



Augmentum Fintech

Full Year Results 2020

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Summary

- The Augmentum portfolio of 18 companies is well diversified across fintech verticals and has shown resilience during the Covid-19 pandemic
- As at 31st Mar-20 we delivered an increase of 6.5p in NAV per share versus 31st Mar-19, with an unrealised annualised IRR of 18% on invested capital since inception
- We remain a highly selective investor, and often the preferred choice for leading fintechs; we welcomed 3 exceptional companies to the portfolio in FY20 and strengthened existing portfolio positions through follow-on investments
- We believe the opportunity in fintech remains nascent; accelerated digitisation driven by the Covid-19 pandemic will drive fintech adoption creating additional near-term opportunities for the sector
- Public market investors have limited opportunity to gain exposure to high quality fintech assets across all stages; in 2019 <5% of fintech exits occurred through IPO

We offer rare access to unquoted fintech companies

Augmentum invest in fintech companies with the potential to transform the global financial services industry

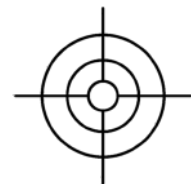
Our approach



We invest in high-growth, unquoted fintech companies, many of which are staying private for longer



Our listed structure offers public market investors access to private market returns



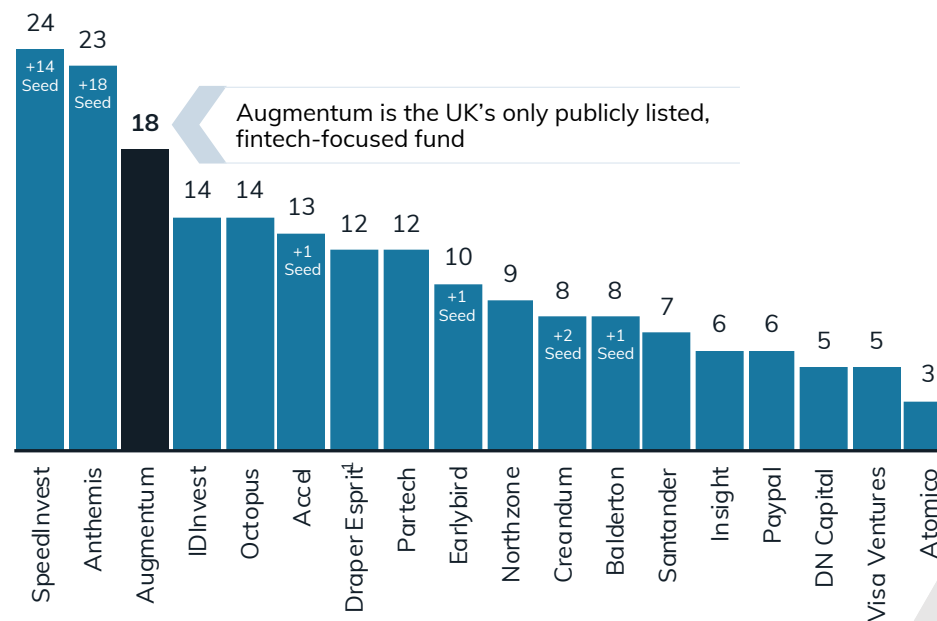
With unwavering focus on the fintech we are a value-add partner with sector expertise and a broad network



Our portfolio is diversified across fintech and has shown resilience in the face of the Covid-19 Pandemic

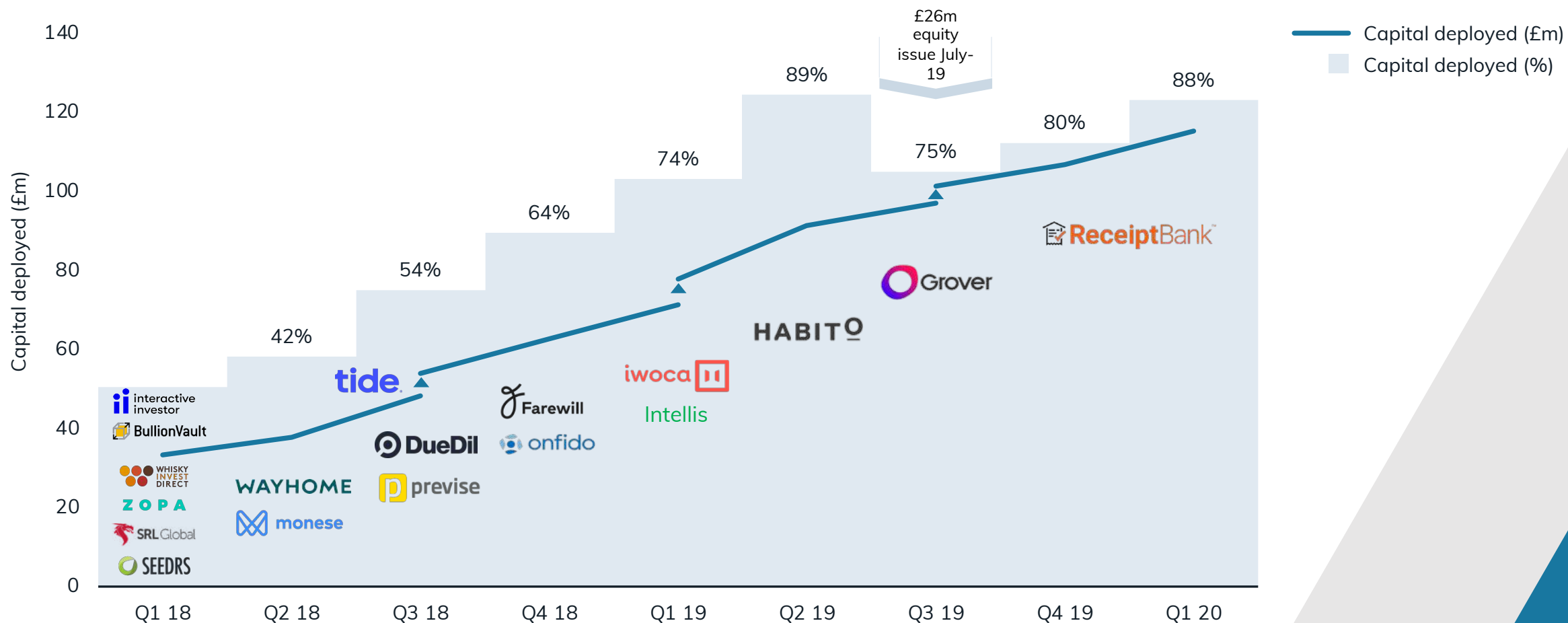
We have built one of the largest fintech portfolios in Europe

Direct Active European Series A+ Fintech Investments,



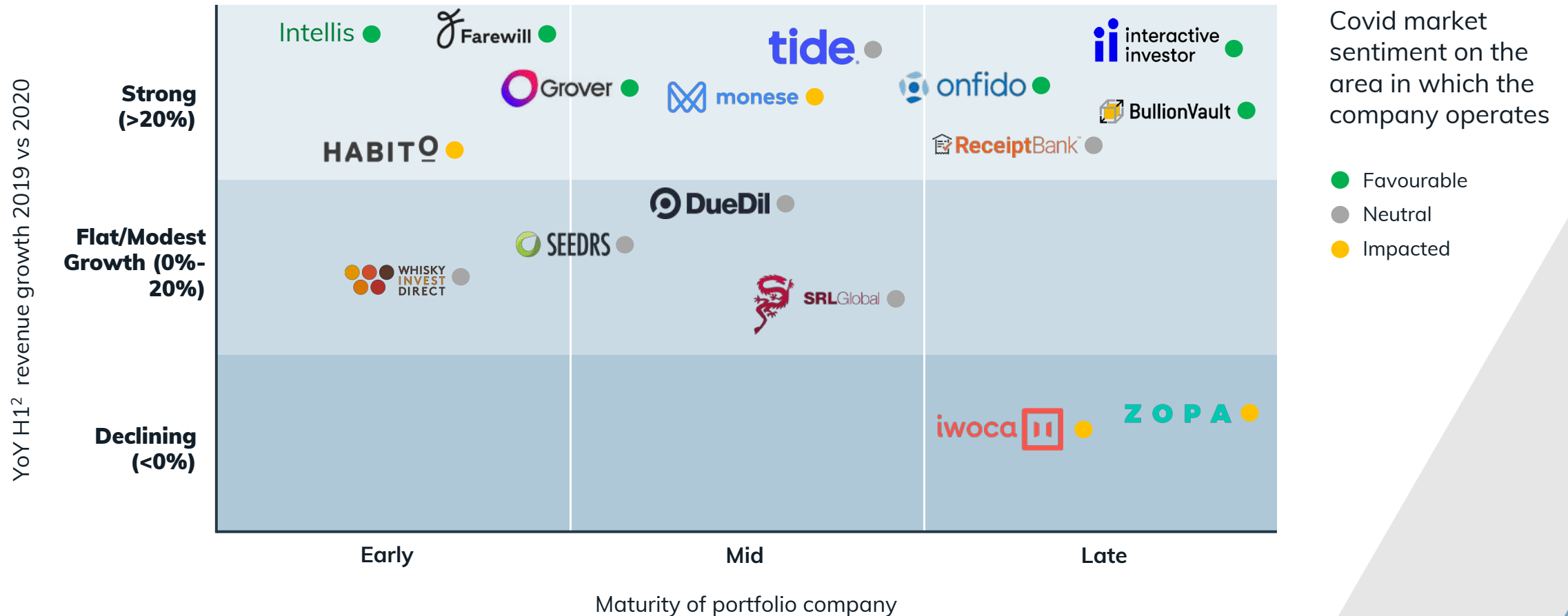
Source: Investor Websites, Tracxn, Pitchbook, accessed 01/07/2020.
1. Draper Esprit investment in Earlybird evaluated as a single active investment

The portfolio stands at 18 companies with steady deployment of capital since IPO in 2018



Our diversified portfolio has shown resilience despite the challenges brought about by Covid-19

Year on year revenue growth of portfolio companies by maturity¹, 2019H1-2020H1, %








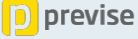










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Financial & operational highlights

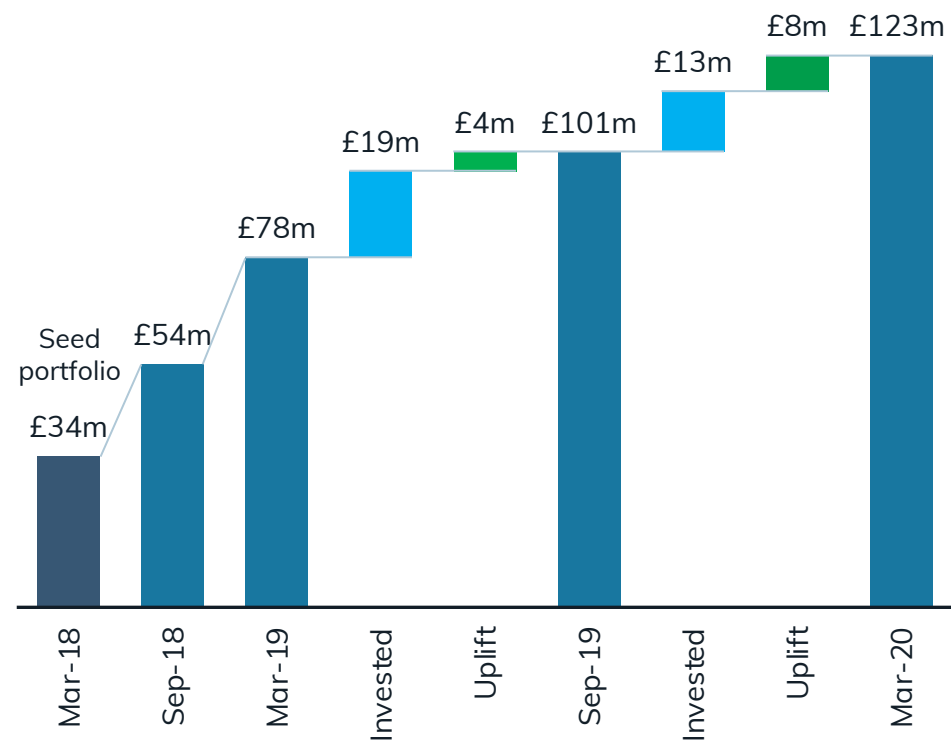
Year ended 31st March 2020

AUGM PLC	Portfolio	Portfolio post-year end	
<p>+18% Unrealised annualised IRR on invested capital</p>	<p>>£400m Equity raised by portfolio</p>		<p>Acquired thesharecentre:</p>
<p>+6.5p NAV per share increase to 116.1p</p>	 <p>Acquired</p> 		<p>Acquired</p> 
<p>£33m Capital deployed</p>	<p>Portfolio recognised with numerous industry awards</p>	  	<p>CBILS/BBLs Accreditation</p> 
<p>+59% Gross Portfolio Value</p>	  		<p>UK Banking License</p>  
<p>Post-year end FTSE Entry to the FTSE All Share</p>		<p>>£110m Additional equity raised by portfolio</p>	

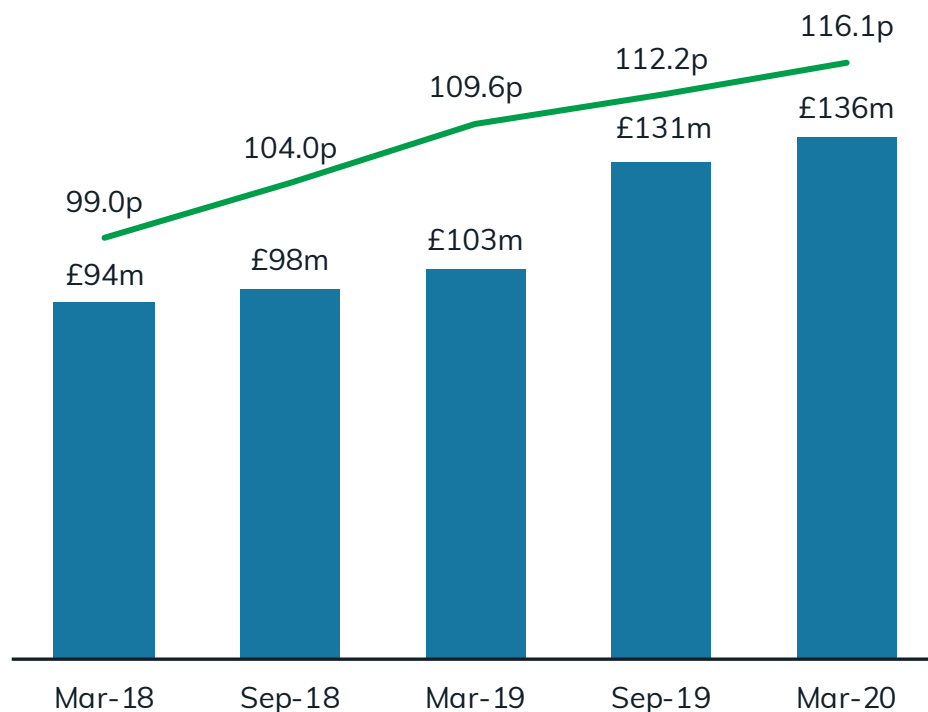
9 1. Increase in Gross Portfolio Value from 31st March 2019 driven by +16.4% fair value uplift, +42.3% additional capital Invested

Gross portfolio value and NAV progression

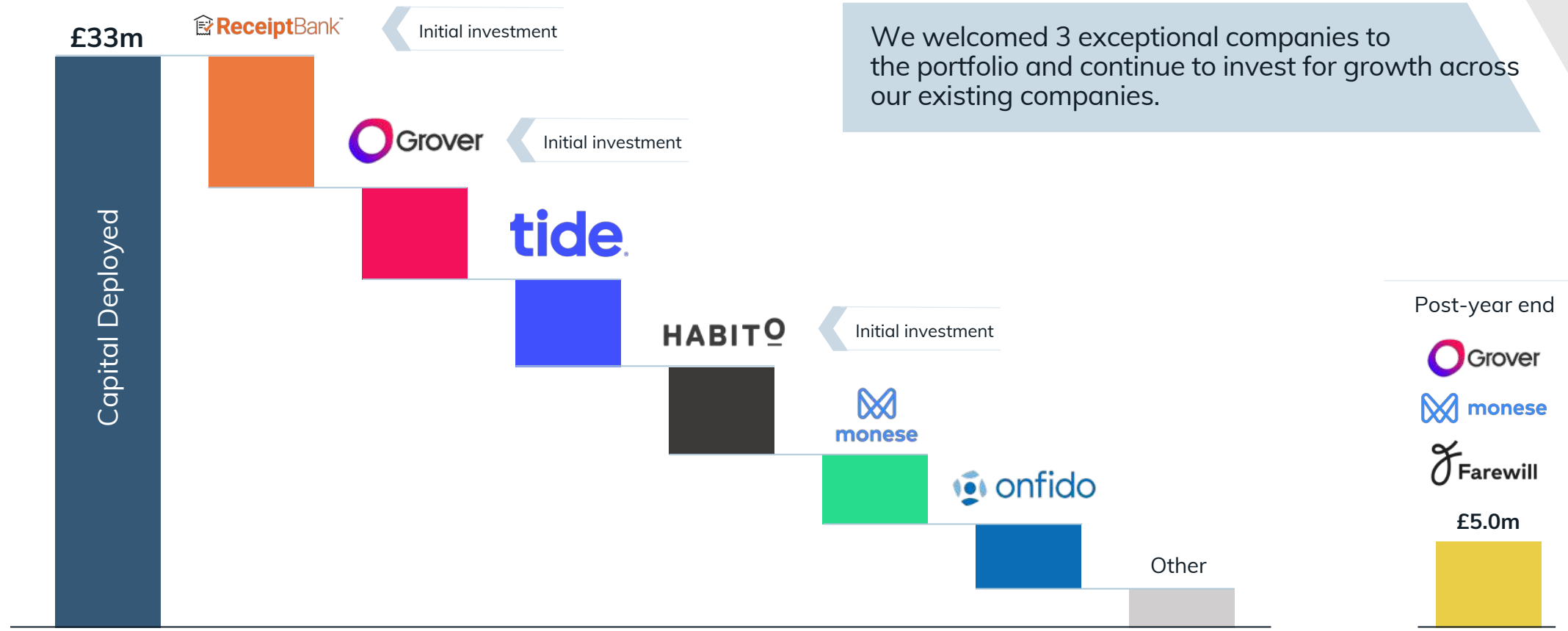
Gross Portfolio Value, 31st March 2018-20



NAV and NAV per share, 31st March 2018-20



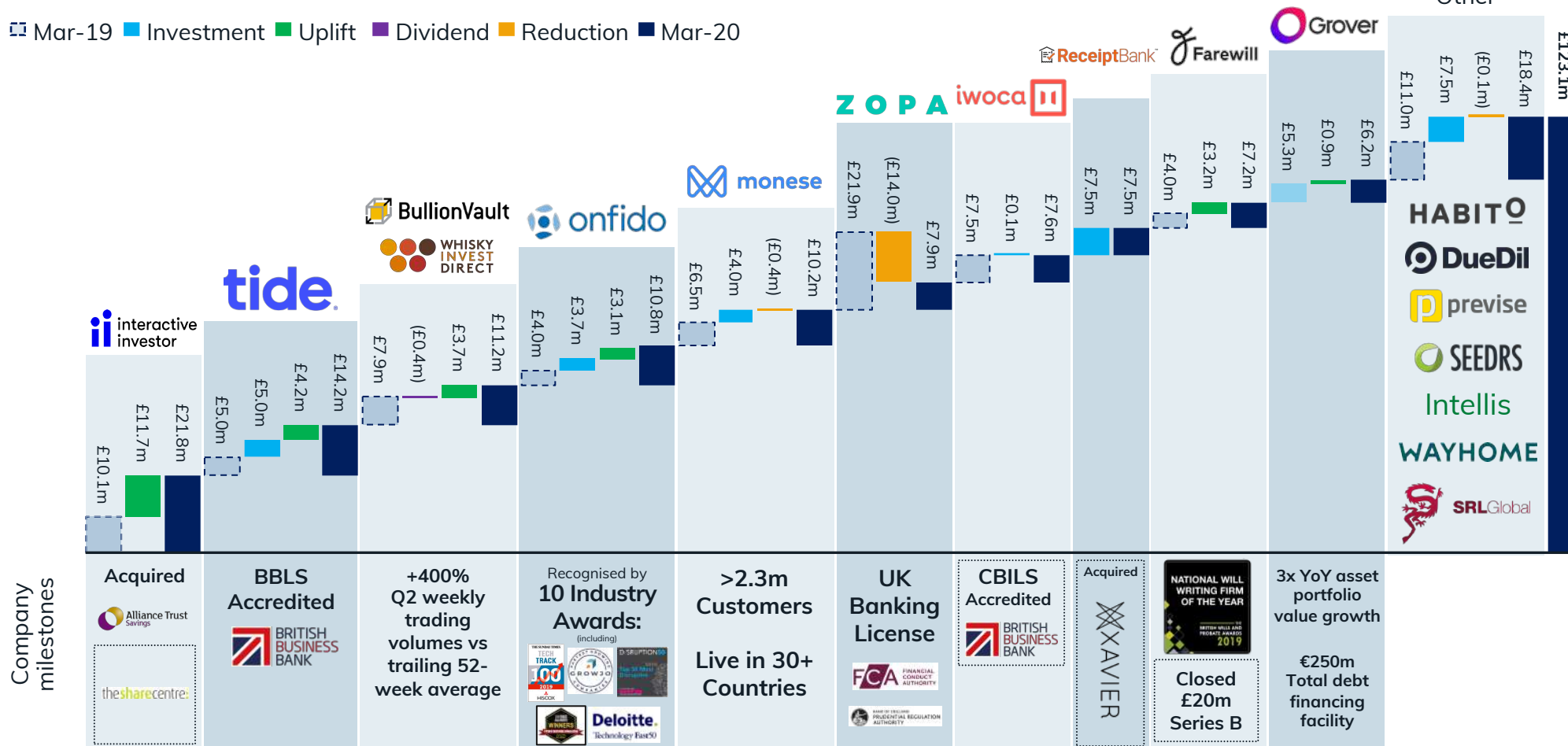
Capital deployment during the year



Portfolio valuation changes

Year ended 31st March 2020

Mar-19 Investment Uplift Dividend Reduction Mar-20



Company milestones

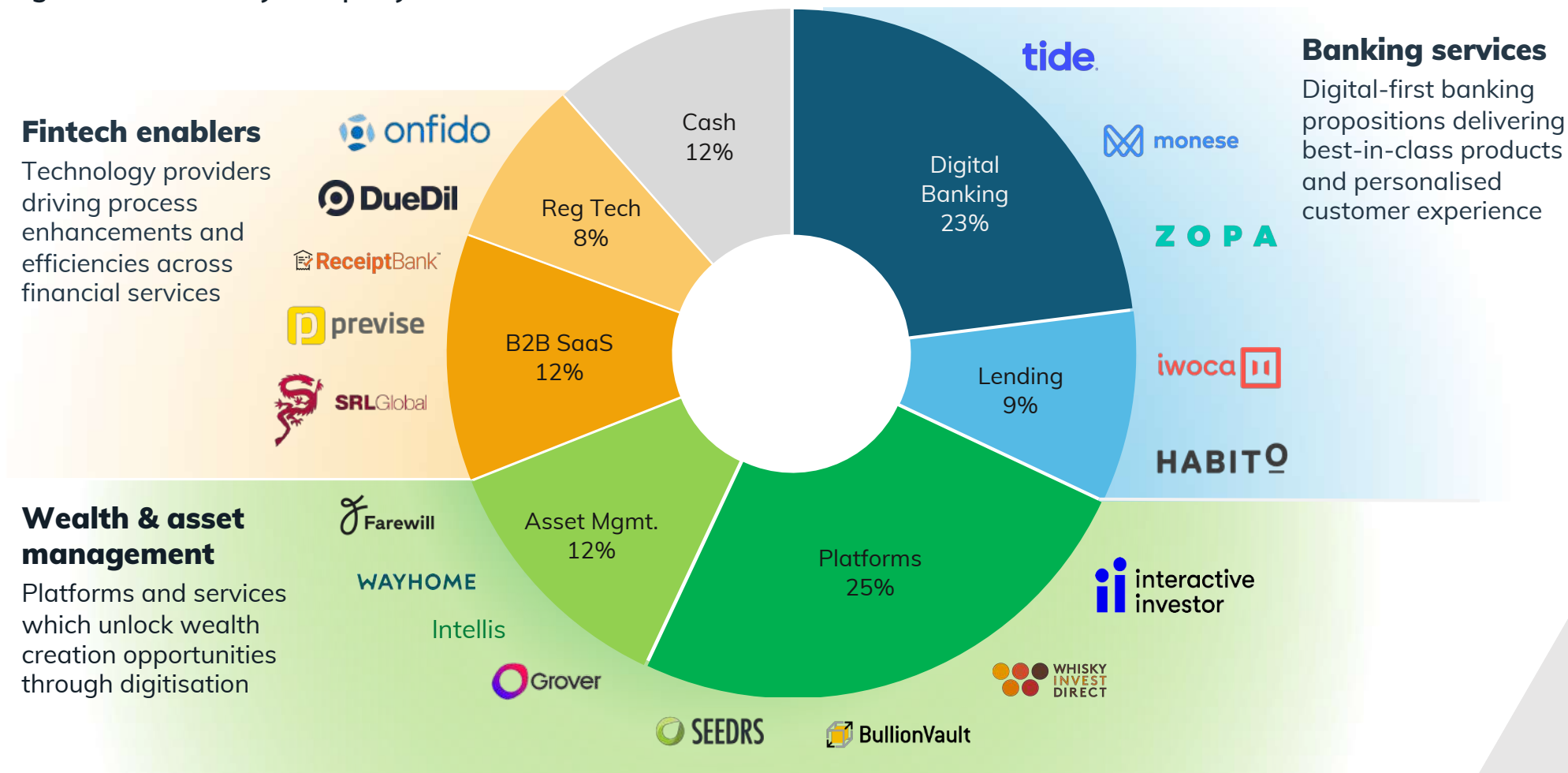
- Acquired Alliance Trust Savings
- BBLs Accredited
- +400% Q2 weekly trading volumes vs trailing 52-week average
- Recognised by 10 Industry Awards: (including)
- >2.3m Customers
- UK Banking License
- CBILs Accredited
- Acquired XAVIER
- National Will Writing Firm of the Year
- 3x YoY asset portfolio value growth

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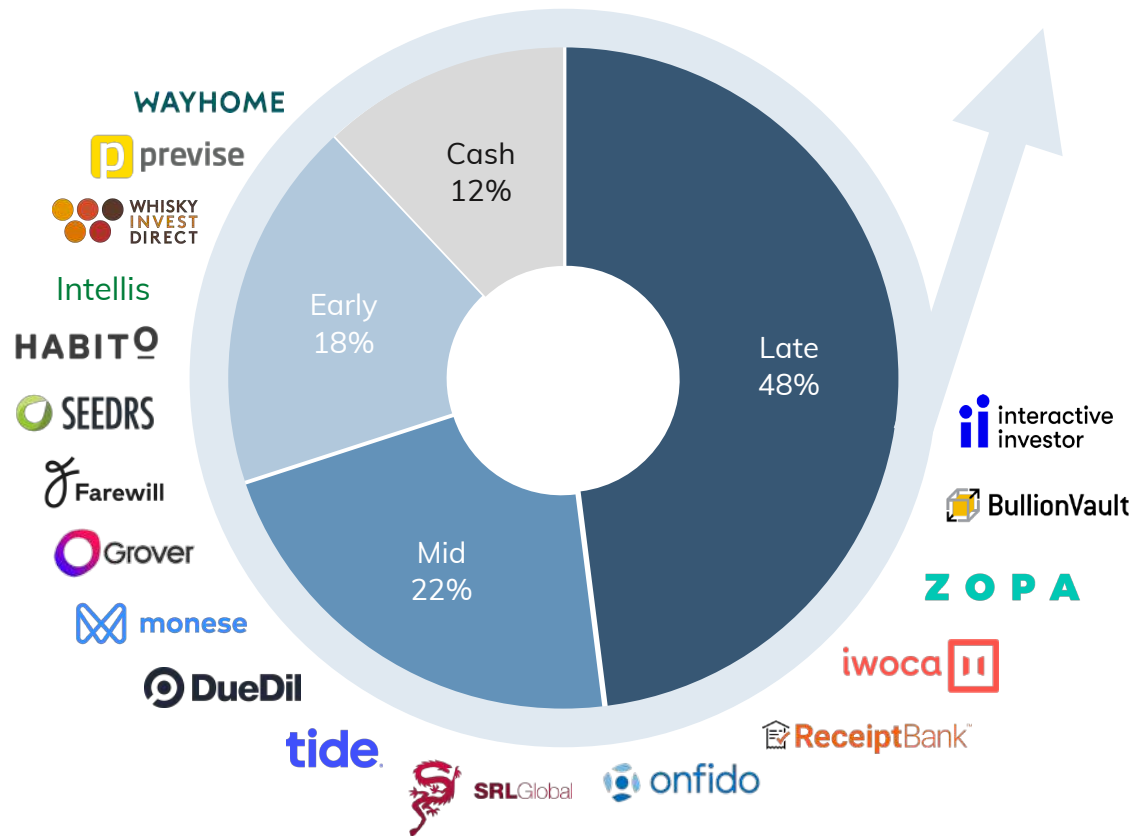
The Augmentum portfolio is diversified across key fintech verticals

Augmentum NAV by company vertical, %



Our portfolio is balanced across stages of maturity

Augmentum NAV by company stage, %



18 portfolio companies

Value weighted towards later stage

Building a solid exit pipeline

Clear path to liquidity

Top 10 holdings



- Interactive Investor is an online trading and investment platform and is now the second largest digital broker in the UK with AUM of >£36 billion
- Interactive Investor announced the acquisition of Alliance Trust Savings and Share PLC

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Mar-18	£3.2m	£21.8m	6.9x	160%



- Tide is building a modern business banking platform that gives time back to the people who work for themselves
- Founded in 2015, Tide now has 130,000+ customers representing 3% market share of UK SME banking
- Tide was awarded a £60 million RBS Banking Competition remedies Grant in February 2019

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Jul-18	£9.0m	£14.2m	1.6x	48%



- BullionVault is a physical gold and silver market for private investors online
- WhiskeyInvestDirect provides retail investors with access to maturing whisky as an asset class (WhiskeyInvestDirect is a subsidiary of BullionVault)
- In Q2 BullionVault saw trading volumes increase almost 400% on the previous 52-week average

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Mar-18	£8.4m	£11.2m	1.4x	18%

Top 10 holdings



- Onfido's AI-based technology assesses whether a user's government-issued ID is genuine or fraudulent, and then compares it against their facial biometrics
- Onfido has seen a 40% increase in sales in Q2, with 22% of that driven by new customer demand
- In April 2020 Onfido raised \$100m in a funding round led by US investor TPG

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Dec-18	£7.7m	£10.9m	1.4x	49%



- Monese is a leading European neobank
- Initially launched in the UK in 2015, it is now active in 30+ countries across Europe and allows customers to receive salary, deposit cash, send money abroad and spend globally
- ~60% of incoming funds are from salary payments with \$5bn+ per year moving through Monese accounts

Joined Portfolio	Invested	Value	NAV/Cash	IRR
May-18	£9.3m	£10.2m	1.1x	8%



- Zopa built the first peer-to-peer lending company to give people access to simpler, better-value loans and investments
- The company has generated positive returns for platform investors every year and their proprietary technology has contributed to their leading digital acquisition position
- In 2020 Zopa received a full UK banking licence after raising investment of £140m

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Mar-18	£18.5m	£7.9m	0.4x	(34)%

Top 10 holdings



- iwoca uses award-winning technology to disrupt small business lending across Europe
- They offer short-term loans of up to £20,000 to SMEs across the UK, Germany and Poland
- iwoca was awarded £10m from the Banking Competition Remedies' Capability and Innovation Fund (CIF) in August 2019

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Jan-19	£7.6m	£7.6m	1.0x	-



- Receipt Bank was founded in 2010 out of frustration from the amount of time and money lost in forgotten expenses, receipts and weekends spent sorting through paperwork
- Receipt Bank operates in six markets (UK, US, Canada, Australia, South Africa and France) and processes 2 million documents every week

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Jan-20	£7.5m	£7.5m	1.0x	-



- Farewill is a digital, all-in-one financial and legal services platform for dealing with death and after-death services
- 68% of target consumers currently don't have a will, and 90% have no financial planning
- In June 2020 Farewill raised a £20m Series B led by Highland Europe

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Nov-18	£4.0m	£7.2m	1.8x	56%



- Grover sits at the intersection of retail and finance offering a simple monthly subscription service for technology products
- Founded in 2015, Grover has >60,000 active subscriptions with a total financing volume of €298m to date

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Sep-19	£5.3m	£6.3m	1.2x	38%

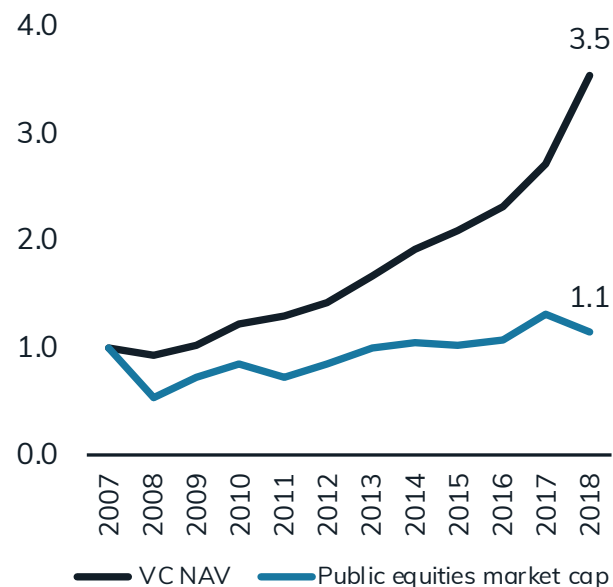
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Venture investment has outperformed public markets since 2007 with European VC and fintech delivering compelling returns

Venture backed companies have appreciated 3.5x since 2007, outpacing public equities

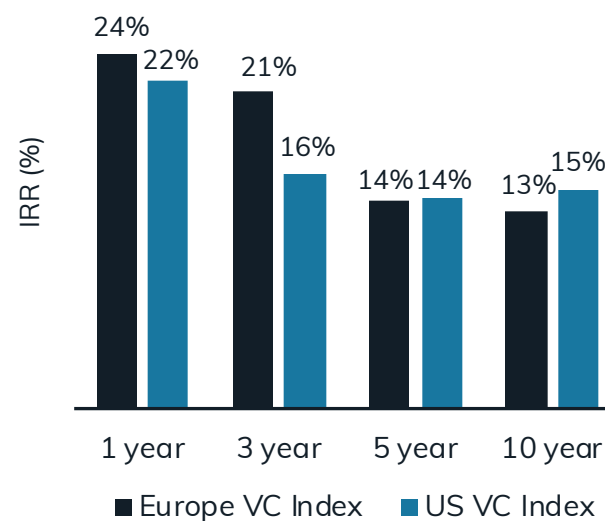
Public equities and VC Net Asset Valuations 2007-18 indexed to 2007



1. Net asset value (NAV) = AUM less dry powder. Total market cap. Covers companies listed globally
Source: Preqin Global Venture Capital Perspectives 2019; World Bank Dataset

European VC performance matches or outperforms US VC

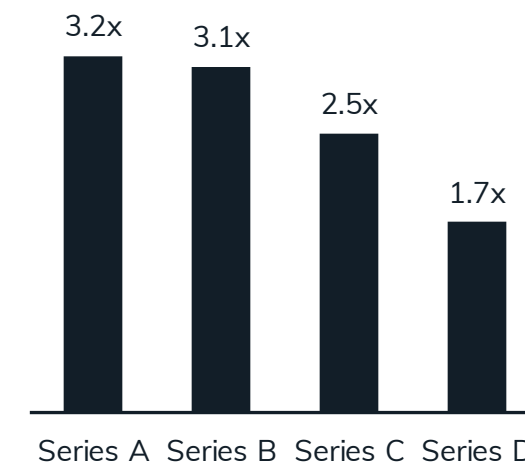
Horizon pooled return (net) by fund index, as of Q2 2019



Source: Cambridge Associates; State of European Tech 2019

Fintech companies are delivering the biggest returns for investors, particularly at the early stages

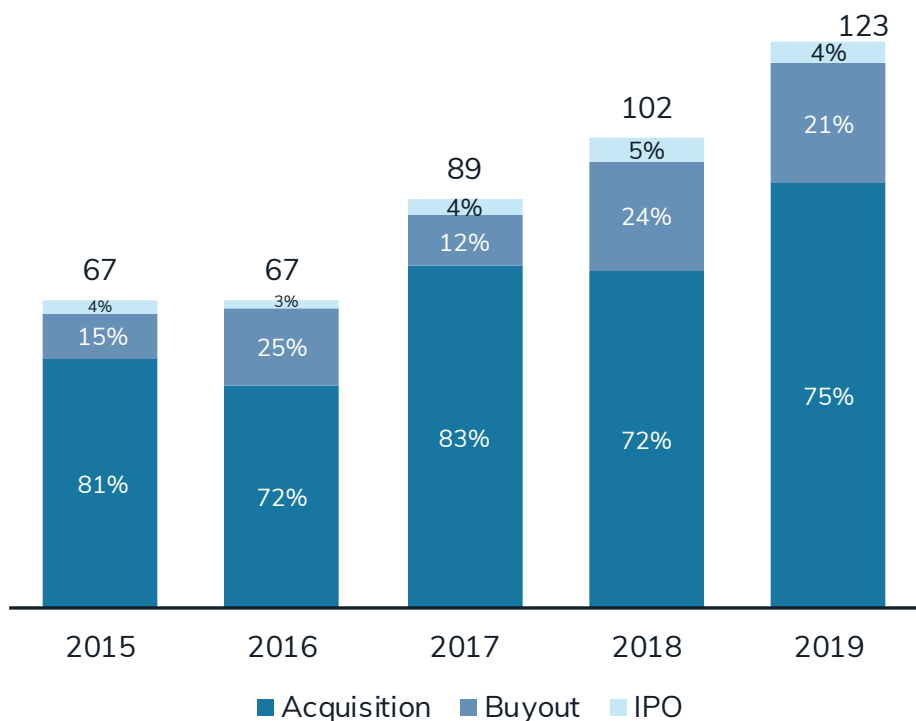
Multiple of fintech VC adjusted annualised return compared to Tech VC adjusted annualised return by stage



Source: Pitchbook

The majority of the most valuable fintechs will never reach public markets

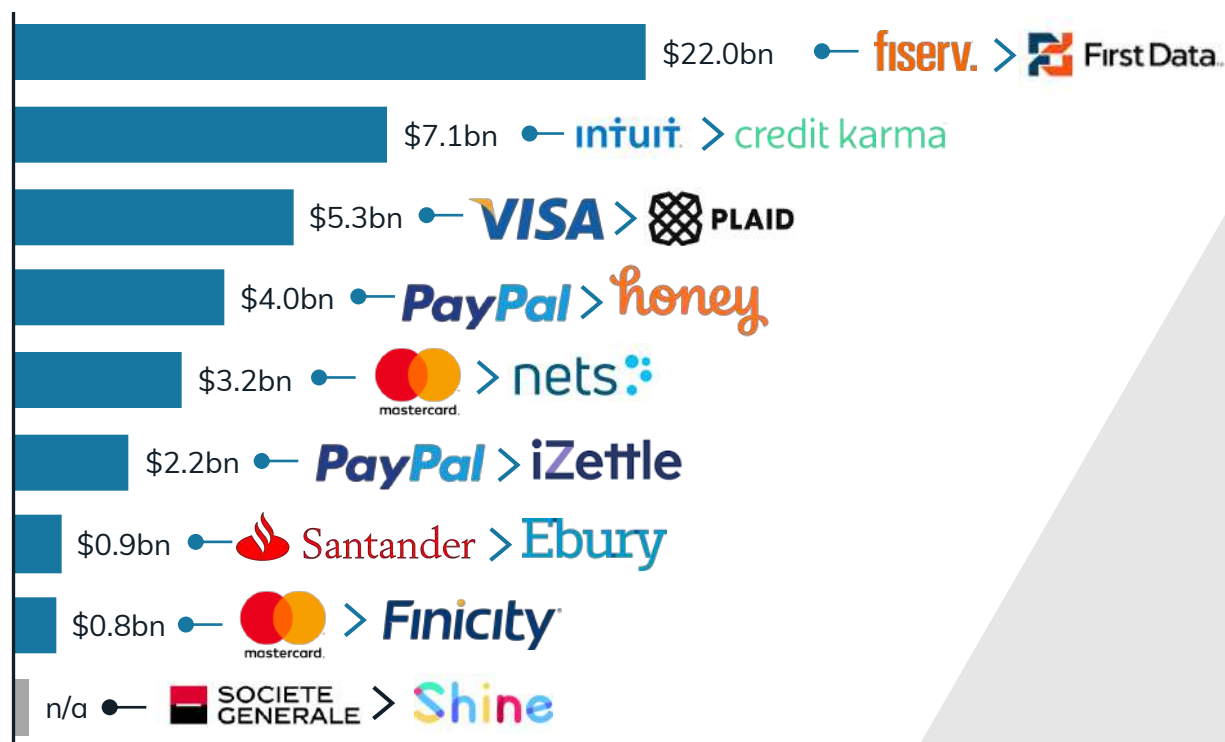
Less than 5% of fintech exits in the past 5 years have come through IPO



Source: Pitchbook.

Notable fintech acquisitions

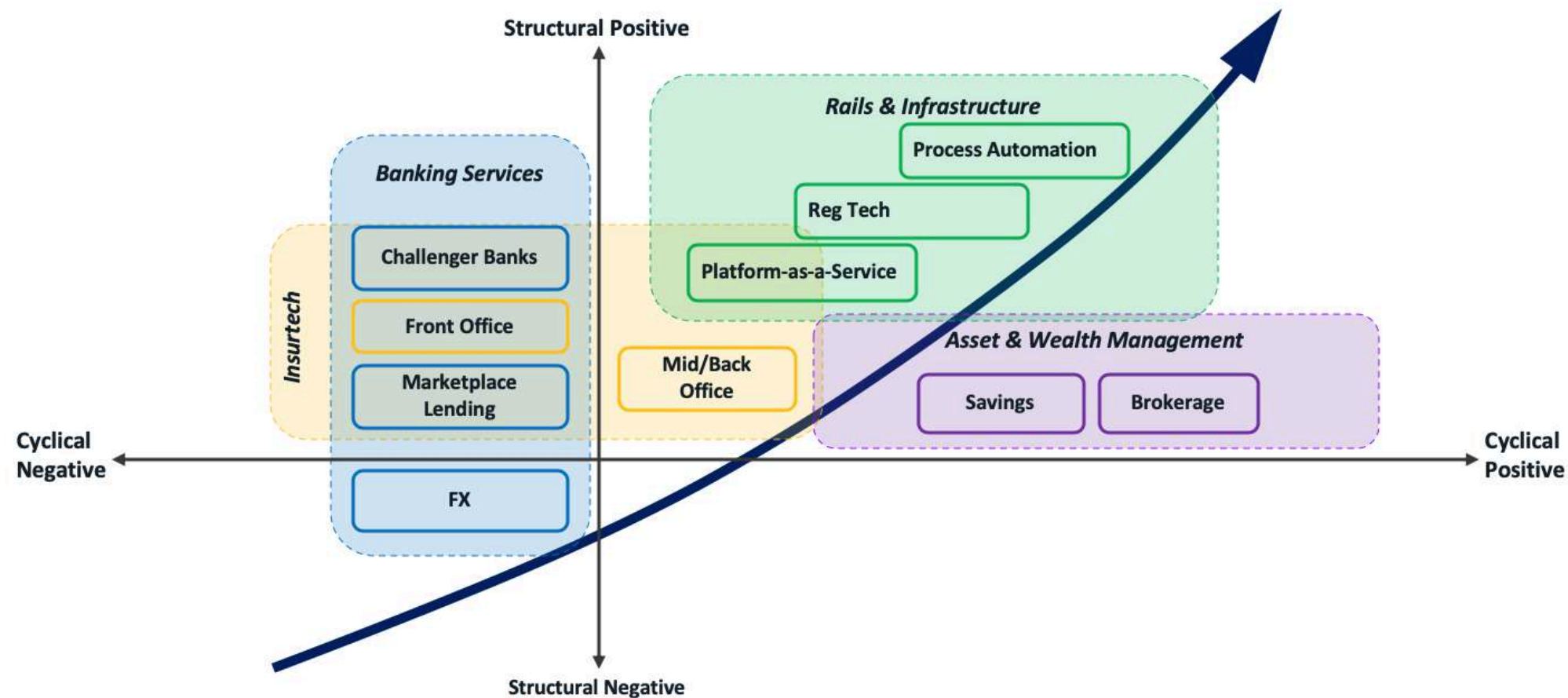
Exit valuations, 2018-20, \$



Source: Company press releases

The fintech sector will likely be a beneficiary of accelerated digital adoption following the Covid-19 pandemic

Outlook for fintech verticals during Covid-19 lockdown & recovery period

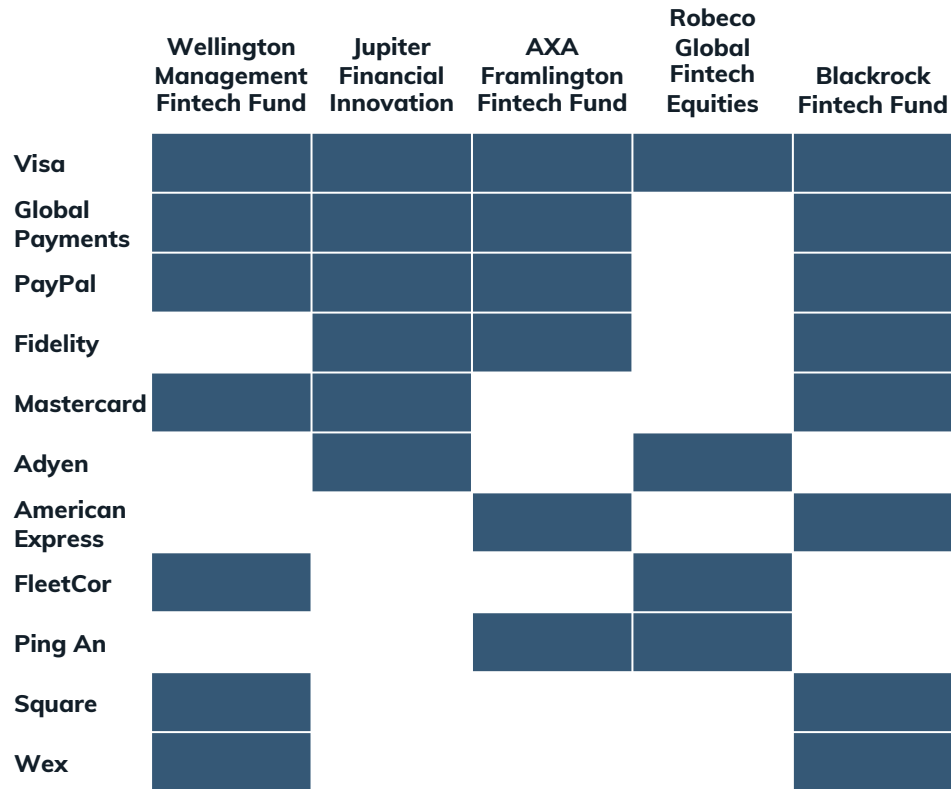


1. Additional commentary and analysis of the impact of Coronavirus on fintech detailed in the thought piece ['Fintech in the Eye of the Storm'](#) published in May 2020

Actively managed public fintech equities funds lack true differentiation and offer exposure to a similar group of stocks

Top 10 holdings

Actively traded fintech equities funds, as of June 2020

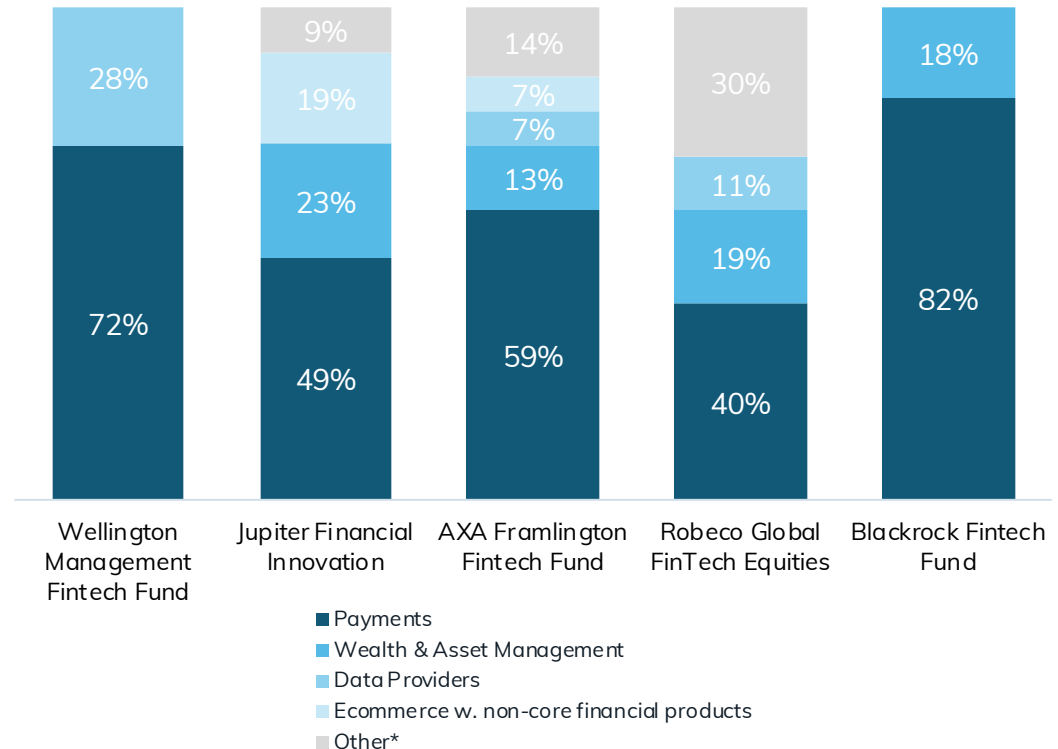


■ Appears in Top 10 holdings

Source: Fund fact sheets

Concentration of Top 10 holdings by fintech vertical

Actively traded fintech equities funds, as of June 2020



Source: Fund fact sheets

* Other includes insurance, regtech, lending & software

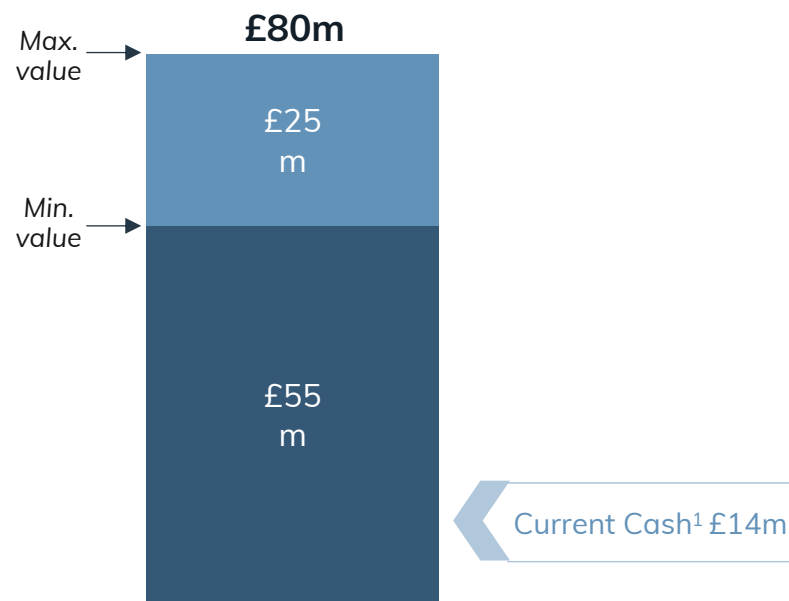
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We have a strong pipeline of compelling investment opportunities alongside a fast maturing portfolio

We have a near-term pipeline of between £55m-£80m

Qualified investment opportunities at 31st March 2020, £m



Opportunities & execution strategy in light of Covid-19

- We will continue to invest where we have high conviction and our stringent investment criteria are met
- A general 'flight to quality' creates additional competition for exceptional deals; we will leverage our 'value-add' as a specialist fund to secure investment in the best companies
- The current climate will create opportunities for 'special situation' investments; our structure will allow us to act through investment where we identify favourably priced opportunities

1. As of 31/03/20.

Summary & outlook

FY20 in review

- Despite significant macro economic challenges due to Covid19, FY20 has been a good year of progress for the fund
- We have achieved an increase of 6.5p in NAV per share and an unrealised annualised IRR on invested capital since inception of 18%
- We have invested in three exceptional companies taking the portfolio size to 18 companies
- Our profile as one of Europe's pre-eminent fintech investors continues to gain traction

FY21 & beyond

- We will continue to invest in exceptional European fintech businesses where we have high conviction
- Our portfolio continues to mature with one of our key objectives for 2021 to deliver a material exit
- The opportunity for fintech remains nascent, with the sector set to benefit from structural trends accelerated by the Covid-19 pandemic; as a sector specialist we are optimally placed to identify outstanding and convert compelling investment opportunities
- Public market investors continue to have a limited pool of investment opportunities to gain exposure to fintech companies. Global fintech funds focusing on “public equities” often hold the same basket of incumbent payment companies

Thank you

