



Investor Update

15th January 2020

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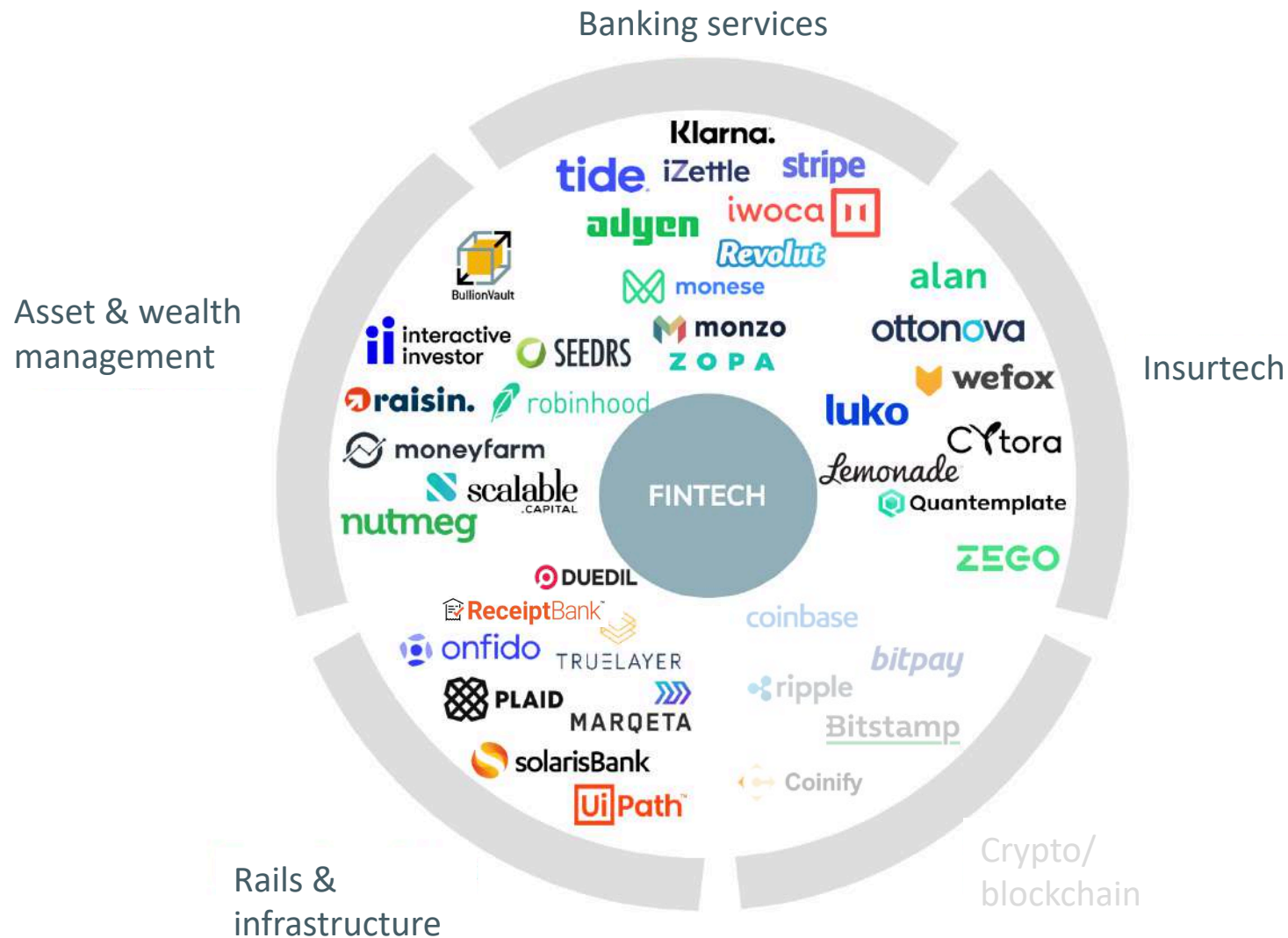
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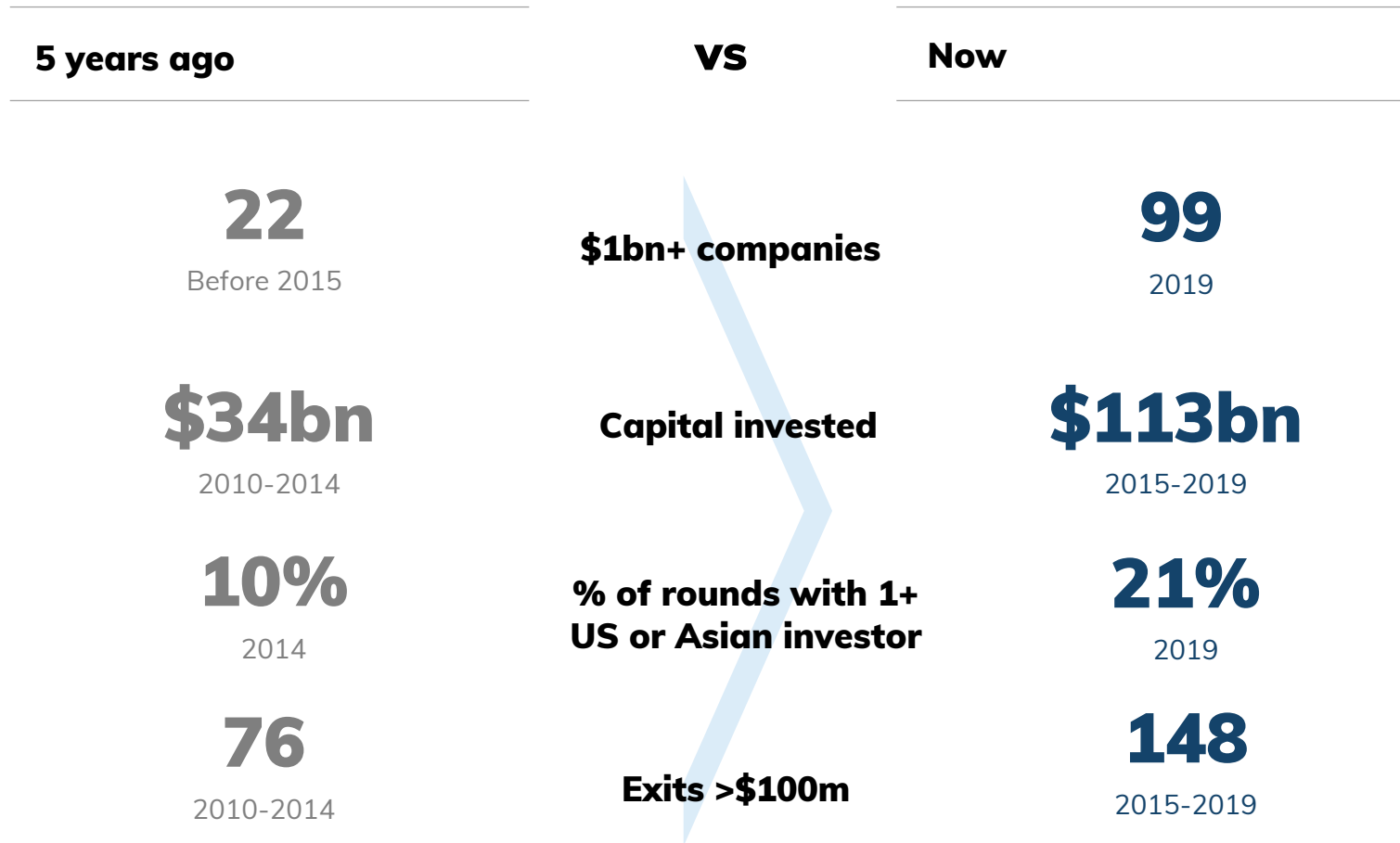
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FINTECH IS TRANSFORMING THE GLOBAL FINANCIAL SERVICES LANDSCAPE



THE EUROPEAN TECH ECOSYSTEM HAS EVOLVED SIGNIFICANTLY IN RECENT YEARS



Source: Atomico State of European Tech 2019

EUROPE'S TECHNOLOGY TALENT IS HIGHLY COMPETITIVE ON A GLOBAL SCALE

...despite significantly lower levels of venture capital investment per capita compared to the US

	Europe	US
# Professional coders	6.1m	4.3m
Graduating STEM PhDs	59k	28k
Global top 100 AI institutions	32	30
VC per capita	€30	\$250

Source: Atomico The State of European Tech 2019

HIGHLIGHTS



Financial highlights at Interim Report ¹

£94m

Launch size of fund was £94m on 13th March 2018

19%²

Unrealised IRR of 19% on investments

112.2p

NAV per share increase to 112.2 pence

Deployment since IPO

77%³ ... with **£29m**
of cash remaining



Operational highlights since March 31st 2019

£3bn

We've reviewed >1,500 opportunities, with a total worth of £3bn

0.5%

We have made 4 new investments (representing 0.5% of the opportunities that we have seen), as well as 3 follow-on investments

100%

We have secured 100% of the deals where we have offered Term Sheets

£570m+

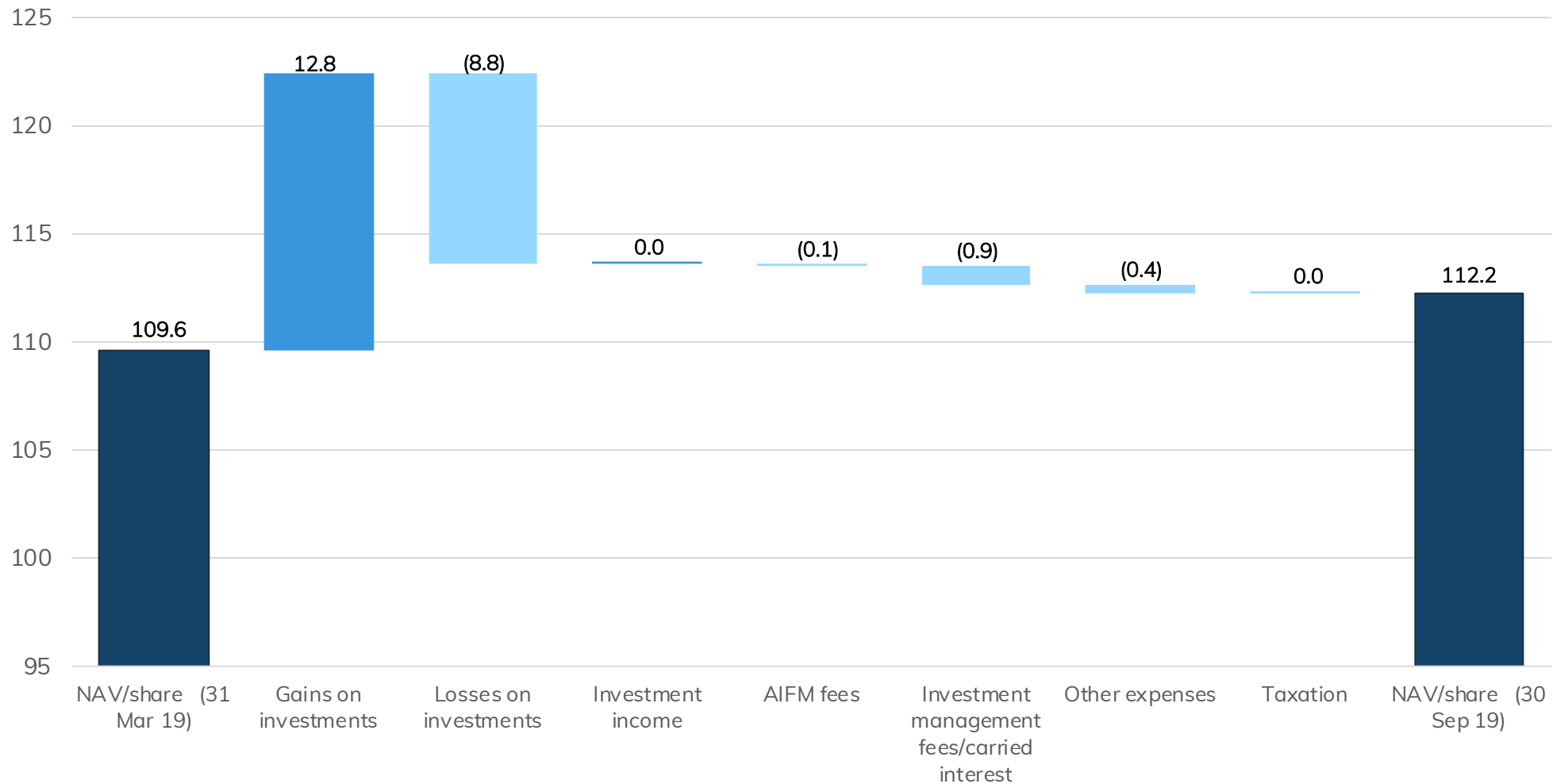
... and have £570m+ of active investment opportunities in our pipeline

¹As of 30th September, 2019; ²Annualised as of 30th September, 2019 valuations; ³At the 30st September 2019 NAV

ANALYSIS IN MOVEMENT OF NAV PER SHARE | MAR 31ST – SEP 30TH '19

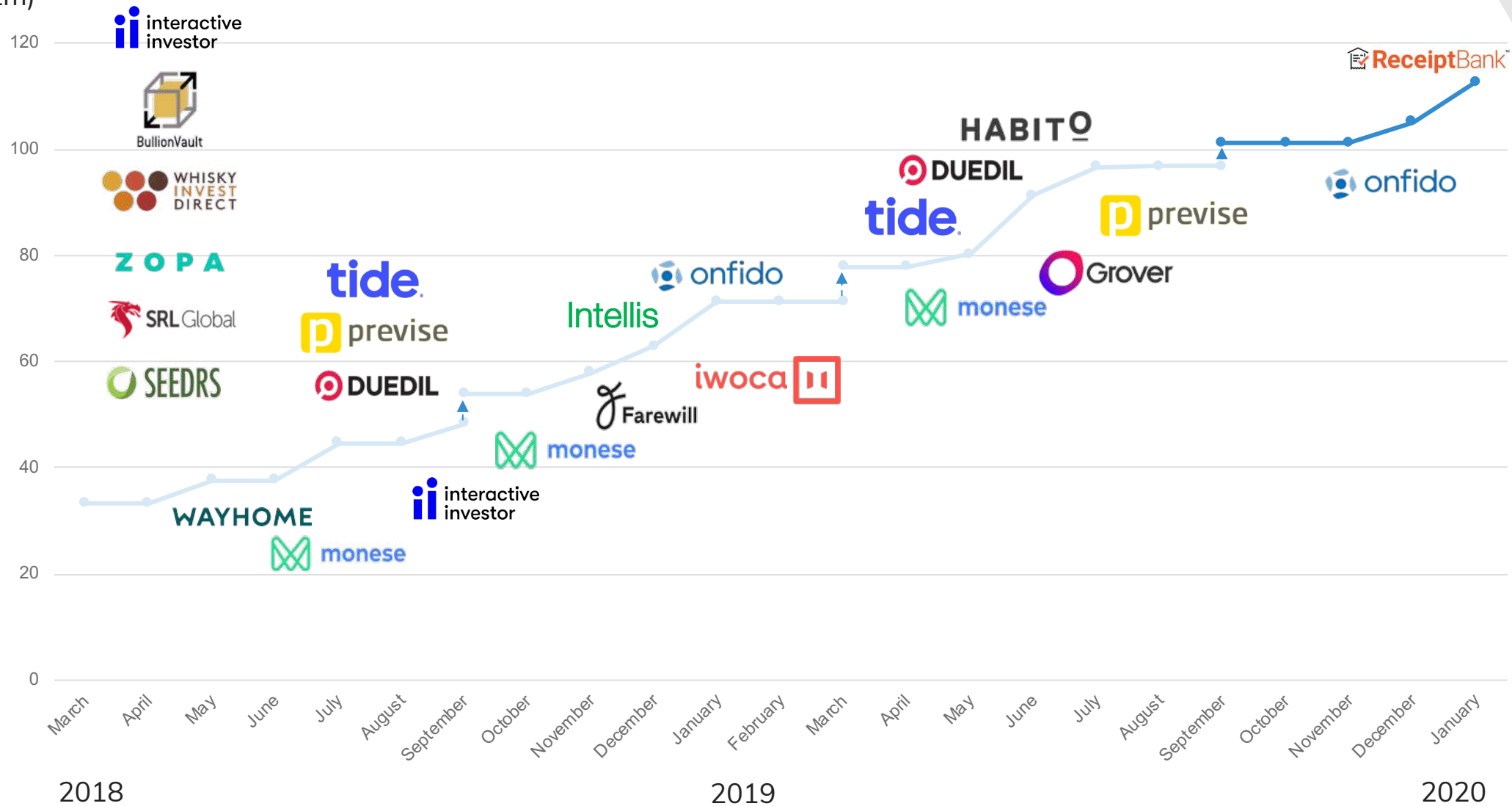
Diluted NAV per share (pence)

■ Total ■ Increase ■ Decrease



PORTFOLIO EVOLUTION SINCE MARCH '18

Capital deployed
(£m)



2018

8

2019

2020

OUR MANAGEMENT TEAM CONTINUES TO GROW

Management team



Advisory board



INVESTMENT STRATEGY

A multi-dimensional investment strategy will help us to capitalise on significant opportunities

GROWTH

Early (Series A)

Our extensive network means we get access to exciting and fast growth businesses in the sector before valuations inflate

Late (Series B+)

We will have had the opportunity to build relationships with attractive businesses over time and have a good sense of their ability to scale

SPECIAL SITUATIONS

Special Situations

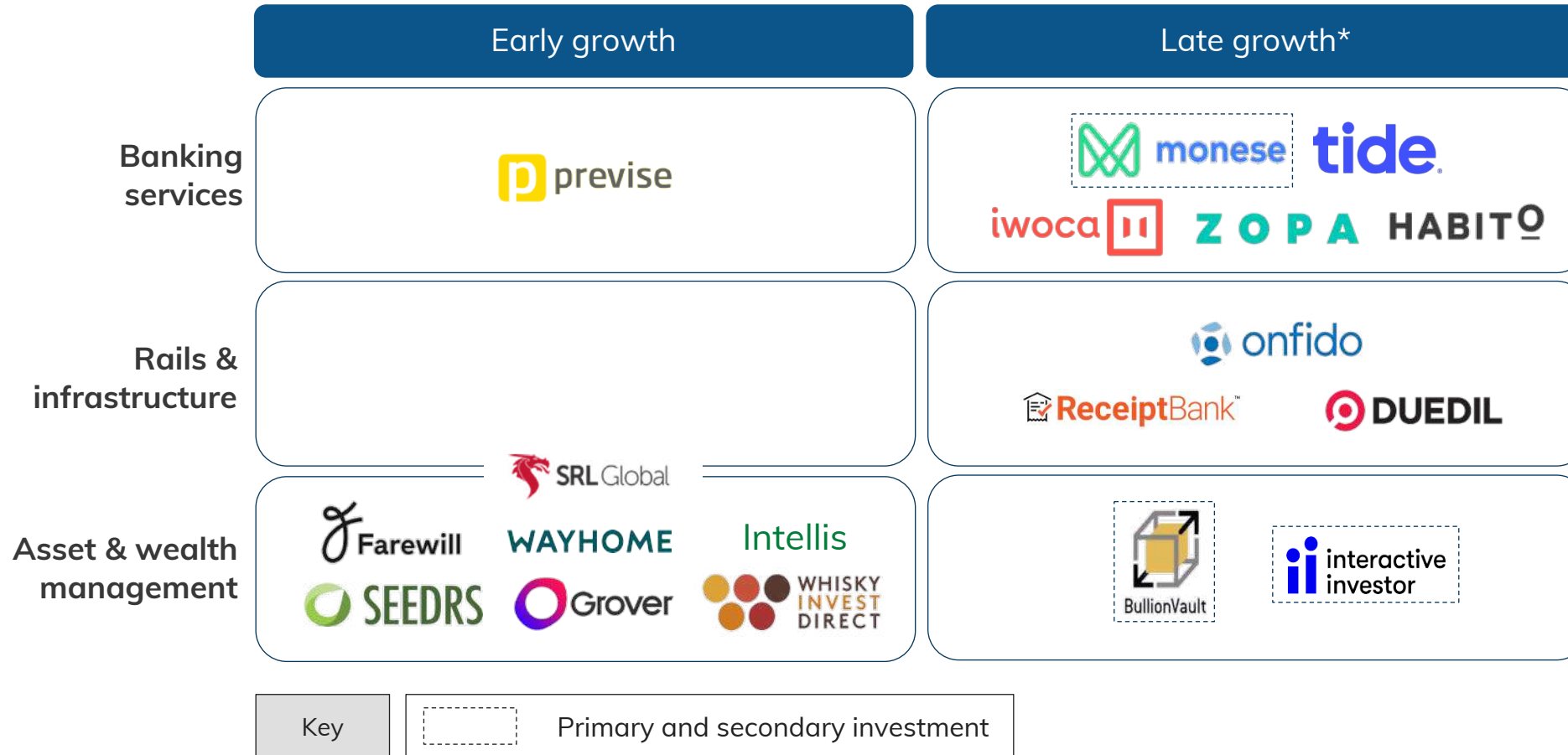
We capitalise on companies that have not achieved expectations following capital raises and may need to restructure their capital base to crystallise their long-term growth potential

Secondary

A lack of liquidity in the market is creating a situation where founders, former employees, angel investors and some funds are seeking liquidity

Traditional Venture funds are often not permitted to buy secondary, despite the compelling nature of some opportunities

PORTFOLIO IS SPLIT ACROSS SECTOR & INVESTMENT AREAS



TOP 10 HOLDINGS (1)



Investment Value	£14.7m	£14.2m	£11.7m	£11.4m	£10.2m
Date	March 2018	July 2018	March 2018	September 2018	March 2018
Description	Digital Investment Platform	SME banking	P2P lending platform. Bank launch expected in 2020	Pan-European challenger banking service	Precious metals investment and trading platform
Board Representation	No*	Yes	Yes	Yes	Yes
Key Metric	AUA from £2bn in 2013 to ~£30bn today	1 in 12 new accounts opened with Tide	Lent over £5bn to date	260% growth in European customers (ex-UK) in last 6 months	Profits grew 85% over the past financial year
Highlights	<ul style="list-style-type: none"> No 2 D2C platform in UK Announced acquisition of Alliance Trust Savings 	<ul style="list-style-type: none"> Awarded £60m in BCR process¹ 2% of SME market 	<ul style="list-style-type: none"> Best Personal Loan Provider at British Bank Awards for 3 years running 	<ul style="list-style-type: none"> 2 million+ registered customers 	<ul style="list-style-type: none"> ~\$2bn in metals and cash on platform Owner of Whisky Invest Direct
Valuation Change since March 30 th 2019					

All valuations as at 30th September 2019; ¹The Banking Competition Remedies Limited (BCR) has been established to implement the Alternative Remedies Package, a Government backed fund that will distribute £775 million to support competition in the SME banking market

* Tim Levene retired as board director in Jan 2019 after 4+ years on the board

TOP 10 HOLDINGS (2)

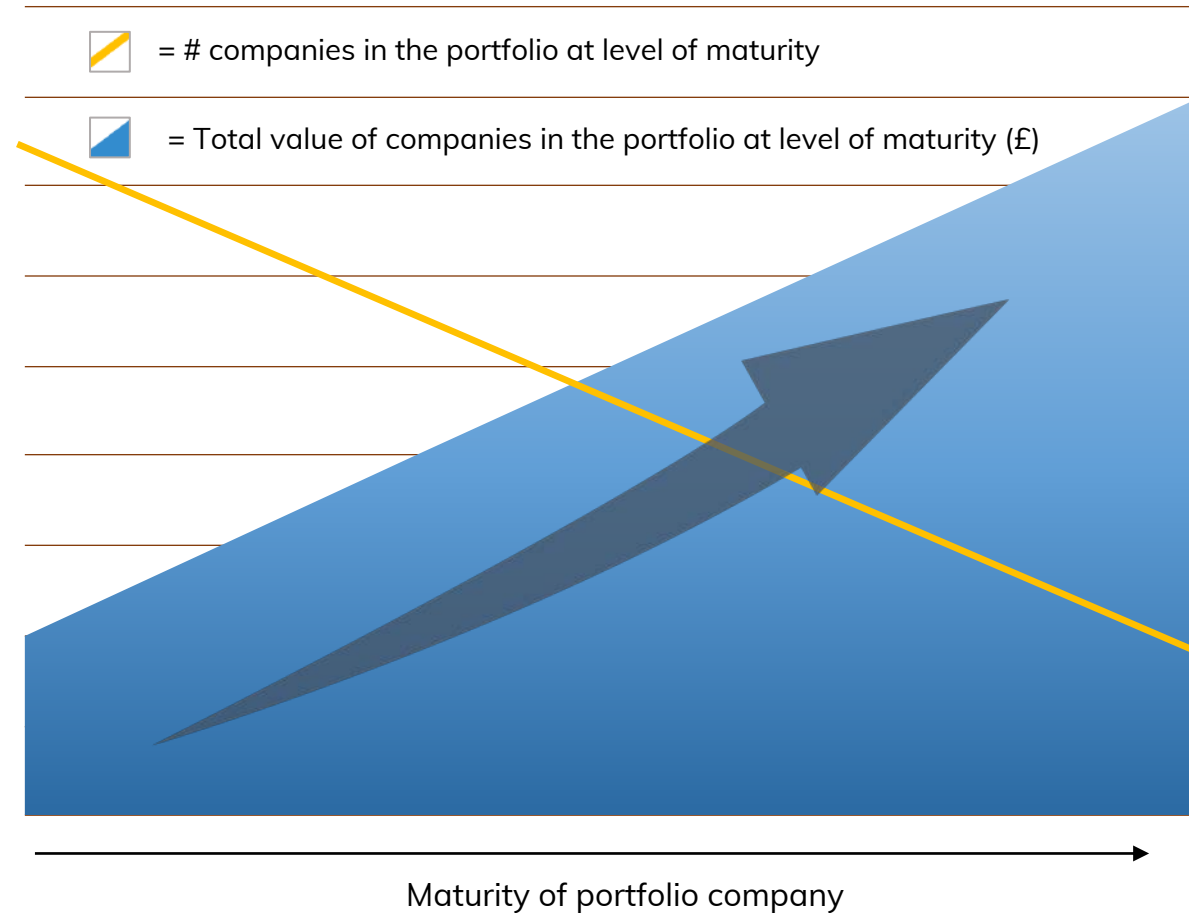


Investment Value	£8.6m	£7.6m	£7.5m	£5.3m*	£5m
Date	March 2019	January 2019	January 2020	September 2019	July 2019
Description	Digital KYC verification service	Alternative SME lender	Digital bookkeeping	Electronics subscription platform	Digital mortgage broker
Board Representation	No	Yes	Yes	Yes	Yes
Key Metrics	>20m applicants checked since April '18	Total funding of £1bn+ to over 30,000 businesses	250m receipts, bills and bank statements processed to date	€103m total financing volume to date	£2.4bn in mortgage submissions completed
Highlights	<ul style="list-style-type: none"> 1,500+ customers Operates in 195 countries 	<ul style="list-style-type: none"> Operational in UK, Germany and Poland 	<ul style="list-style-type: none"> 360k businesses using the platform, across 6 countries 	<ul style="list-style-type: none"> 2,000+ technology products available to rent 	<ul style="list-style-type: none"> Habitat analyses every mortgage on the market from over 90 lenders
Valuation Change since March 30 th 2019			New		

PORTFOLIO MATURITY

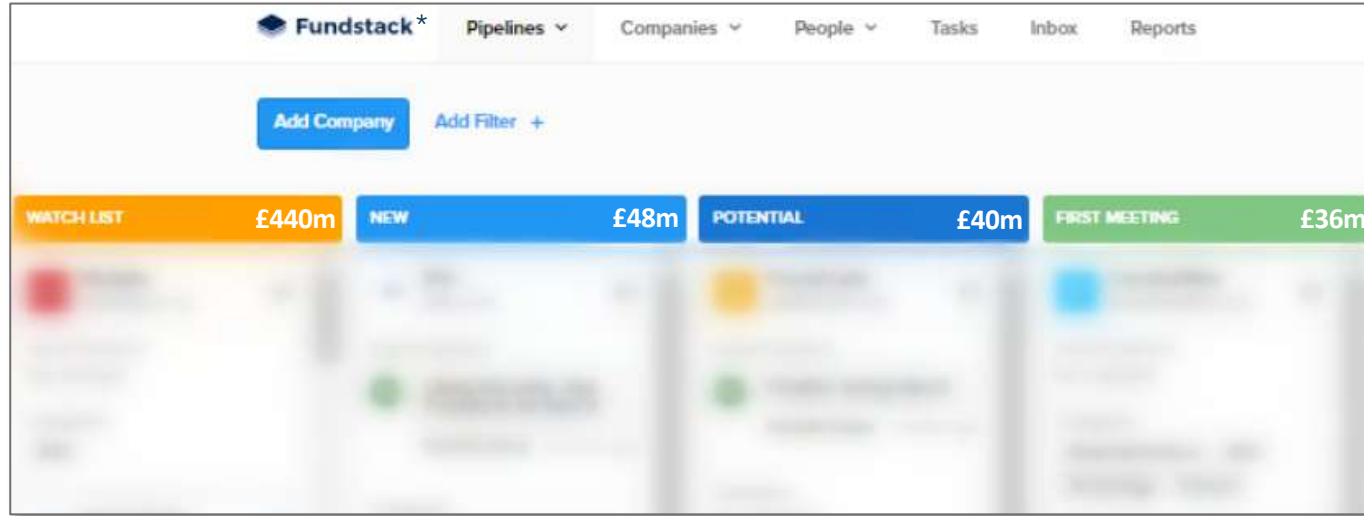


- Portfolio weighted by value towards more mature companies
- Weighted by number of companies towards earlier stage
- Exits will generate investor interest and create additional investment firepower



PIPELINE | OVERVIEW

A snapshot of our deal flow management platform shows £570m+ of deals currently in the pipeline.

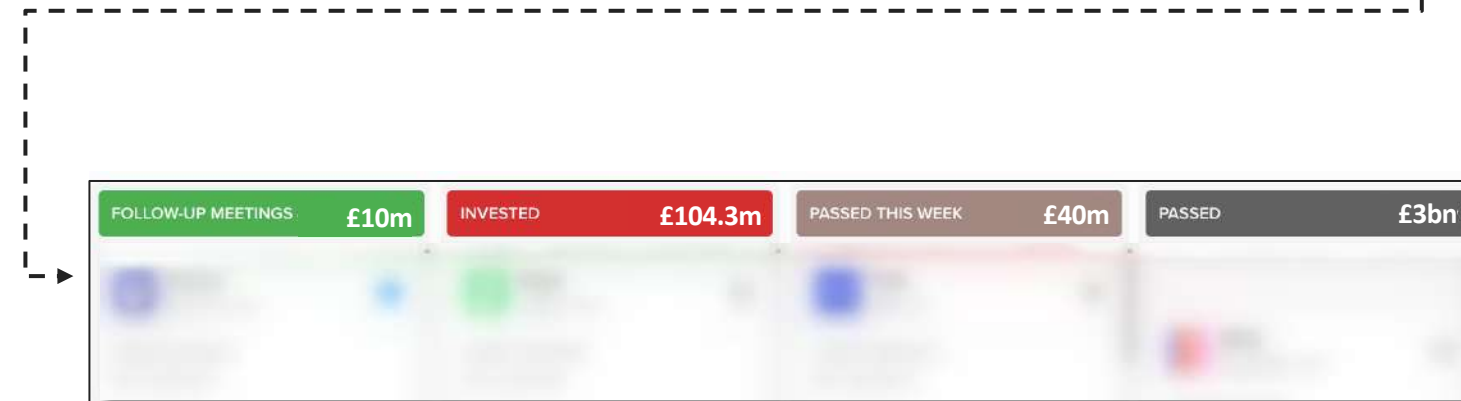


£3bn+

We have reviewed 1,500 opportunities since IPO, with a combined investment opportunity of £3bn+

£570m+

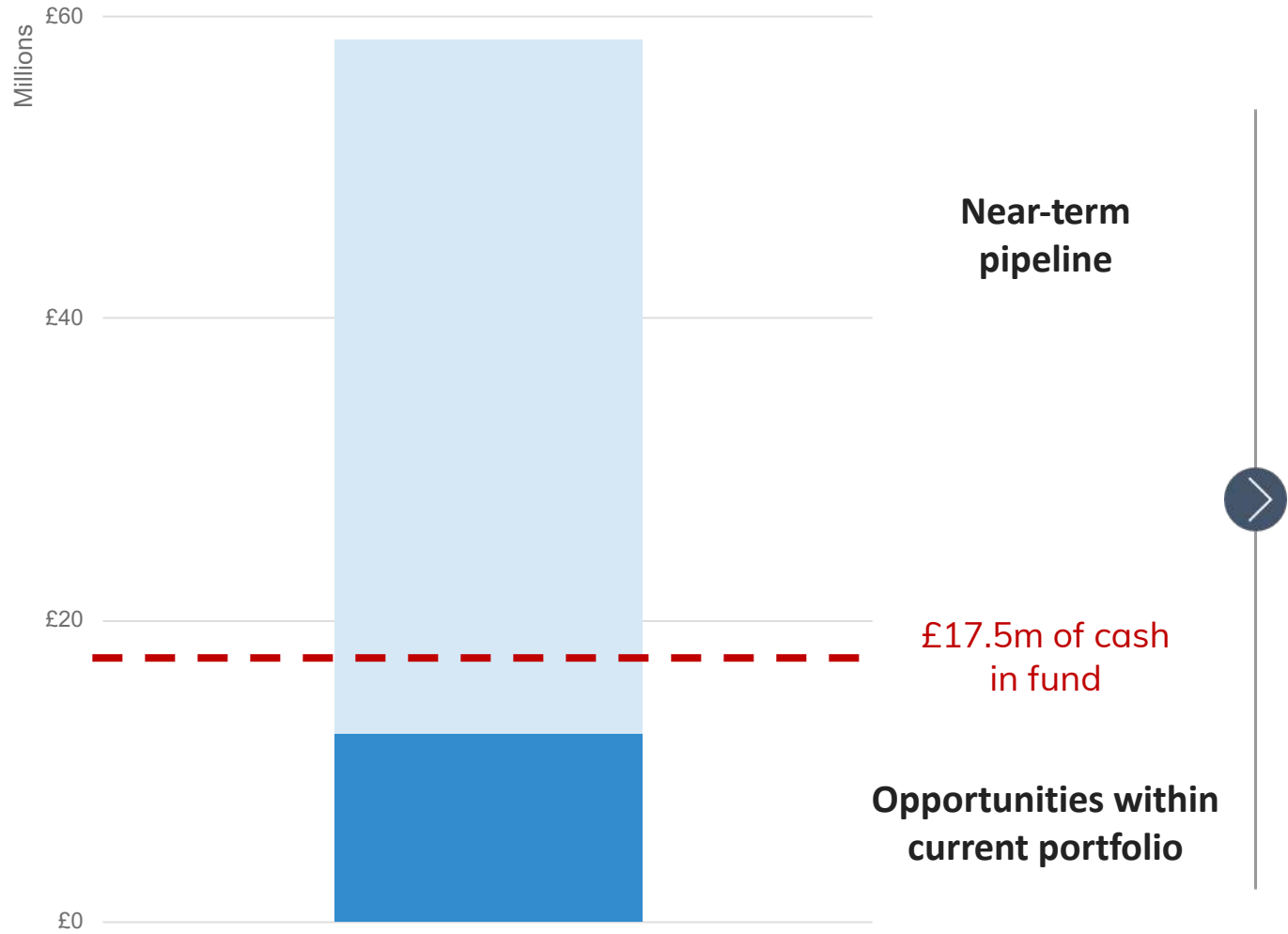
The potential investment value of our current pipeline sits at £570m+, and this is constantly increasing



100%

We have secured 100% of opportunities where we have offered Term Sheets

PIPELINE | NEAR-TERM DEPLOYMENT OPPORTUNITIES



We have **£17.5m** of cash in fund and **£58.5m** of investment opportunities across existing portfolio and near-term pipeline

EXECUTIVE SUMMARY

- Augmentum Fintech has become one of Europe's leading Fintech investors since IPO in Mar '18
- Our pipeline continues to grow, and we have visibility on the majority of European Fintech investment opportunities long before many other funds
- Once we commit to a deal we have an strong conversion rate. Companies want to take our capital as they recognise the value we can bring
- Despite the disappointment of a significant write down in Zopa, the potential of our other core holdings has demonstrated our growing diversification
- We remain highly selective and focused on investing in the highest potential companies from Series A and beyond

COMPANY SUMMARY

Company	Augmentum Fintech plc
Portfolio Manager	Augmentum Fintech Management Limited
Structure	Internally managed, closed-ended, listed investment trust
Exchange	Main Market, London Stock Exchange (Premium Listing)
Fund size	Current NAV £131.4m*
NAV	112.2 pence per ordinary shares (as at 30 September 2019)
Strategy	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
Geography	Europe

Management fee	1.5% of NAV up to £250m 1.0% of NAV above £250m
Incentive fee	Carried interest scheme of 15% subject to minimum IRR of 10% p.a. with catch-up. Only payable cash on cash
Returns of Capital	Up to 50% of realised gains over a financial year will be available for return to shareholders through buy backs, tenders or special dividends
Consultation	Should the NAV per share fall below 70pps, adjusted by the Board from time to time, at any point, the Company will suspend new investments and consult with shareholders as to the future of the Company
Board	Independent, non-executive Board of Directors
Brokers	Peel Hunt
AIFM	Frostrow Capital

*As at 30 September 2019

OUR PROFILE CONTINUES TO GAIN MOMENTUM


The Daily Telegraph

Business

Investment trust tip of the year: a basket of small stocks primed for rapid growth

QUESTOR'S investment trust tip of the year, which we name today, aims to buy assets with the potential for "exponential" growth.

The team behind Augmentum Fintech has a strong record of seeking out businesses that can disrupt the financial services market



Richard Evans

QUESTOR'S investment trust tip of the year, which we name today, aims to buy assets with the potential for "exponential" growth. These assets are chosen in "disruptive" start-up companies that have found new ways to offer financial services to consumers and business customers. Such firms are sometimes described as "fintech" companies and the investment trust that focuses on finding the best of them is called Augmentum Fintech.

Readers may think such a "disruptive" approach is risky, and indeed it is. But the people behind the trust are hand-picked and experienced. Although the fund itself started only in March last year, elements of it, managed by the same team that now runs the trust, have existed since 2009, and between that time and December 2018 returns were modest at about 10% a year. The trust was effectively spun out of BIT Capital Partners, a private limited fund set up to manage the wealth of part of the Rotherchild family.

A portfolio of listed fintech stocks is partly owned by BIT because the core of the new trust, while the Rotherchild retained about 20% of new issues, which have been invested in similar opportunities. The management team, led by Tim Evans and the fund's Matthew, has decades of experience in private equity investing and also owns positions in the extensive network of contacts over at getting access to the right potential investments.

"We have great confidence in this team," said Anthony Ledwith, an investment trust analyst at First Insight, the site broker. "A lot depends on how plugged in you are to the right networks and how have exceptional insights in their field."

Private equity on the "look to build" of opportunities on the number you put the investment trust portfolio once that were listed fintech investments, such as Augmentum Fintech. "Given the depth for fintech business

with banks and financial services providers, we see fintech's market share increasing exponentially from here. Investment trusts will be able to participate in this growth."

The trust currently trades at a discount of 54pc. A trust that takes a similar approach to investing in healthcare companies, Symetra, trades at a premium of about 20pc.

Quarter says say
Fitcher AUM
Share price at close: 98.4p


Update: Tetragon Financial
We tipped Tetragon Financial, which has diversified portfolio of assets including stocks in other asset management businesses, in October 2017 on the basis that the 34pc discount at the time was too wide. Unfortunately the discount has widened to 46pc and as a result the share price is about 50pc lower.

The trust recently sold a stake in one of the most successful businesses, Generalist Real Estate. Tim Treasurer of asset value investments, said the firm had increased its stake in Tetragon since our original article. "The investment case was not as compelling as I thought it was," he said.

selective in its investments, holding only those that have the greatest potential to generate multiples of invested capital," he broker added. "The portfolio currently has holdings just that."

Key numbers
Market value: £1.2bn
Year of listing: 2018
Discount: 54pc
Avg discount over past year: 45pc
AUM: £1.2bn
Most recent year's dividend: nil
Gearing: nil
Annual charge: 0.5pc
Dividends: nil
Dividend cover: 2.2pc

Augmentum Fintech Close: 98.4p



Simon Thompson January 31, 2019

John Glen MP @JohnGlenUK

As someone who entered politics because I believed in business and enterprise, and I wanted to see my country prosper, the enthusiasm I saw at @AugmentumF this morning is inspirational. This is here to support British #fintech the way 🇬🇧



Augmentum

TEMPUS

OCTOBER 15 2019, 12:01AM, THE TIMES

One to augment your share portfolio

MILES COSTELLO

investors CHRONICLE

Simon Thompson January 31, 2019

Bargain Shares 2019

Augmentum Fintech (AUGM)

Main Share price: 102p
Bid-offer spread: 102.5-103p
Market value: £96.8m
Website: augmentum.co.uk
Augmentum Fintech (AUGM), a leading venture capital investment group.

Portfolio offers strong investment prospects

Augmentum's starting portfolio of five holdings was valued at £53.3m at the fund's launch in March 2018, the largest of which is a stake in Zopa, the world's first – and Europe's leading – peer-to-peer (P2P) consumer lending platform. Zopa directly matches people looking for a competitive loan rate with investors looking for a higher rate of return, and has net more than £3.2bn in low-risk UK borrowers since it was founded in 2004. Following closure of a €60m funding round for Zopa at the end of 2018, Augmentum's shareholding in the company has increased in value from £18.3m in March 2018 to £22m.

However, having recently acquired a UK banking licence, Zopa is on the way to launching a next-generation bank alongside its peer-to-peer business. At such it will focus on credit cards, car finance, deposits and open banking in addition to personal loans and P2P investments. Augmentum offers a smart way of playing the financial upside. It also offers a smart way of joining the upside in Interactive Investor (i), a leading UK investment platform offering analysis, tools and expert ideas to help investors make better informed investment decisions. It's award-winning trailing platform provides access to an extensive choice of markets, instruments and currencies within a single, individual savings account (Isa) and self-invested personal pension (Sipp) accounts.

Forget Bitcoin! I think this new investment trust could be far more rewarding

G A Chester | Thursday, 31st January, 2019 | More on: AUGM

Promising start for new Fintech fund

By Nick Sudbury 11 December 2018 | 2 mins. to read

FINTECH



34%

2%

The London-listed investment company Augmentum Fintech (LON:AUGM) raised £94 million at its IPO in March and is making good progress towards building up a high



THE SPECTATOR

SPECTATOR MONEY

What is Britain really good at these days?

Martin Vander Weyer

We're a leader in financial technology, in which the venture capital fund Augmentum Fintech looks promising. Then there's electronic


alt fi

Augmentum: One of 2018's most active UK fintech investors

By David Cooper on 30th September 2018

As the investment trust announces a new £2.5m investment in Unmortgage, we take a look at one of the most active fintech investors in 2018 so far

Companies in this Article:



James Carthew: Augmentum's mature focus stands out

By James Carthew / 24 Aug. 2018 | CITYWIRE 20 YEARS

I regularly mean that the UK market is not very good at financing early stage British businesses. However, in March this year, we saw the launch of a new fund dedicated to supporting the burgeoning fintech industry in the UK, Augmentum Fintech (AUGM).

masterinvestor

RESEARCH • ANALYSE • INVEST

Strong start for new Fintech fund

By Nick Sudbury 20 June 2019 | 2 mins. to read

Augmentum Fintech's (LON: AUGM) portfolio of unquoted, early stage Fintech businesses has risen by an impressive 10.7% during its first year, with the managers looking to take advantage of a healthy pipeline of new opportunities.

AUGMENTUM FINTECH: The fund that chases down the fintech firms that could change our financial future

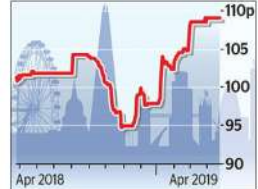
By CITY & FINANCE REPORTER FOR THE DAILY MAIL
PUBLISHED: 21:50, 26 April 2019 | UPDATED: 09:28, 27 April 2019

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What is it?

The fund invests savers' money in a variety of fast-growing, privately owned financial technology businesses.

These so-called fintech firms, which investors wouldn't be able to reach through the stock market, offer customers digital access to traditional banking products and services.





Thank you

 @AugmentumF
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