Important Information

COVID-19 Potential Impact and Portfolio Progress

Dear Shareholders,

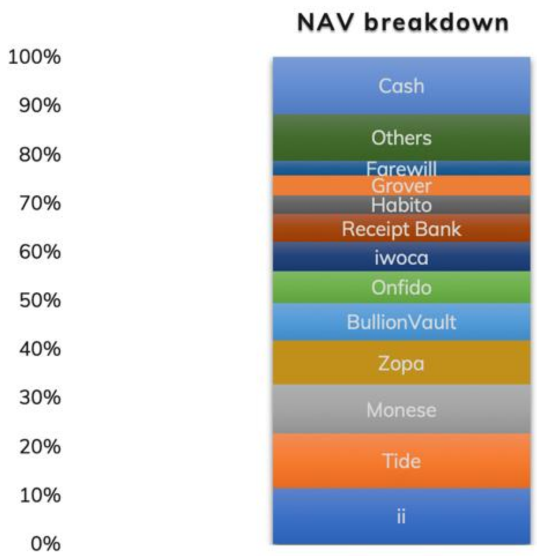
From the entire Augmentum team, we hope you are keeping well and safe during these difficult times. In light of the COVID-19 developments we wanted to share an update on our portfolio and our approach towards managing the fund in the current environment.

Our team are now fully remote and have adapted smoothly to the new working arrangements due to the nature of our work.

We are taking proactive measures to provide our companies and management with the support they need and believe that many are well placed to succeed during these challenging times. This increased dialogue with the portfolio companies will go on and we will continue to provide support as long as necessary. We have built a strong, diversified portfolio of eighteen private fintech companies many of whom are category leaders across a multitude of verticals. Each of these companies is built upon innovative, best-in-class technologies and is overhead-light, with lean and efficient operations. These companies are agile, able to respond to changing market conditions, well-versed in remote working, and consequently have reduced operational risk compared to many other larger companies.

Although the situation continues to be fluid and companies within the portfolio are expected to experience short-term impacts to their business, due to the Company's diversification across the wider fintech spectrum the investment manager expects several of the companies in the portfolio to perform counter-cyclically. Indeed a number of these companies are already experiencing heightened demand for their products and services, they represent a meaningful percentage (40%+) of our NAV, and are growing far quicker than in normal conditions through helping their customer base in this time of need with their products and services.

Below you can see our NAV breakdown as of Sep 30th, 2019 adjusted for any investments since that date at cost.



While we recognise that we are in the midst of an ever-changing situation, this update provides a brief summary of the current status of some of the key holdings in our portfolio where we have some early indicators of recent performance. We do not carry any debt on our balance sheet and our current cash position of approximately £14m allows for future supportive investment in our portfolio alongside a strong syndicate of co-investors.

Interactive Investor (represents 11.4% of the portfolio)
ii continues to see strong trading volumes in Q1 and that has not diminished in the past 2 weeks. As a digital, scaled, flat fee platform, ii has a highly resilient business and operating model which is not excessively reliant on treasury revenues. ii has switched to remote working and is focused on continuing to provide the best service to its customers while ensuring the welfare of the ii team.

Zopa (represents 9.0% of portfolio)
At Zopa, the rate of return for investors on the platform has historically shown little volatility relative to the public markets. Individual investments are spread across multiple borrowers which, together with world class underwriting and strong tech capability, is how they've been able to offer positive returns for the last 15 years through both downturns and upturns.

Zopa constantly monitors external factors for any impact on their customers' ability to repay their loans. In recent months, Zopa has already been through two rounds of targeted tightening on who they lend to and has responded quickly to the changing situation with further measures to reduce credit risk which are expected to result in lower lending volumes while the situation persists.

With £5bn+ lent in personal loans since inception, £1bn in 2019 alone, Zopa's P2P business has been profitable since 2016 and it is leveraging its strong experience, tech and people to adapt quickly and make any changes necessary to navigate through the current situation.

BullionVault (represents 7.6% of portfolio)
In uncertain times such as these, gold comes into its own. BullionVault offers customers direct, digital access to physical bullion and has seen trading volumes increase 387% over the last week from the previous 52-week average to total £14.3m per day across gold, silver and platinum.

iwoca (represents 5.9% of portfolio)
iwoca's mission of providing fast, fair and flexible business funding is as important as ever. Having to date made £1bn in funds available to over 50,000 businesses across the country, iwoca is the leading provider of much needed working capital to small businesses. The company has a strong balance sheet and is well prepared to weather the challenges ahead. Nevertheless, it is expected that iwoca will reduce their typical lending levels as they assess the impact of COVID-19 on the broader UK and German markets.

iwoca is also engaging with Governments in both Germany and the UK to offer their support. They are in talks with HM Treasury in regard to the £330bn support package for SMEs. They are emphasising the importance of working with innovative and nimble fintechs alongside the traditional banks, as it is a vital part of the solution to ensure the Government can swiftly meet their commitment on delivering the support UK SMEs require.

Grover (represents 3.9% of portfolio)
With vast swathes of people working remotely now, the need for suitable technology has offered a B2B opportunity for this business. Grover offers an affordable technology rental solution for business customers and has found a sweet spot with companies significantly increasing their IT resources for remote working. The company has seen a surge in demand from both B2B and B2C online channels as people and companies equip themselves for home working and self-isolation. The company grew its subscriptions 12% month-on-month to end of February, and this growth has continued into March. As a result, year-on-year revenue comparisons continue at 2.9x with the company well positioned to continue to perform strongly despite the uniquely adverse market conditions.

Onfido (represents 6.5% of portfolio)
Having seen 2.3x revenue growth year on year, identity verification and biometrics company Onfido continues to expand their customer focus beyond Financial Services. Traditional public services such as GPs are under increased pressure, and physical appointments with a GP are now discouraged. Onfido is working with the likes of online doctor Babylon to support their efforts in serving increased patient numbers.

Farewill (represents 3.1% of portfolio)
More than ever people are concerned about caring for their loved ones and focused on ensuring the appropriate financial preparations are in place. While the traditional will-writing process is long, arduous and in-person, Farewill offers a nimble, affordable offering with outstanding customer service, which can be completed online 24 hours a day, seven days a week. The company is trading 10x in terms of revenues versus the same period last year and has seen 100% quarter on quarter growth.

Augmentum's share price, like many of its peers, has seen significant movement in recent weeks, and it is now trading at a substantial discount to the last published NAV. In light of this the Company has taken the opportunity to buy back some shares to the benefit of all shareholders. We believe firmly that the Company has a diversified, balanced and robust portfolio which is well-positioned to weather the current market stresses and potentially even benefit from additional opportunities created by these market conditions over the medium term.

We will continue to keep shareholders updated and informed as the situation evolves. We thank you for your continued support and hope you and your families stay healthy in these challenging times.

Regards,

Tim Levene, CEO

Investor Relations:
Nigel Szembel
nigel@augmentum.vc

Learn more about Augmentum Fintech plc in the Investor section of our website