financial services industry. Our success will ultimately derive from us backing the right businesses at the right value. We have an excellent investment team focussed on that and they have made a positive start. The market for fintech will continue to evolve and grow and we believe that we are well positioned to play an increasingly prominent part in that journey. Your board are therefore confident for the future.

Neil England
Chairman

23 November 2018

INVESTMENT OBJECTIVE AND POLICY

Investment Objective

To generate capital growth over the long term through investment in a focused portfolio of fast growing and/or high potential private financial services technology ('fintech') businesses based predominantly in the UK and wider Europe.

Investment Policy

In order to achieve its investment objective, the Company purchased the Initial Portfolio and will invest in early (but not seed) or later stage investments in unquoted fintech businesses. The Company intends to realise value through exiting investments over time.

The Company will invest in early stage businesses which are high growth, with scalable opportunities, and have disruptive technologies in the banking, insurance and asset management sectors, including other cross-industry propositions.

Investments will be mainly in the form of equity and equity-related instruments issued by portfolio companies, although investments may be made by way of convertible debt instruments. The Company invests in unquoted companies and the Portfolio Manager will ensure that the Company has suitable investor protection rights where appropriate. The Company may invest in partnerships, limited liability partnerships and other legal forms of entity. The Company will not invest in publicly traded companies. However, portfolio companies may seek initial public offerings from time to time, in which case the Company may continue to hold such investments without restriction.

The Company may acquire investments directly or by way of holdings in special purpose vehicles or intermediate holding entities (such as Augmentum I LP).

The Portfolio Manager has historically taken a board position on investee companies and, where in the best interests of the Company, will do so in relation to future investee companies.

Once fully invested, the Company's portfolio is expected to comprise 15–20 holdings. The Company's portfolio is expected to be diversified across a number of geographical areas predominantly within the UK and wider Europe and the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

The Portfolio Manager will actively manage the portfolio to maximise returns, including helping to scale management teams, refining and driving key performance indicators, stimulating growth, and positively influencing future financing and exits.

Investment restrictions

The Company will invest and manage its assets with the objective of spreading risk through the following investment restrictions:

- the value of no single investment (including related investments in Group entities or related parties) will represent more than 15% of NAV, provided that one investment in the portfolio may represent up to 20% of NAV; and

INVESTMENT OBJECTIVE AND POLICY continued

- at least 80% of NAV will be invested in businesses which are headquartered in or have their main centre of business in the UK or wider Europe.

Each of the restrictions above will apply once the Company is fully invested and will be calculated at the time of investment. The Company will not be required to dispose of any investment or to rebalance the portfolio as a result of a change in the respective valuations of its assets.

Hedging and derivatives

Save for investments made using equity-related instruments as described above, the Company will not employ derivatives of any kind for investment purposes. Derivatives may be used for currency hedging purposes.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds and tradeable debt securities.

There is no restriction on the amount of cash or cash equivalent investments that the Company may hold or where it is held. Cash and cash equivalents will be held with approved counterparties, and in line with prudent cash management guidelines, agreed with the Board, AIFM and Portfolio Manager, to ensure an appropriate risk/return profile is maintained.

Once the net proceeds of the Issue are substantially fully deployed, it is expected that the Company will hold between 10 and 20 per cent of its Gross Assets in cash or cash equivalent investments, for the purpose of making follow on investments in accordance with the Company's investment policy and to manage the working capital requirements of the Company.

Borrowing

The Company may, from time to time, use borrowings to manage its working capital requirements but shall not borrow for investment purposes. Borrowings will not exceed 10 per cent of the Company's NAV, calculated at the time of borrowing.

PORTFOLIO

as at 30 September 2018

	Fair value of holding on acquisition on 13 March 2018 £m	Net investments/ (realisations) £m	Investment return £m	Fair value of holding at 30 September 2018 £m	% of portfolio
Zopa	18.5	-	3.5	22.0	40.8
BullionVault*	8.4	-	-	8.4	15.6
Interactive Investor	3.0	0.2	1.5	4.7	8.7
Seedrs	1.9	-	-	1.9	3.5
SRL Global	1.5	-	-	1.5	2.8
Augmentum I LP – Total^	**33.3**	**0.2**	**5.0**	**38.5**	**71.4**
Monese	-	5.3	0.6	5.9	10.9
Tide	-	3.0	-	3.0	5.6
Unmortgage	-	2.5	-	2.5	4.7
Previse	-	2.0	-	2.0	3.7
Duedil	-	2.0	-	2.0	3.7
Total Investments	**33.3**	**15.0**	**5.6**	**53.9**	**100.0**

* includes WhiskyInvestDirect

^ Augmentum I LP (the 'LP') was acquired on the 13 March 2018 following the successful IPO of the Company. The LP and its portfolio of investments is referred to in this report as the Initial Portfolio. Further details on the acquisition of the LP are included in Note 7 on page 28.

PORTFOLIO MANAGER'S REVIEW

Overview

It has been an extraordinarily busy first half of the financial year deploying your money effectively – the number of opportunities we are seeing is encouraging. However, our investment criteria remain stringent, our quality bar incredibly high and we only invest in those opportunities that we feel have the right profile for success and are at the right stage in their lifecycle to make for effective investments. In the past six months we have seen over 350 new investment opportunities in European fintech and invested in five exciting businesses with great potential.

The strength of our deal flow emphasises how vibrant the UK and wider European fintech scene is. It also highlights one of the key strengths of our team and advisory board who have built an extraordinary network within the wider tech and fintech ecosystem amongst entrepreneurs, angel investors and other venture capital investors. Our value-add philosophy and reputation in the market has led us to become the preferred investor in many competitive fundraisings.

Our strategy is clear, we want to back Europe's most exciting fintech businesses that are disrupting and enhancing the traditional financial services industry. Typically, this will be at an early stage, not seed capital but at Series A and B investment rounds where we have more visibility on a company's potential and where we can make the greatest impact. At the same time, we are not afraid to be contrarian and will also look for value in fintechs that have not fulfilled their early promise and perhaps lofty valuations. These companies can require fresh capital, restructuring and impetus to build on a solid base that has sometimes taken longer to mature than early investors anticipated. We have seen this first hand in our Initial Portfolio, with **Zopa** and **interactive investor (ii)**.

Every investment we have made, whether primary, secondary or within our current portfolio, demonstrates the same characteristics: strong long-term unit economics, a compelling path to profitability, a market leading position in their markets with high potential for growth and led by extraordinary management teams.

The Initial Portfolio

Our Initial Portfolio has seen positive activity in the period, leading to revaluations of our holdings in Zopa and interactive investor.

Zopa recently announced the closure of a £60m funding round as it continues its progress to launching a bank and acquiring a full UK banking licence. The funding round was at a premium to the price that we acquired our holding in March and required us to increase our valuation to £22m, representing an increase of £3.5m or 3.7 pence per share. Zopa continues to meet the milestones it has set itself on its journey to acquire a banking licence and we retain a strong conviction that the model it is pursuing will maximise shareholder value in the long term.

During the period there was a small amount of secondary stock available to us in interactive investor. We bought as much as we were able to buy at a 50% increase on our holding value, and our ambition is to buy more if the opportunity arises at the right price. The business has successfully integrated the acquisition of TD Direct and continues to trade well. Since the reporting period it has also

PORTFOLIO MANAGER'S REVIEW continued

announced the intention to acquire Alliance Trust Savings which will take its total assets under administration to £35bn and make it the clear number two in the D2C market. It also sold Internaxx for €25m (a non-core Luxembourg asset) which should complete at the end of January 2019.

Across the rest of our initial portfolio, **BullionVault,** (including **WhiskyInvestDirect**)**,** **Seedrs** and **SRL** remain well funded and consequently there was no change in the valuation of these investments. We continue to hold these investments at our acquisition cost set in March 2018.

The adjustment in valuation for Zopa and interactive investor mean that the NAV of our Initial Portfolio has increased by £5m, representing an annualised IRR of 30% since IPO. This is in excess of our long-term aim of delivering a portfolio return over 20% per annum.

New Investments

We announced five new investments in the period, each of which represent exciting opportunities for growth.

Tide is bringing SME banking into the 21st century by removing many of the pain points SME customers experience with the banking providers, not least the account opening process which is shortened from weeks to just minutes.

Duedil provides access to information on businesses that helps both prospecting and on-boarding. In fintech terms, the business is more mature, but we believe it has now found its product market fit and is poised to grow strongly over the coming years.

Previse is tackling the massive and politically charged issue of getting suppliers paid faster for their goods and services. We invested in Previse alongside Bessemer Venture Partners, the pioneers of Venture Capital ("VC") in the US.

Unmortgage is tackling the dual problem of people in the UK being unable to afford to buy homes and of finding a way for pension funds to effectively access the residential property market.

Monese provides banking services typically to those who work abroad and need a local bank account but who find it difficult to meet the usual account opening requirements such as residential history. They have found good traction across Europe and we invested in a heavily competitive funding round alongside Kinnevik, Paypal and IAG (Avios).

Our rate of capital deployment is as expected and our conversion rate of deals where we submit a term sheet to completion is high.

Outlook

In the first nine months of 2018 global VC investment in fintech exceeded the total investment seen in 2017, and the current year is on track to be a record year. We are seeing more deal flow than ever before, and the quality of companies continues to increase.

With Brexit on the horizon and the uncertainty it is creating, it is clear to us that young and dynamic fintech businesses are often better placed to respond to these new challenges than the incumbents that they are looking to disrupt. We believe that the UK will remain the epicentre of fintech within Europe. But other European cities will develop strong capabilities

PORTFOLIO MANAGER'S REVIEW continued

in fintech. Accordingly, we will continue to expand our coverage across Europe, especially in Germany, France, Sweden, and the Netherlands.

We are conscious of the growth in diversity of investors in the sector and are seeing more corporate venture funds focusing on fintech as an asset class. There will be times when working alongside corporate funds can make sense, however such funds do not always have a pure financial rationale in their investment criteria, which forces us to choose our partners carefully.

As the UK's only listed fintech fund Augmentum Fintech's investment criteria will always be driven by a pure financial rationale. This will ensure we retain independence and objectivity at the heart of our entrepreneurial DNA, a key factor in why some of the most exciting fintechs choose Augmentum Fintech over other potential investors.

The exit markets for fintech businesses are also showing proof points of our strategy. The sale of iZettle to Paypal, the listing of Adyen (now valued at £15bn) and the recent IPO of Funding Circle are just three examples of successful exits for early stage investors in European fintech. The debate over valuation at IPO becomes moot for those investors who can access fintech opportunities in early rounds at much lower valuations. The only way for public market investors to access these businesses at an early stage are through funds such as Augmentum Fintech.

It is early in our evolution, but we are delighted with the make-up of the portfolio so far. Our focus on the lending, digital banking, asset and wealth management space has seen us gain excellent exposure in these sub sectors, and we expect to add to those areas over time. We also remain focused on the large number of companies disrupting the insurance space, as well as several exciting businesses starting to scale in the regtech arena.

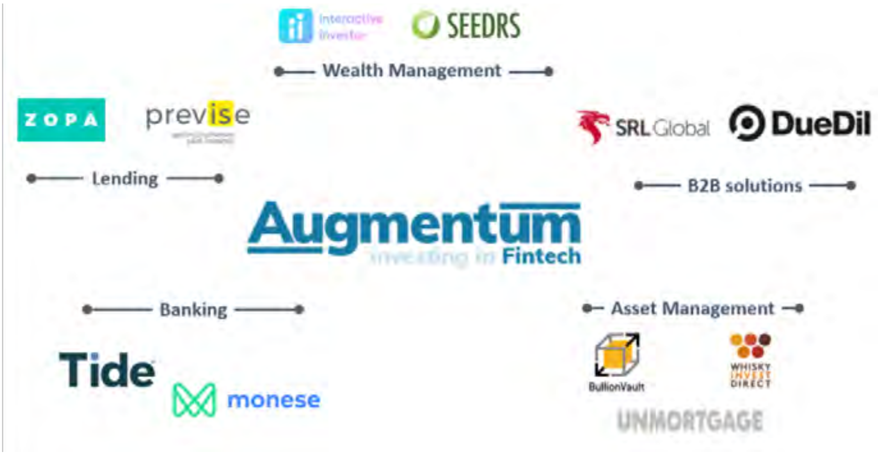
In addition to the investments already completed, we have several other investment opportunities that are in the final stages of due diligence, and we anticipate further announcements in the coming months.

Finally, my thanks to the Augmentum Fintech team who have worked incredibly hard over these past 6 months to get us off to such a positive start, and of course to our portfolio companies who ultimately will be the key determinants of success for the Company. As a team we could not be more excited about the potential of the portfolio we are building.

Tim Levene
CEO
Augmentum Fintech Management Limited

PORTFOLIO COMPANIES

Augmentum Fintech is building a diversified portfolio of high growth fintech companies across the sector



The NAV of our Initial Portfolio has increased by £5m, which equates to an annualised IRR of 30% since IPO

PORTFOLIO COMPANIES continued

Lending

ZOPA

Zopa is the world's first, and Europe's leading, peer-to-peer consumer lending platform. It directly matches people looking for a competitive rate loan with investors looking for a higher rate of return, offering great products and an award-winning customer experience.

Founded in 2004, Zopa has helped half a million customers take the stress out of money by building a business on fair value, transparency, and trust. To date, Zopa has lent more than £3.7 billion, and more than £1 billion in the last 12 months, to low risk UK borrowers. Zopa owes its success to its customer obsessed culture, world class analytics and cutting-edge proprietary technology. The company has been voted Moneywise's Trusted Loan Provider nine years in a row, awarded Moneyfact's Best Customer Service 2018 title and scooped MoneySuperMarket's Best Personal Loans Provider 2016.

Zopa is on the road to launching a next generation bank alongside its peer-to-peer business. At launch it will focus on credit cards, auto finance, deposits and open banking in addition to loans and P2P investments.

Cost: £18.5m Value: £22m

previse

Previse is an AI powered platform that gives corporate buyers the tools and incentives to pay all of their suppliers instantly on receipt of invoice. They have one of the few truly innovative products in B2B commerce, a $127 trillion market.

Previse's smart tech analyses the data of a large company to predict the very few invoices that are unlikely to get paid, so that they can pay the rest instantly. The 1% fee paid by suppliers who opt for instant payment is shared between the buyer, the funder and Previse.

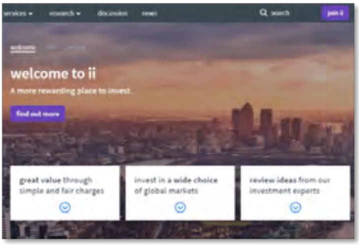
Previse was founded in late 2016 by a team of senior industry specialists. It has signed up eight multinational clients, including in the US, UK and Australia.

Augmentum Fintech led the Series A in August 2018, investing £2 million as part of a £5.3 million round. Other investors include Bessemer Venture Partners, Hambro Perks and Founders Factory.

Cost: £2m Value: £2m

PORTFOLIO COMPANIES continued

Wealth Management



interactive investor (ii) is the UK's number one flat fee investment platform, offering a wealth of unbiased information, analysis, tools and expert ideas to help customers make better informed investment decisions. Its award-winning trading platform provides access to an extensive choice of markets, instruments and currencies within Trading, ISA and SIPP accounts.

ii is 100% equity funded with no external debt, and with net assets of over £100 million.

Since 2013 the UK's investment platforms market has almost doubled in size to £500 billion AUM, with an extra 2.2 million customer accounts opened in the same period. ii has approximately 10% of the UK direct to consumer investment platform market and is the second-largest player in this space.

In October 2018, ii agreed to acquire Alliance Trust Savings (ATS) subject to regulatory approval. The transaction brings together the two largest fixed price retail investment platforms. In an increasing technology and data-driven environment, the increased scale will support the sustained investment in technology and talent necessary to provide the best customer experience and service in the sector.

Cost: £3.2m Value: £4.7m

Seedrs is a leading European marketplace for private equity investment. It operates an online platform which provides investors of all shapes and sizes (including retail, intermediary and institutional) a transparent, straightforward and cost-efficient way to invest in the equity of private companies; at the same time offering growing private companies (from seed-stage to pre-IPO) access to a broad base of investors who can provide patient capital together with community engagement.

To date Seedrs has seen over £450 million invested on its platform and has funded over 700 deals, including many high-profile ventures like Revolut, Perkbox, Tossed, Chapel Down, WeSwap, FreeAgent (since sold to RBS), Wealthify (since sold to Aviva), Urban Massage. Seedrs was named one of the 50 fastest growing tech companies in the UK in 2017 by Deloitte, and the most active funder of UK private companies in 2016 and 2017 by independent research agency Beauhurst.

Alongside Augmentum Fintech, Seedrs' investors include Woodford Investment Management, Faber Ventures and over 2,500 of Seedrs' own users.

Cost: £1.9m Value: £1.9m

PORTFOLIO COMPANIES continued

Banking

tide

Tide is one of the emerging leaders in SME challenger banking in the UK. Tide's mission is to help SMEs save time (and money) in running their businesses.

The Tide platform not only offers business bank account and related banking services, but also a comprehensive set of highly usable administrative solutions, such as full integration with accounting systems. Using advanced technology, all solutions are designed with SMEs in mind. Tide is rapidly approaching a 1% market penetration and is estimated to have a share of around 10% of new business current accounts. Tide believes that truly serving SMEs well requires relentless focus on their needs. That is why Tide is SME only.

Founded by George Bevis and launched in January 2017, Tide is now led by Oliver Prill. Early backers of Tide include LocalGlobe, Passion Capital, Anthemis and Creandum. Augmentum Fintech invested in August 2018.

Cost: £3.0m

Value: £3.0m

monese

Monese offers a smart and globally connected banking service for internationally mobile individuals, be they locals or foreign born. These are the hundreds of millions of people who live some part of their life in another country - whether it's for travel, work, business, study, family, or retirement.

With its mobile-only dual UK and Euro IBAN current account, its portability across 20 countries, and both the app and its customer service available in 11 languages, Monese already allows people and businesses to bank like a local across the UK and Europe. Founded by Norris Koppel, after his first-hand experience of the hassle involved with opening a bank account in a new country, Monese launched in late 2015. Now, with more than 600,000 sign-ups, 75% of incoming funds being from salary payments, and a 9.2/10 TrustPilot score, Monese has become one of the most popular and trusted banking services in the UK and Europe. Customers are now moving over £2 billion annually through their Monese accounts.

Augmentum Fintech participated in the company's recent £45m funding round alongside Kinnevik, Paypal and International Airlines Group

Cost: £5.3m

Value: £5.9m

PORTFOLIO COMPANIES continued

Asset Management

BullionVault

BullionVault is the world's largest physical gold and silver online market, offering private investors the cheapest access to and storage of investment-grade bullion. Founded by Paul Tustain in 2005, BullionVault has enabled more than 70,000 private investors across 183 countries to benefit from the low dealing costs, deep liquidity and ultra-high security of the wholesale bullion market. BullionVault users – 89% of whom live in North America or Western Europe – today own $1.5 billion worth of gold bullion between them, more than is held by most of the world's central banks, plus a further $350 million in physical silver and $17 million of physical platinum. In 2008, BullionVault became a full member of professional trade body the London Bullion Market Association (LBMA).

In 2011, it was one of only four businesses to feature on both The Sunday Times' Fast Track and Top Track league tables of private companies by growth and by size. Winner of a 2009 Queen's Award for Enterprise Innovation, BullionVault received a second award in 2013, this time for International Trade after growing overseas sales by 140% in four years.

Alongside Augmentum Fintech, BullionVault's investors include The World Gold Council and Piton Capital.

Cost: £8.4m

Value: £8.4m

WHISKY INVEST DIRECT

WhiskyInvestDirect, a subsidiary of BullionVault, is the online market for buying and selling Scotch whisky as it matures in barrel – a compelling new asset class showing better than 7% annual appreciation after storage costs and inflation over the last decade. Accounting for 25% of UK food and drink exports by value, sales of Scotch whisky overseas equal 35 bottles per second. WhiskyInvestDirect supports this centuries-old business by providing cash-flow to distillers, and by introducing for the first time an electronic exchange where brand-owners can then source a range of high-quality single malts and grain whiskies.

Funded with a £2 million cash investment from BullionVault and co-founded by CEO Rupert Patrick – a 25-year drinks industry veteran – WhiskyInvestDirect launched in September 2015. A convertible preference share issue made available to the general public raised an additional £1.5 million from 60 angel investors. Employing BullionVault's proven trading and custody technology, WhiskyInvestDirect now cares for more than 6 million Litres of Pure Alcohol (the industry's standard wholesale unit) for its users, who each own £8,000 worth of maturing spirit on average. Worth over £20m at current wholesale prices, that's enough spirit to make almost 17m bottles of Scotch once mature. WhiskyInvestDirect wholly owns James Eadie Limited, a bottler of a selection of aged single malts now distributed in 10 export markets and has revived James Eadie's original Trade Mark 'X' blended Scotch, first registered in 1877.

Value: Included within BullionVault valuation

PORTFOLIO COMPANIES continued

Asset Management

UNMORTGAGE

Unmortgage was founded in 2016 by Ray Rafiq-Omar, Josef Wasinski and Nigel Purves who thought it was unfair that younger generations would never be able to buy the home that they could afford to rent.

In the last ten years the number of families in rented accommodation in the UK has increased from 3 million to 5.5 million. By renting many of these families are in fact paying off someone else's mortgage when they would prefer to be paying off their own, yet the public policy response has failed to address this growing problem.

Unmortgage, with significant backing from the government and institutional investors, has found a market solution to this issue by replacing mortgage debt with institutional equity finance. At the heart of the Unmortgage proposition, which will launch to the public in 2019, is the principle that if someone can afford to rent, they should be able to buy.

Cost: £2.5m Value: £2.5m

PORTFOLIO COMPANIES continued

Data and Analytics

DueDil

DueDil is a predictive company intelligence platform building the world's most complete source of information on companies and the people behind them. It uses proprietary matching technology to link billions of company data points from authoritative sources, providing unique insight through its Business Information Graph. DueDil's powerful API and web platform provide its clients with the data and tools to target, assess and on-board SMEs at scale.

In the last three years, DueDil has expanded its client base to more than 400 clients across the financial services, fintech, and technology sectors, including notable brands such as Santander, Transferwise and Growth Street. The company has grown 80%+ year-on-year for three years in a row as it adds to the depth and breadth of its offering. Alongside Augmentum Fintech, major investors include Notion Capital and Oak Investment Partners.

Cost: £2.0m Value: £2.0m

SRL Global

SRL Global, founded in 2007, SRL Global serves the interests of the most prominent and distinguished families and their private investment offices around the world, providing clarity, control and certainty around a family's wealth.

By working as an extension to their investment office, SRL's unique combination of enterprise data management, portfolio reporting technology and world-class operations support offer a critical and comprehensive financial decision-making tool to transform the way families and their private offices view and manage wealth.

Cost: £1.5m Value: £1.5m

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from incorporation on 19 December 2017 to 30 September 2018

		(Unaudited) Period ended 30 September 2018		
	Note	**Revenue return £'000**	**Capital return £'000**	**Total £'000**
Gains on investments held at fair value		–	5,840	5,840
Investment income		144	–	144
AIFM and Investment Advisory fees	**2**	(888)	–	(888)
Other expenses		(292)	(61)	(353)
Return before taxation		**(1,036)**	**5,779**	**4,743**
Taxation		–	–	–
Return attributable to equity shareholders of the parent company		**(1,036)**	**5,779**	**4,743**
Earnings per share since incorporation*	**3**	**(1.6)p**	**8.7p**	**7.1p**
Earnings per share since IPO*	**3**	**(1.1)p**	**6.1p**	**5.0p**

The total column of this statement represents the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Group does not have any other comprehensive income and hence the total return, as disclosed above, is the same as the Group's total comprehensive income.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of Augmentum Fintech plc, the parent company. There are no non-controlling interests.

*The earnings per share from incorporation is the figure calculated in accordance with IAS 33 'Earnings per share'.

The earnings per share from IPO figure has been disclosed as all earnings were earned subsequently to the IPO, and the issue of the 94,000,000 shares. The Directors have decided to disclose this as it better reflects the return generated for Shareholders.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from incorporation on 19 December 2017 to 30 September 2018

	(Unaudited) Period ended 30 September 2018				
	Ordinary share capital £'000	**Share premium account £'000**	**Other capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Issue of shares following placing and offer for subscription	940	93,060	-	-	94,000
Costs of placing and offer for subscription	-	(959)	-	-	(959)
Return for the period	-	-	5,779	(1,036)	4,743
At 30 September 2018	**940**	**92,101**	**5,779**	**(1,036)**	**97,784**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2018

	Note	(Unaudited) 30 September 2018 £'000
Non current assets		
Investments held at fair value		53,904
Current assets		
Other receivables		100
Cash and cash equivalents		43,887
Total assets		**97,891**
Current liabilities		
Other payables		(107)
Total assets less current liabilities		**97,784**
Net assets		**97,784**
Capital and reserves		
Share capital	4	940
Share premium account	4	92,101
Retained earnings:		
Capital reserves		5,779
Revenue reserve		(1,036)
Total equity		**97,784**
Net asset value per share	5	104.0p

CONSOLIDATED CASH FLOW STATEMENT

for the period from incorporation on 19 December 2017 to 30 September 2018

	(Unaudited) Period ended 30 September 2018 £'000
Cash flows from operating activities	
Purchases of investments	(26,646)
Interest received	85
Operating expenses paid	(1,143)
Net cash outflow from operating activities	**(27,704)**
Cash flow from financing activities	
Issue of shares following placing and offer for subscription	72,550
Costs of placing and offer for subscription	(959)
Net cash inflow from financing	**71,591**
Increase in cash and cash equivalents	**43,887**
Cash and cash equivalents at the end of the period	**43,887**

NOTES TO THE FINANCIAL STATEMENTS

for the period from incorporation on 19 December 2017 to 30 September 2018

1 Accounting policies

1.1 Basis of preparation

The Group Financial Statements for the period ended 30 September 2018 have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ("IFRS"). IFRS comprises standards and interpretations approved by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee ("IFRS IC") as adopted in the European Union as at 30 September 2018.

The Financial Statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of certain assets at fair value, as disclosed in Note 1.4.

In order to reflect the activities of an investment trust company, supplementary information which analyses the Consolidated Income Statement between items of a revenue and capital nature has been presented alongside the Consolidated Income Statement. In analysing total income between capital and revenue returns, the Directors have followed the guidance contained in the Statement of Recommended Practice for investment companies issued by the Association of Investment Companies in November 2014 (the "SORP").

The recommendations of the SORP which have been followed include:

- Realised and unrealised profits or losses arising on the revaluation or disposal of investments classified as held at fair value through profit or loss should be shown in the capital column of the Consolidated Income Statement. Realised gains are taken to the realised reserves in equity and unrealised gains are transferred to the unrealised reserves in equity.
- Other returns on any investment (whether in respect of dividends, interest or otherwise) should be shown in the revenue column of the Consolidated Income Statement. The total of the revenue column of the Consolidated Income Statement is taken to the revenue reserve in equity.
- The Board should determine whether the indirect costs of generating capital returns should be allocated to capital as well as the direct costs incurred in generating capital profits. In this regard the Board has decided to follow a non-allocation approach to indirect costs, which will therefore be charged in full to the revenue column of the Consolidated Income Statement.

1 Accounting policies (continued)

1.2 Basis of Consolidation

The Consolidated Financial Statements include the Company and certain subsidiary undertakings.

IFRS 10 and 12 define an investment entity and include an exception from the consolidation requirements for investment entities.

The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- The Company has multiple unrelated investors which are not related parties, and holds multiple investments
- Ownership interests in the Company are exposed to variable returns from changes in the fair value of the Company's net assets
- The Company has obtained funds for the purpose of providing investors with investment management services
- The Company's business purpose is investing solely for returns from capital appreciation and investment income
- The performance of investments is measured and evaluated on a fair value basis

The Company will not consolidate the portfolio companies or other investment entities it controls. The principal subsidiary as set out in Note 6 is wholly owned. It provides investment related services through the provision of investment management or advice. As the primary purpose of this subsidiary is to provide investment related services that relate to the Company's investment activities it is not considered to be an investment entity. This subsidiary will be consolidated.

As set out in Note 7 the Company also owns 100% of the interests in Augmentum I LP (the LP). As this LP is itself an investment entity and is held as part of the Company's investment portfolio it has not been consolidated.

1.3 Application of New Standards

The following new IFRSs have been issued by the IASB, effective for annual periods beginning on or after 1 January 2018. The Group has not early adopted these standards for the period ended 30 September 2018, however full impact assessments on IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers have been completed.

IFRS 9 Financial Instruments

Financial assets within the Group are measured at fair value. The new requirements on initial recognition and subsequent measurement of financial assets under IFRS 9 are not expected to have any impact on the Group.

There are currently no hedging arrangements in the Group. Therefore requirements on hedging and hedge accounting under IFRS 9 are considered to be not applicable. Should hedging arrangements be put in place in future, the provisions of IFRS 9 will be considered.

IFRS 15 Revenue from Contracts with Customers

The main revenue generating assets held by the Group are classified as financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement and will be within the scope of IFRS 9 Financial Instruments when it becomes effective. On this basis, the Group's main revenue stream will be outside the scope of IFRS 15.

1 **Accounting policies** (continued)

1.4 Investments

All investments are defined by IFRS at fair value through profit or loss (described in the Financial Statements as investments held at fair value) and are subsequently measured at reporting dates at fair value. The fair value of direct unquoted investments is calculated in accordance with the Principles of Valuation of Investments below. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Increases or decreases in valuation are recognised as part of gains on investments at fair value in the Consolidated Income Statement.

Principles of Valuation of Investments

(i) General

The Group estimates the fair value of each investment at the reporting date in accordance with IFRS 13 and the International Private Equity and Venture Capital Association Valuation ("IPEVCA") Guidelines.

Fair value is the price for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating fair value, the AIFM and Board apply valuation techniques which are appropriate in light of the nature, facts and circumstances of the investment and use reasonable current market data and inputs combined with judgement and assumptions. Valuation techniques are applied consistently from one reporting date to another except where a change in technique results in a better estimate of fair value.

In general, the enterprise value of the investee company in question will be determined using one of a range of valuation techniques; adjust the enterprise value for factors that would normally be taken into account such as surplus assets, excess liabilities or other contingencies or relevant factors; and apportion the resulting amount between the investee company's relevant financial instruments according to their ranking and taking into account the effect of any instrument that may dilute the economic entitlement of a given instrument.

(ii) Unlisted Equity Investments

In respect of each unlisted investment one or more of the following valuation techniques is used:

- A market approach, based on the price of the recent investment, earnings multiples or industry valuation benchmarks
- An income approach, employing a discounted cash flow technique

In assessing whether a methodology is appropriate the use of techniques that draw heavily on observable market-based measures of risk and return is maximised.

1 Accounting policies (continued)

Price of Recent Investment/Transaction

Where the investment being valued was itself made recently, or there has been a third party transaction in the investment, the price of the transaction may provide a good indication of fair value. Using the Price of Recent Investment technique is not a default and at each reporting date the fair value of recent investments is estimated to assess whether changes or events subsequent to the relevant transaction would imply a material change in the investment's fair value.

Multiple

Under the multiple methodology an earnings or revenue multiple technique is used. This involves the application of an appropriate and reasonable multiple to the maintainable earnings of an investee company.

Multiples used are usually taken from current market-based multiples, reflected in the market valuations of quoted comparable companies or the price at which comparable companies have changed ownership. Differences between these market-based multiples and the investee company being valued are reflected by adjusting the multiple for points of difference which might affect the risk and growth prospects which underpin the multiple. Such points of difference might include the relative size and diversity of the entities, rate of revenue/earnings growth, reliance on a small number of key employees, diversity of product ranges, diversity and quality of customer base, level of borrowing, and any other reason the quality of revenue or earnings may differ.

In respect of maintainable revenue/earnings, the most recent 12 month period, adjusted if necessary to represent a reasonable estimate of the maintainable amount, is used. Such adjustments might include exceptional or non-recurring items, the impact of discontinued activities and acquisitions, or forecast material changes.

Discounted Cash Flow

The Discounted Cash Flow (DCF) technique involves deriving the value of a business or an investment by calculating the present value of the estimated future cash flows from that business or investment using reasonable assumptions and estimations of expected future cash flows, the terminal value or maturity amount and date, and the appropriate risk-adjusted rate that captures the risk inherent to the business or investment.

1.5 Cash and Cash Equivalents

Cash comprises cash at bank and short-term deposits with an original maturity of less than 3 months.

1 Accounting policies (continued)

1.6 Presentational and Functional Currency

The Group's and Company's presentational and functional currency is Pounds Sterling ("Sterling"), since that is the currency of the primary economic environment in which the Group operates.

1.7 Other income

Interest income received from cash equivalents is accounted for on an accruals basis.

1.8 Expenses

Expenses are accounted for on an accruals basis, and are charged through the revenue column of the Consolidated Income Statement except for transaction costs as noted below.

Transaction costs are legal and professional fees incurred when undertaking due diligence on investment transactions. Transaction costs, when incurred, are recognised in the Income Statement. If a transaction successfully completes, the related transaction cost is charged to the capital column of the Income Statement. If the transaction falls through the related cost is charged to the revenue column of the Income Statement.

1.9 Taxation

The tax effect of different items of income/gain and expense/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting year.

1.10 Deferred Tax

Deferred taxation is provided on all timing differences other than those differences regarded as permanent. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available from which the reversal of timing differences can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is provided at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Statement of Financial Position date.

1.11 Revenue and Capital Reserves

Net capital return is added to the Capital Reserve in the Consolidated Statement of Financial Position, while the net revenue return is added to the Revenue Reserve.

1.12 Receivables and Payables

Receivables and payables are typically settled in a short time frame and are carried at the amount due to be settled. As a result, the fair value of these balances is considered to be materially equal to the carrying value, after taking into account potential impairment losses.

1.13 Share Capital

Ordinary shares issued by the Group are recognised at the proceeds or fair value received with the excess of the amount received over nominal value being credited to the share premium account. Direct issue costs are deducted from equity.

1 **Accounting policies** (continued)

1.14 Going Concern

The Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements, as the Board considers that the Group has sufficient liquid financial resources to continue in business for the foreseeable future.

1.15 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical accounting judgements and key sources of estimation uncertainty used in preparing the financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting judgements and estimates will, by definition, seldom equal the related actual results.

In the course of preparing the Condensed Financial Statements, the Company has determined it is an investment company as set out in Note 1.2.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty in the reporting year, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value measurements and valuation processes

Unquoted assets are measured at fair value in accordance with IFRS 13 and the IPEVCA Valuation Guidelines for financial reporting purposes. Judgement is required in order to determine the appropriate valuation methodology and subsequently in determining the inputs into the valuation model used. These judgements include making assessments of the future potential of portfolio companies, appropriate multiples to apply, and adjustments to comparable multiples. In estimating the fair value of an asset, market-observable data is used, to the extent it is available.

The Audit Committee, which is chaired by a Non-Executive Director, determines the appropriate valuation techniques and inputs for fair value measurements. The Audit Committee works closely with the AIFM to establish the appropriate valuation techniques and inputs to the model. The Chairman of the Audit Committee reports its findings to the Board of Directors of the Group every 6 months to explain the cause of fluctuations in the fair value of the investment.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 1.4.

2 AIFM and Investment Advisory Fees

	Revenue £'000	Capital £'000	(Unaudited) Period ended 30 September 2018 £'000
AIFM fees	116	–	116
Investment Advisory fees*	772	–	772
	888	**-**	**888**

* For the period from 13 March 2018 to 30 September 2018, and subsequently to 31 October, Augmentum Capital LLP was employed as the Company's Investment Advisor. With effect from 1 November 2018 Augmentum Fintech Management Limited, a subsidiary of the Company, became the Company's delegated Portfolio Manager and the Investment Advisory Agreement was terminated.

3 Earnings per share

The earnings per share figures are based on the following figures:

	(Unaudited) Period ended 30 September 2018 £'000
Net revenue return	(1,036)
Net capital return	5,779
Net total return	**4,743**

Weighted average number of ordinary shares in issue during the period from the incorporation of the Company on 19 December 2017 to 30 September 2018	**66,294,737**

	Pence
Revenue earnings per share from incorporation	**(1.6)**
Capital earnings per share from incorporation	**8.7**
Total earnings per share from incorporation	**7.1**

Weighted average number of ordinary shares in issue during the period from the IPO of the Company on 13 March 2018 to 30 September 2018	**94,000,000**

	Pence
Revenue earnings per share from IPO	**(1.1)**
Capital earnings per share from IPO	**6.1**
Total earnings per share from IPO	**5.0**

The earnings per share from incorporation is the figure calculated in accordance with IAS 33 'Earnings per share'.

3 Earnings per share (continued)

The earnings per share from IPO figure has been disclosed as all earnings were earned subsequently to the IPO, and the issue of the 94,000,000 shares. The Directors have decided to disclose this as it better reflects the return generated for Shareholders.

4 Share capital

On 13 March 2018, 94,000,000 ordinary shares were issued.

The nominal value of the shares issued was £940,000 and the total consideration received was £94,000,000. 72,549,697 shares were issued in exchange for gross cash proceeds of £72,549,697. 21,450,303 shares were issued to the Limited Partners of Augmentum I LP (the 'LP') in exchange for their interests in the LP totalling £21,450,303.

The balance of the Limited Partners interests in the LP was acquired for £11,858,170 in cash. The amount paid to one of the Limited Partners was reduced by £930,299 to reflect their contribution to the costs of the issue. This contribution has been offset against the costs of the issue, which totalled £1,889,000, in the Consolidated Statement of Changes in Equity. The net costs of the issue were £959,000.

At 30 September 2018 there were 94,000,000 shares in issue and no shares were held in treasury at 30 September 2018.

5 Net asset value per share

The net asset value per share is based on the net assets attributable to the equity shareholders of £97,784,000 and 94,000,000 shares being the number of shares in issue at the period end.

6 Subsidiary undertakings

The Company has an investment in the issued ordinary share capital of its wholly owned subsidiary undertaking, Augmentum Fintech Management Limited, which is registered in England and Wales, operates in the United Kingdom and is regulated by the Financial Conduct Authority as of 1 November 2018.

7 Acquisition of Augmentum I LP

Immediately following the Company's successful IPO, on 13 March 2018, the Company acquired 100% of the interests in Augmentum Capital I LP (the LP) for consideration of £33,308,473. The consideration for the LP was made up of 21,450,303 ordinary shares, worth £21,450,303 based on their issue price of £1, and cash of £11,858,170.

The acquisition provided the Company with the portfolio of investments held by the LP. The breakdown, and initial fair value of, the LP's investments is shown in the Portfolio on Page 6. The fair value of the LP's investments equalled the consideration paid.

8 Financial instruments

Financial instruments carried at fair value

(i) Management of Risk

As an investment trust, the Group's investment objective is to seek capital growth from a portfolio of securities. The holding of these financial instruments to meet this objective results in certain risks.

The Group's financial instruments comprise securities in unlisted companies, partnership interests, trade receivables, trade payables, and cash and cash equivalents.

The main risks arising from the Group's financial instruments are fluctuations in market price, and credit and liquidity risk. The policies for managing each of these risks are summarised below. These policies have remained constant throughout the period under review. The financial risks of the Company are aligned to the Group's financial risks.

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments in the Group's portfolio. It represents the potential loss the Group might suffer through holding market positions in the face of price movements, mitigated by stock diversification.

The Group is exposed to the risk of the change in value of its unlisted equity and non-equity investments. For unlisted equity and non-equity investments the market risk is deemed to be the multiple used in the valuation or other appropriate valuation methodology as set out in the accounting policy.

Liquidity Risk

The Group's assets comprise unlisted equity and non-equity investments. Whilst unlisted equity is illiquid, short-term flexibility is achieved through cash and cash equivalents.

Credit Risk

The Group's exposure to credit risk principally arises from cash and cash equivalents. Only highly rated banks (with credit ratings above A3, based on Moodys ratings or the equivalent from another ratings agency) are used and the level of cash is reviewed on a regular basis. Cash was principally held with four UK banks (see table below) and totalled £43.9 million.

Bank Credit Ratings at 30 September 2017	Moody's
Silicon Valley Bank	A3
Emirates London*	A3
Santander UK PLC (Jersey)*	Aa3
ABN Amro Bank N.V.	A1

*Rating is for parent company

The Group manages the levels of cash and cash equivalents held whilst maintaining sufficient liquidity for investments and to meet operating liabilities as they fall due.

(ii) Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

8 **Financial instruments** (continued)

The Group complies with IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. This requires the Group to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels of fair value measurement bases are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair values measured using valuation techniques for which any significant input to the valuation is not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

All investments were classified as Level 3 investments as at, and throughout the period to, 30 September 2018.

The Level 3 investments are valued in accordance with the Principles of Valuation of Unlisted Equity Investments as detailed within the Basis of Accounting and Significant Accounting Policies (Note 1.4).

All investments within Level 3 were valued using the price of recent transaction approach. For three investments, with a total value of £11,823,000 the price of recent transactions was the price set at the time of the Company's IPO. As this is more than six months old a DCF model was prepared to assess if the transaction price remained reasonable. If the DCF model had been adopted to value these investments their value would have increased by £401,000.

The unobservable input in to all Level 3 valuations was recent transaction prices. If these unobservable inputs were to change by 10%, the valuation of the investments would increase/decrease by £5,390,000.

The following table presents the movement of investments measured at fair value, based on fair value measurement levels.

	Level 3 2018 £'000
Investments fair value on acquisition on 13 March 2018	33,308
Purchases	14,756
Gains on investments held at fair value	5,840
Closing balance as at 30 September	**53,904**

9 **Comparative information**

As this is the Group's first interim report since incorporation there is no comparative financial information to present.

INDEPENDENT REVIEW REPORT TO AUGMENTUM FINTECH PLC

Report on the consolidated interim condensed financial statements

Our conclusion

We have reviewed Augmentum Fintech plc's consolidated interim condensed financial statements (the "interim financial statements") in the interim report of Augmentum Fintech plc for the period from incorporation on 19 December 2017 to 30 September 2018. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim condensed financial statements comprise:

- the consolidated statement of financial position as at 30 September 2018;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim condensed financial statements included in the interim report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1 to the interim condensed financial statements, the financial reporting framework that has been applied in the preparation of the interim financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half year report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT REVIEW REPORT TO AUGMENTUM FINTECH PLC continued

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim condensed financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London

23 November 2018

INTERIM MANAGEMENT REPORT

Going concern

The Directors consider it is appropriate to adopt the going concern basis in preparing the financial statements as the Group has adequate resources to continue in operational existence for the foreseeable future. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

Related party transactions

During the period under review no material transactions with related parties have taken place which have affected the financial position or the performance of the Group.

Principal risks and uncertainties

The principal risks and uncertainties associated with the Group and Company are explained in detail, starting on page 34. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial period to 31 March 2019, as they were to the period under review.

Alternative performance measures

The Financial Statements (on pages 17 to 30) set out the required statutory reporting measures of the Group's financial performance. In addition, the Board assesses the Group's performance against a range of criteria which are viewed as particularly relevant for investment trusts, further details of these will be included in the Annual Report.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge:

(a) the condensed set of financial statements has been prepared in accordance with applicable accounting standards;

(b) the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

(c) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

The Interim Report has been reviewed by the Company's auditor and their Independent Review Report to the Company can be found on pages 31 to 32.

For and on behalf of the Board

Neil England
Chairman

23 November 2018

PRINCIPAL RISKS AND UNCERTAINTIES

Principal Risks and Risk Management

The Board considers that the risks detailed below are the principal risks facing the Company currently, along with the risks detailed in Note 8 to the Interim Financial Statements. These are the risks that could affect the ability of the Company to deliver its investment strategy and objective.

The Board can confirm that the principal risks of the Company, including those which would threaten its future performance, solvency or liquidity, have been robustly assessed during the period ended 30th September 2018, and that processes are in place to continue this assessment.

Macroeconomic Risks

The performance of the Group's investment portfolio is materially influenced by economic and regulatory conditions. These may affect demand for services supplied by investee companies, foreign exchange rates, input costs, interest rates, debt and equity capital markets and the number of active trade and financial buyers. All of these factors could be influenced by the outcomes of the Brexit negotiations, and all have an impact on the Group's ability to realise a return from its investment portfolio and cannot be directly controlled by the Group.

Strategy Implementation Risks

The Group is subject to the risk that its long-term strategy and its level of performance fail to meet the expectations of its shareholders.

A robust and sustainable corporate governance structure has been implemented with the Board responsible for continued delivery for shareholders. Experienced fintech portfolio managers have been retained in order to deliver the strategy.

Investment Risks

The performance of the Group's portfolio is influenced by a number of factors. These include, but are not limited to: (i) the quality of the initial investment decision; (ii) reliance on co-investment parties; (iii) the quality of the management team of each underlying portfolio company and the ability of that team to successfully implement its business strategy; (iv) the success of the Portfolio Manager in building an effective working relationship with each team in order to agree and implement value-creation strategies; (v) changes in the market or competitive environment in which each portfolio company operates; and (vi) the macroeconomic risks described above. Any one of these factors could have an impact on the valuation of an investment and on the Group's ability to realise the investment in a profitable and timely manner.

The Portfolio Manager has put in place a rigorous investment process which ensures disciplined investment selection and portfolio management. This includes detailed due diligence, regular portfolio reviews and in many cases an active engagement with portfolio companies, by way of Board representation.

Portfolio Diversification Risk

The Group is subject to the risk that its portfolio may not be diversified, being heavily concentrated in the fintech sector, and on the UK economy where the investments are located.

The Company is expected to invest its assets in early-stage companies which, by their nature, may be smaller capitalisation companies. Such companies may not have the financial strength, diversity and resources of larger and more established companies and may find it more

PRINCIPAL RISKS AND UNCERTAINTIES continued

difficult to operate, especially in periods of low economic growth.

The Group attempts to mitigate this risk by making investments in a range of companies and fintech subsectors in accordance with the Investment Objective and Investment Policy but given the nature of the Company's Investment Objective this remains a significant risk.

Cash Risk

Returns to the Company through holding cash and cash equivalents are currently low. If there are delays in deploying the cash proceeds from the IPO this may have an adverse impact on the Company's performance.

Credit Risk

Until the proceeds of the IPO are fully invested the Group will be holding significant cash balances. There is a risk that the banks with which the cash is deposited fail and the Company could be adversely affected through either delay in accessing the cash deposits or the loss of the cash deposit. To mitigate this risk the Board has agreed prudent cash management guidelines with the AIFM and Portfolio Manager. These set limits on the maximum exposure to any one counterparty and require all counterparties to have a high credit rating and financial strength. Compliance with these guidelines is monitored regularly and reported to the Board on a quarterly basis. When evaluating counterparties there can be no assurance that the review will reveal or highlight all relevant facts and circumstances that may be necessary or helpful in evaluating the creditworthiness of the counterparty.

Valuation Risk

The valuation of investments in accordance with IFRS 13 and IPEVCA Valuation Guidelines requires considerable judgement and is explained in Note 1.4.

The Group mitigates this risk by having a rigorous valuation policy and process as set out Note 1.4. This process involves benchmarking valuations against actual prices received when a sale is made, as well as taking account of liquidity issues and/or any restrictions over investments.

The Company's investments may be illiquid and a sale may require consent of other interested parties. Such investments may therefore be difficult to value and realise. Such realisations may involve significant time and cost and/or result in realisations at levels below the value of such investments estimated by the Company.

Operational Risk

The Board is reliant on the systems of the Group and Company's service providers and as such disruption to, or a failure of, those systems could lead to a failure to comply with law and regulations leading to reputational damage and/or financial loss to the Group and/or Company.

To manage these risks the Board:

- receives a quarterly compliance report from Frostrow and the Portfolio Manager, which includes, inter alia, details of compliance with applicable laws and regulations;

PRINCIPAL RISKS AND UNCERTAINTIES continued

- reviews internal control reports, where available, key policies, including measures taken to combat cyber-security issues, and also the disaster recovery procedures of its service providers;
- maintains a risk matrix with details of risks the Group and Company are exposed to, the controls relied on to manage those risks and the frequency of the controls operation; and
- receives updates on pending changes to the regulatory and legal environment and progress towards Group and the Company's compliance with these.

Key person risk

There is a risk that the individuals responsible for advising on the Group's portfolio may leave their employment or may be prevented from undertaking their duties.

The Board manage this risk by:

- receiving reports from the Portfolio Manager at each Board meeting, such report includes any significant changes in the make-up of the team supporting the Company; and
- delegating to the Management Engagement & Remuneration Committee, responsibility to perform an annual review of the service received from the Portfolio Manager, including, inter alia, the team supporting the lead managers and succession planning.

DIRECTORS AND OTHER INFORMATION

Directors
Neil England (Chairman)
Karen Brade (Audit Committee Chairman)
David Haysey (Management & Remuneration Committee Chairman)

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United Kingdom

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E-Mail: shareholderenquiries@link.co.uk
Website: www.linkassetservices.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

† Calls outside the UK will be charged at the applicable International rate and may be recorded for training purposes.Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Identification codes
SEDOL: BG12XV8
ISIN: GB00BG12XV81
BLOOMBERG: AUGM LN
EPIC: AUGM

Legal Entity Identifier:
213800OTQ44T555I8S71

WARNING TO SHAREHOLDERS

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers of shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Link Asset Services, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ('FCA') using the share fraud reporting form at www.fca.org.uk/scams or call the FCA Consumer Helpline on 0800 111 6768. You may also wish to contact either the Company Secretary or the Registrar (details provided on page 37).

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES

Alternative Investment Fund Managers Directive ("AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Intial Public Offering ("IPO")

An IPO is a type of public offering in which shares of a company are sold to institutional investors and usually also retail (individual) investors. Through this process, colloquially known as *floating*, or *going public*, a privately held company is transformed into a public company.

Net Asset Value ("NAV")

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV per share is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which are in issue. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

NAV Total Return

The theoretical total return on shareholders' funds per share, including an assumed £100 original investment at the beginning of the period specified, reflecting the change in NAV assuming that any dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in the Share price discount/premium.

To view the report online

If you would like to view video updates about the company, please visit:

www.augmentum.vc