



# Interim Results

Six months ended 30<sup>th</sup> September 2020

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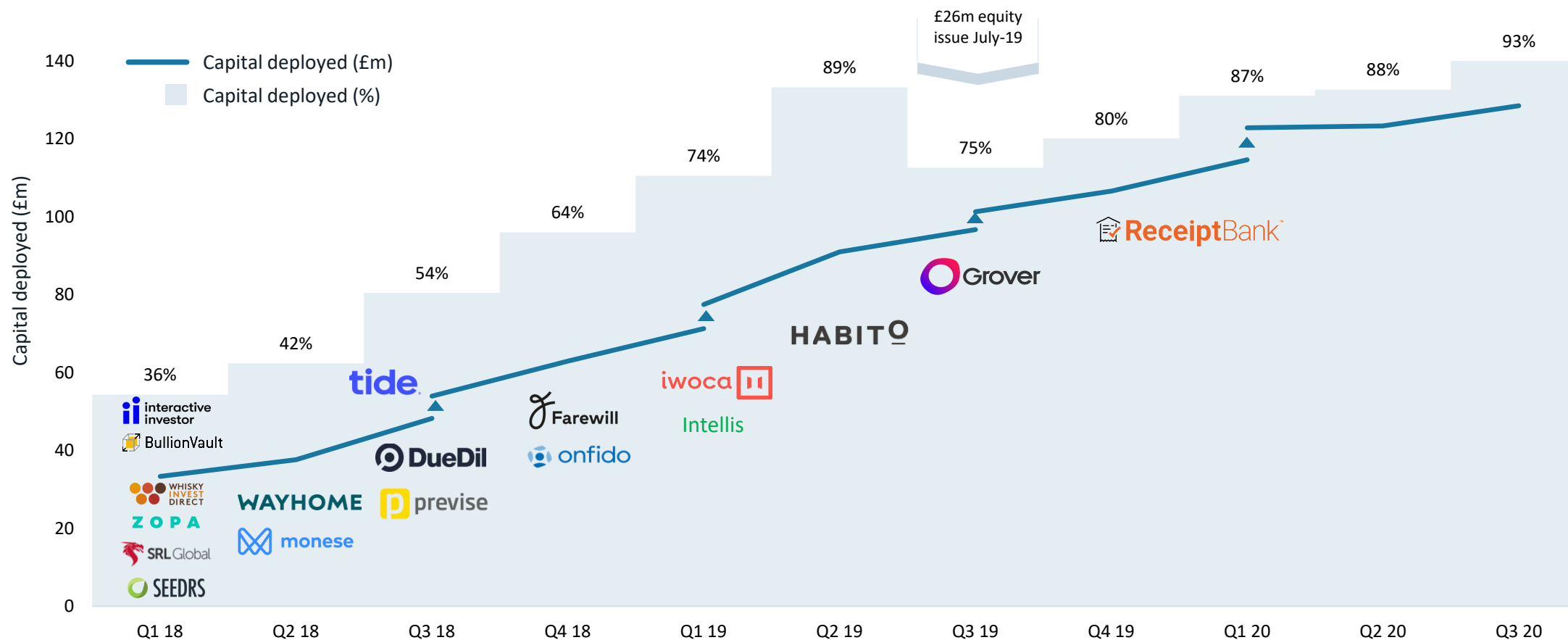
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## Summary

- Our portfolio of 18 companies is well diversified across fintech verticals, the sector and portfolio have proven resilient during the Covid-19 pandemic
- During the 6 months ended 30 Sep-20 we delivered an increase of 3.2p in NAV per share and unrealised annualised IRR on invested capital since inception stands at 14.1%
- In light of the market uncertainty, investment activity during the period centred on strengthening existing portfolio positions with £5.1m of follow-on capital deployed across seven of our portfolio companies
- 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
- Post-period end Augmentum raised £27.5m net proceeds through an oversubscribed placing and retail offer; new capital will be deployed against a strong pipeline of new and follow-on investment opportunities
- Public market investors have limited opportunity to gain exposure to high quality fintech assets across all stages; There is significant interest in this emerging asset class, and expertise and specialism is becoming even more important. Augmentum is well positioned to provide diversified access for investors to some of Europe's most exciting fintech growth companies

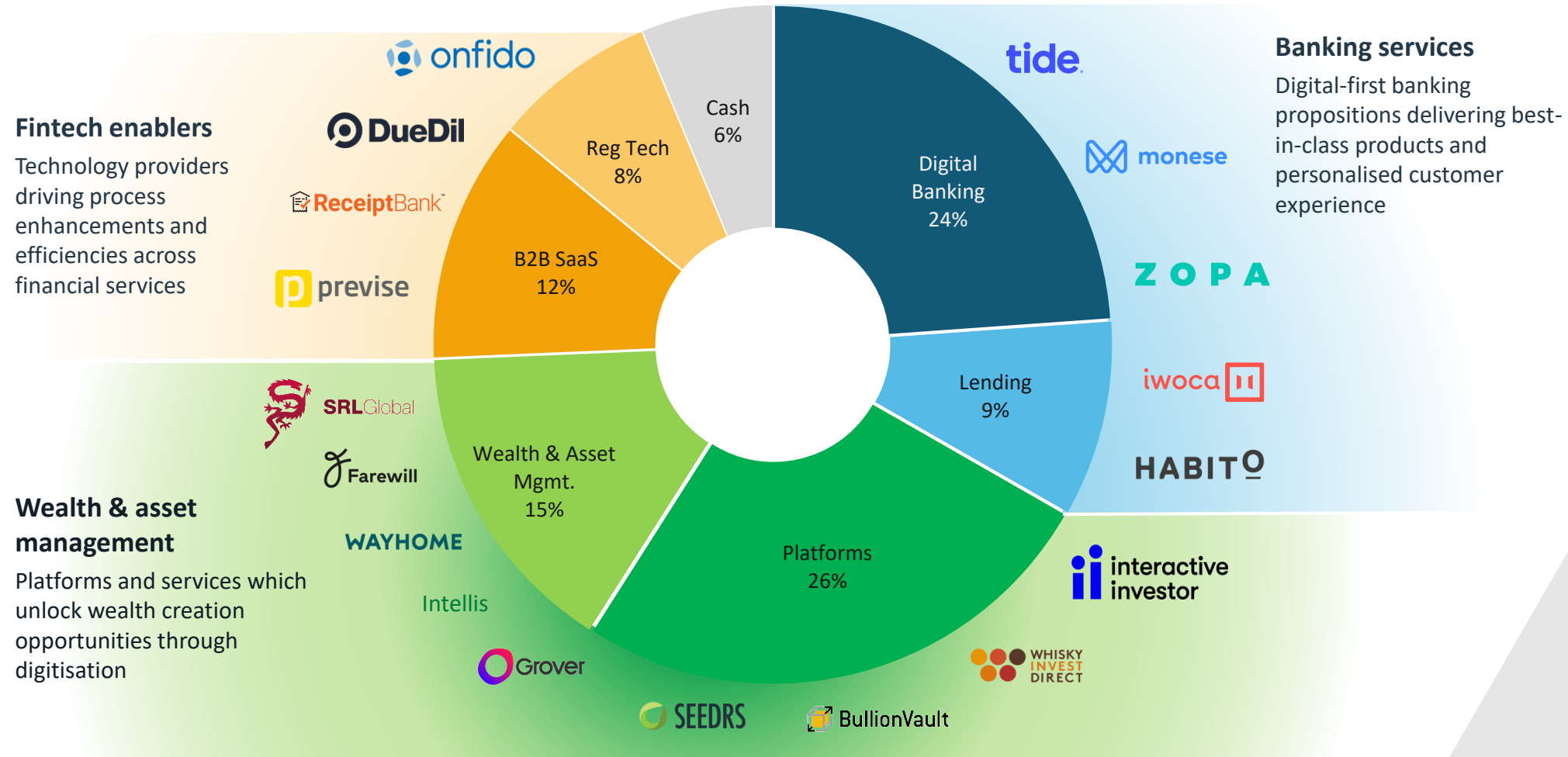
# Our portfolio stands at 18 companies with steady deployment of capital since IPO in 2018

Capital deployment Q1 2018 – Q3 2020<sup>1</sup>



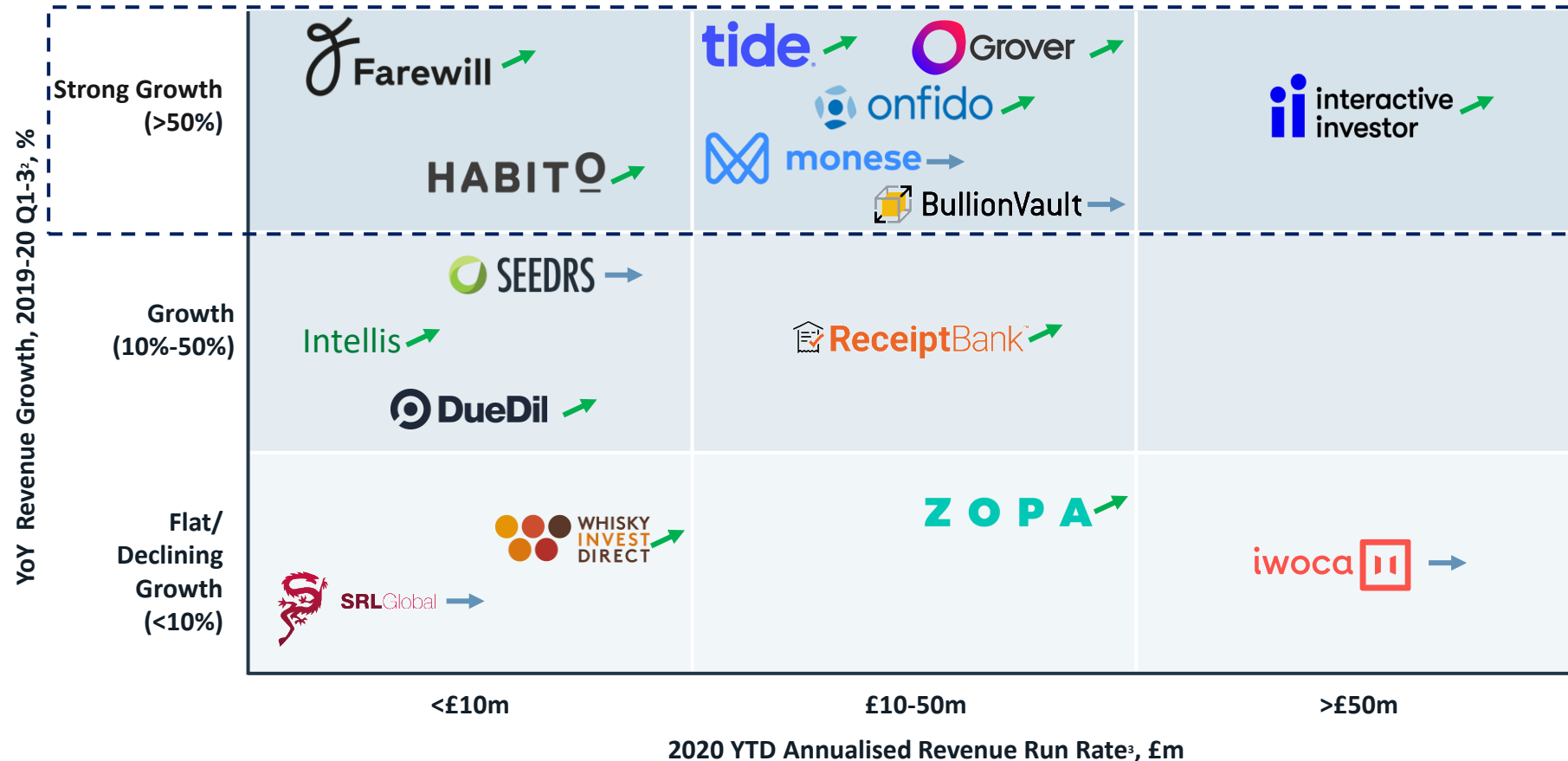
# The Augmentum portfolio is well diversified across key fintech verticals

Augmentum NAV by company vertical, %



# Overall, the portfolio has continued to grow despite the challenges of Covid. Our companies are well positioned to benefit from further accelerated digitisation in financial services

Year-on-year Growth of Portfolio Companies<sup>1</sup> by Annualised Revenue Run Rate



71% of Gross Portfolio Value is invested in companies which grew >50% YoY

Current Momentum	
Favourable	↗
Neutral	→
Unfavourable	↘

<sup>1</sup> Excludes Previser and Wayhome as both were pre-product launch in 2019 preventing representative YoY revenue comparison  
<sup>2</sup> YoY revenue growth comparison period is Q1-3 2019-20 except where Q3 revenue data has not yet been received by Augmentum. Applies to Farewill, Seedrs (comparison period Jan-August 2019-20), Habito (Q1&2 2019-20) and SRL Global (Jan-May 2019-20)  
<sup>3</sup> 2020YTD revenue run rate is 2020Q1-3 revenue annualised except for Farewill, Seedrs (both Jan-Aug 2020 annualised), Habito (Q1&2) and SRL Global (Jan-May)

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# Financial & operational highlights

Six months ended 30<sup>th</sup> September 2020

## AUGM PLC

**£139.4m** Overall Net Asset Value, +3% vs 31 Mar-20 NAV of £135.8m

**+3.2p** NAV per share increase to 119.3p

**+14.1%** Unrealised annualised IRR on invested capital

**£5.1m** Capital deployed in seven follow-on investments

**FTSE** Entry to the FTSE All Share

## Portfolio



Acquired  
the**share**centre:



Acquired  
XAVIER



Merger with  
crowdcube



CBILS/BBLS  
Accreditation



UK Banking License  
FCA FINANCIAL CONDUCT AUTHORITY BANK OF ENGLAND PRUDENTIAL REGULATION AUTHORITY



Awarded £25m Grant  
bcr

>£150m

Equity raised by portfolio

## Post-period End

**£27.5m**

Capital raised through oversubscribed placing and retail offer

Executing against pipeline opportunities with 4 prospects in late-stage due diligence

Total Pipeline<sup>2</sup>



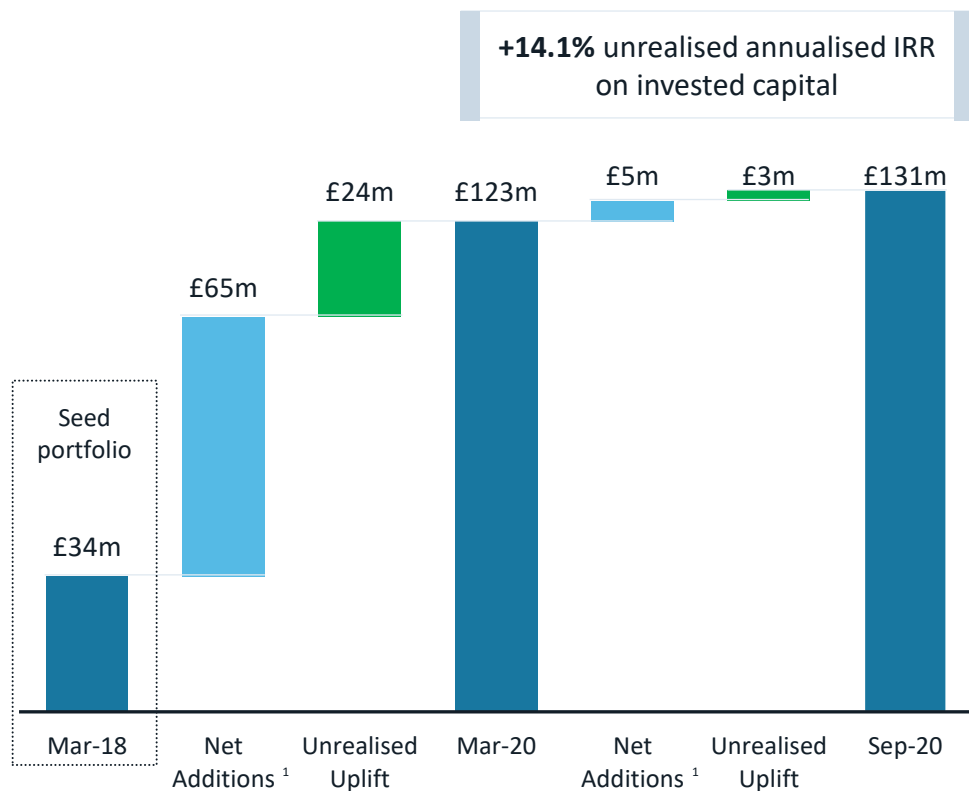
Opportunities in Late-Stage DD by Vertical

- Banking Services
- Insurtech
- Payments
- Payments

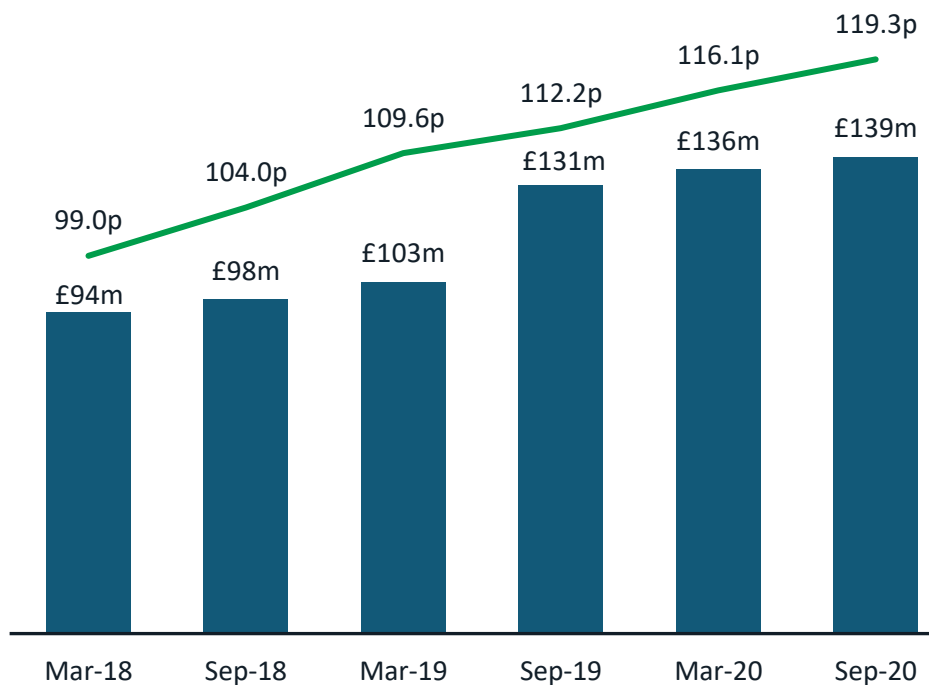
1. Subject to CMA approval and shareholder approval  
2. Potential deal value of qualified pipeline as at 26/11/20

# Gross portfolio value and NAV progression

Gross Portfolio Value, March 2018 – September 2020



NAV and NAV per Share, March 2018 – September 2020

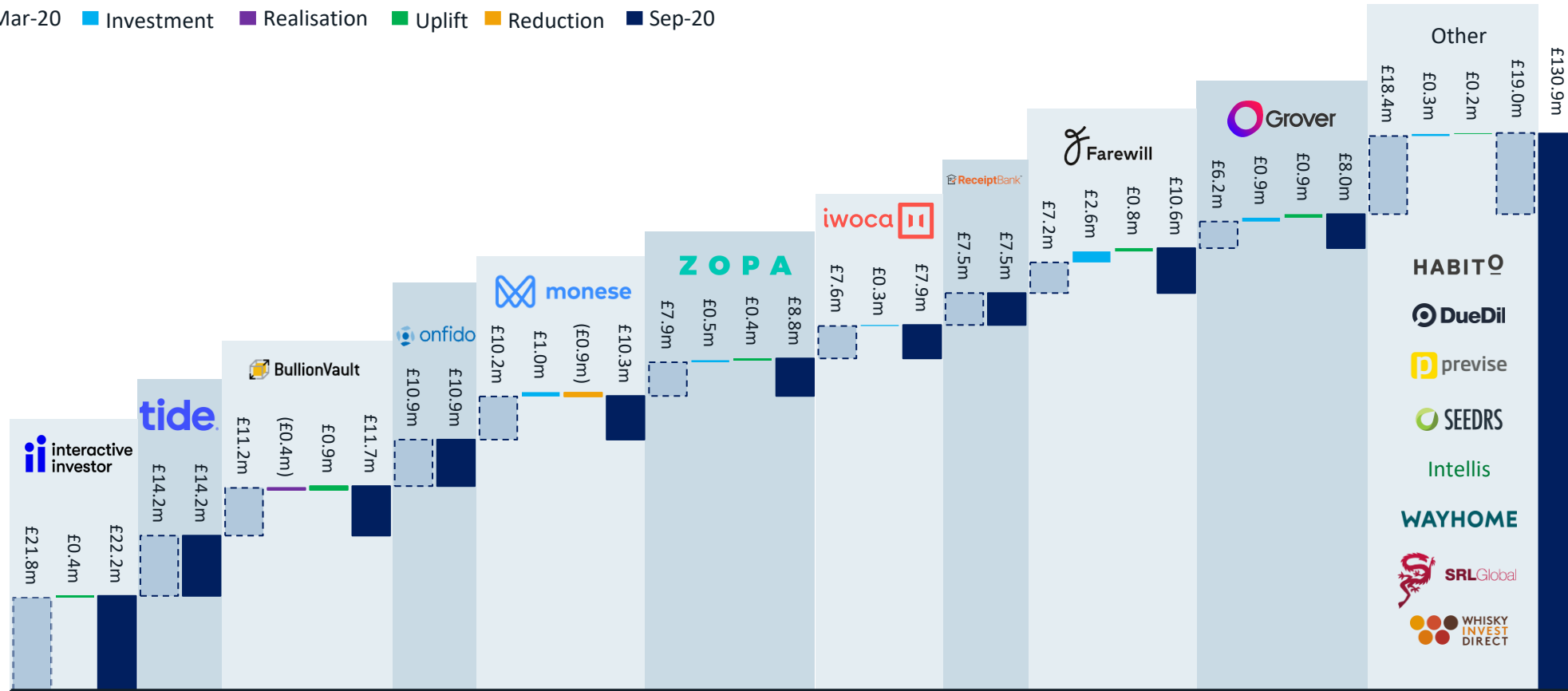


<sup>1</sup> Net additions = Invested Capital - Dividends

# Portfolio valuation changes

Six months ended 30<sup>th</sup> September 2020

  Mar-20 
 ■ Investment 
 ■ Realisation 
 ■ Uplift 
 ■ Reduction 
 ■ Sep-20

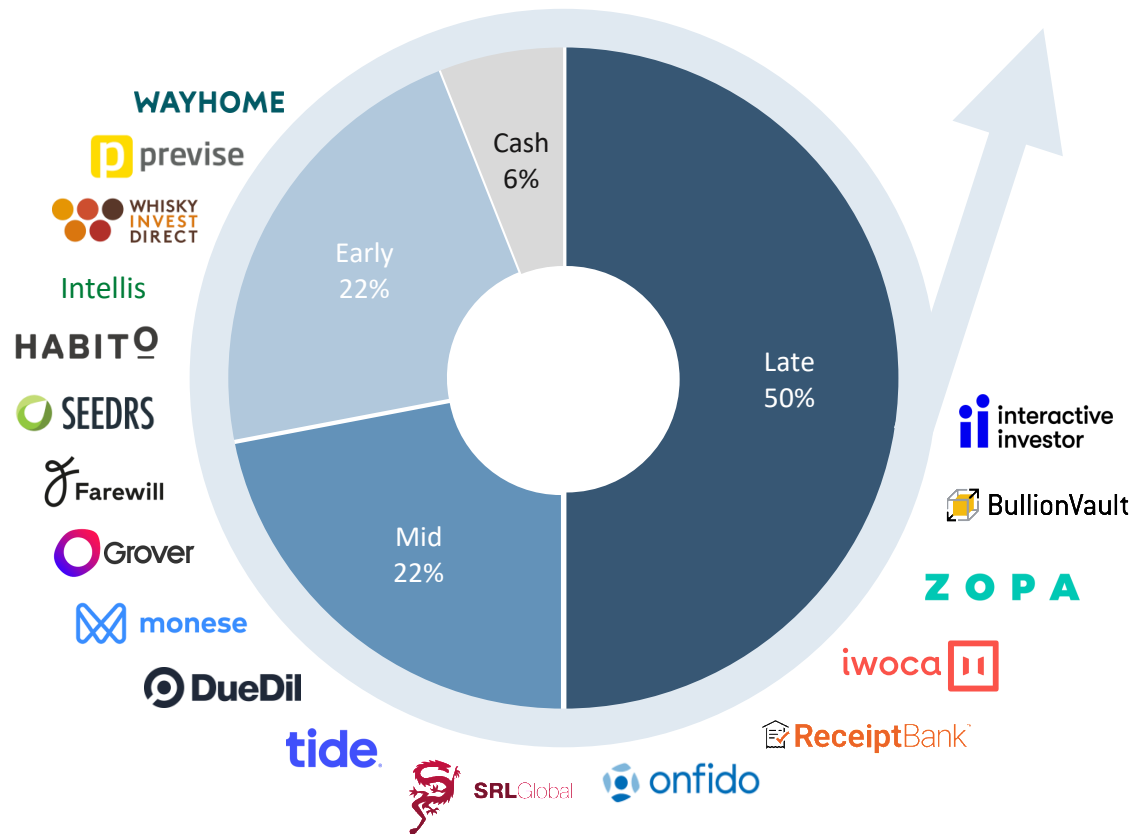


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# Our portfolio is balanced across stages of maturity creating a flow of potential near term exit opportunities

Augmentum NAV by company stage, %



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18 portfolio companies

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Value weighted towards later stage

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Building a high-potential exit pipeline

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Clear path to liquidity

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## Top 10 holdings



- Interactive Investor is an online trading and investment platform and is now the second largest D2C digital broker in the UK with AUM of >£36 billion
- Interactive Investor announced the acquisition of Alliance Trust Savings (completed 2019) and Share PLC (completed July 2020)
- Q1-3 year-on-year revenue growth was 53% with record numbers of new customers acquired during the period

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Mar-18	£3.2m	£22.2m	7.0x	117%



- Tide is building a modern business banking platform that gives time back to people who work for themselves
- Launched in 2017, Tide has 250k+ customers representing 4% market share of UK SME banking
- Tide, in partnership with Clearbank, has been awarded a total of £85 million in RBS Banking Competition Remedies Grants

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Jul-18	£9.0m	£14.2m	1.6x	32%



- BullionVault is a physical gold and silver market for private investors online
- Covid-related market uncertainty created record demand for Gold, Silver and Platinum on the platform with increased activity from new and existing users
- Pre-tax profit as at the end of September 2020 saw over 100% year-on-year growth

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Mar-18	£8.4m	£11.6m	1.4x	18%

## Top 10 holdings



- Onfido's AI-based technology assesses the validity of a user's government-issued ID playing a key role in KYC processes for leading enterprises in the fintech sector and beyond
- Onfido saw Q2 revenue growth of 40% year-on-year driven in part by US expansion
- 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	29%



- Monese is a leading European neobank launched in 2015
- Initially launched in the UK Monese 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	£10.3m	£10.3m	1.0x	-



- 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 proprietary technology has contributed to their leading digital acquisition position
- In June 2020 Zopa secured a full UK bank licence after raising investment of £140m from IAG Capital

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Mar-18	£19.0m	£8.8m	0.5x	(27)%

## 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	£7.9m	£7.9m	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	£6.6m	£10.6m	1.6x	44%



- 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 €300m to date

Joined Portfolio	Invested	Value	NAV/Cash	IRR
Sep-19	£6.2m	£8.0m	1.3x	32%

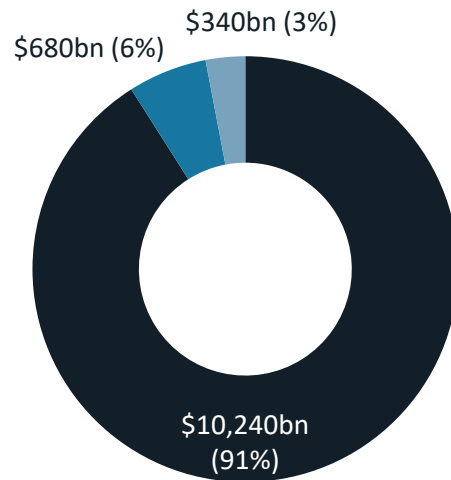


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# The scale of the fintech opportunity provides significant headroom for growth as adoption trends accelerate

Incumbents still own 91% of global financial services revenue...



■ Incumbents ■ Bank Fintechs ■ Non-bank Fintechs

Financial services industry revenue breakdown in 2019

Source: IMF Fintech: The Experience So Far 2019.

...but structural shifts position fintech for further disruption and growth

Traditional relationships have been irrevocably changed by digitisation

**>50%** of UK consumers use mobile banking to manage their accounts<sup>1</sup>

Fintech has entered the mainstream

**71%** of UK consumers are using two or more fintech products<sup>2</sup>

Incumbents recognise the threat and are engaging in collaboration through integration, partnerships & acquisitions

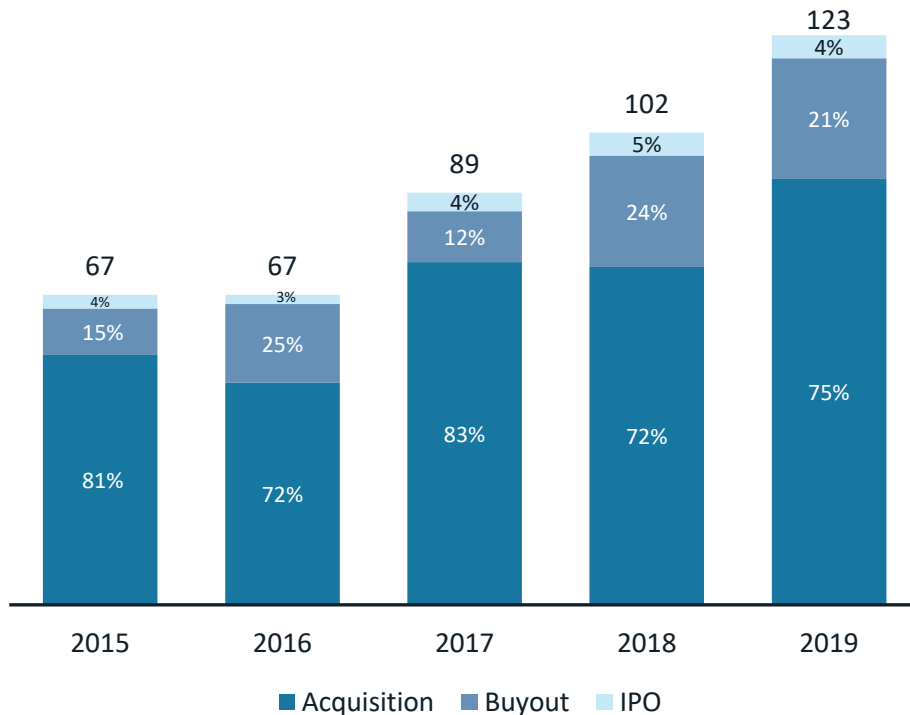
**48%** of incumbent financial institutions already have fintech embedded within their strategic operating model<sup>3</sup>

1. CACI – The Growth of Digital Banking Report - 2019  
2. EY Global FinTech Adoption Index 2019; Fintech adoption defined as usage of two or more Fintech products/services  
3. PwC Global Fintech report 2019

# Public market investors will struggle to get access to the most successful fintechs

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

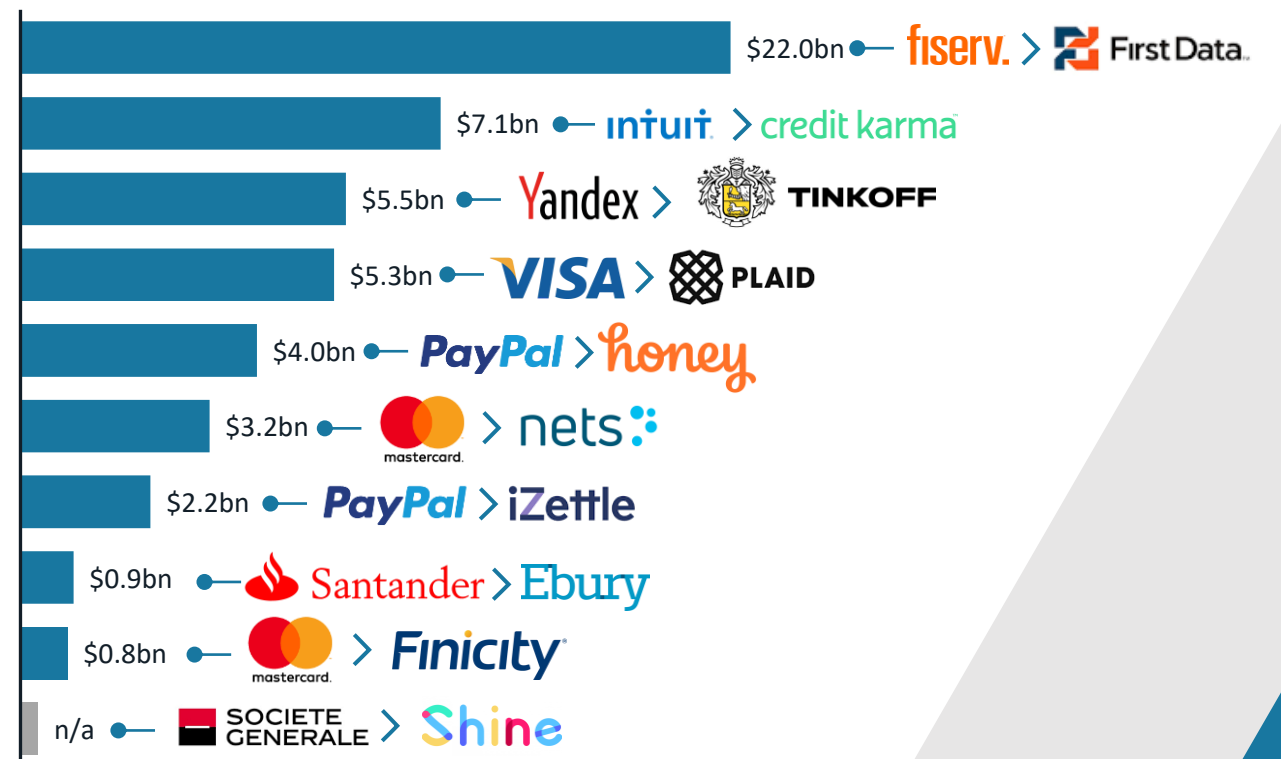
Fintech exits by exit route  
# US & Europe, 2015-19



Source: Pitchbook.

## Notable fintech acquisitions

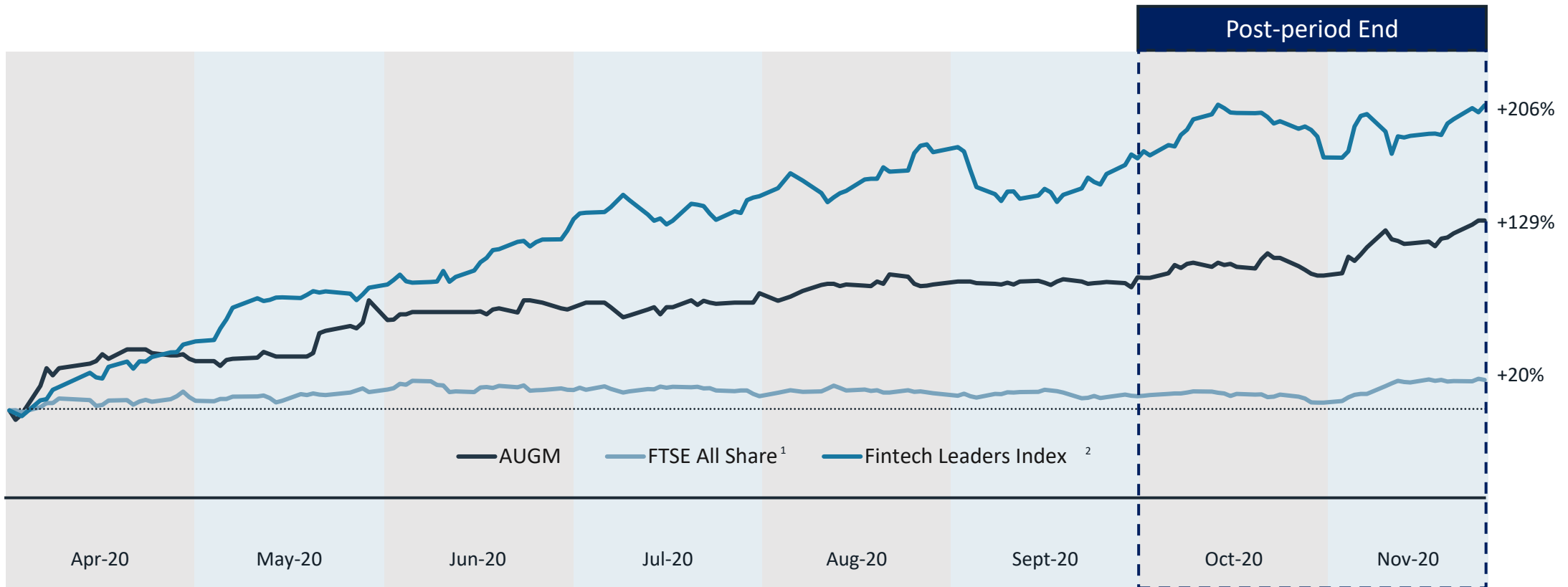
Exit valuations, 2018-20, \$



Source: Company press releases

# Augmentum has outperformed the index during Covid, but has not benefited to the same extent as the Fintech Leaders Index

Indexed performance, 1<sup>st</sup> April – 25<sup>th</sup> November 2020



1. FTSE All Share is a capitalisation-weighted index, comprising around 600 companies traded on the London Stock Exchange

2. Fintech Leaders Index comprised of Afterpay, Bill.com, Intuit, PayPal, Shopify & Square

Source: Reuters

# Our profile as one of Europe's pre-eminent fintech investors continues to gain traction

## Press coverage highlights

INVESTMENT TRUST  
**INSIDER**

**Augmentum rallies as fintech fund raisings defy downturn**

By Jeremy Gordon / 17 Apr, 2020

**The Telegraph** By Richard Evans  
20 August 2020 - 6:00am

Questor: as Invesco bond veterans step down from their funds, should investors worry?

*[Augmentum] offers something truly different and the wisdom of its choice of holdings appears proven by their ability to withstand the epidemic.*

**investors CHRONICLE**

Podcasts September 7 2020

**John Baron: "Investment trusts are a superior option"**

*Augmentum Fintech offers tremendous potential.*

**CITYA.M.**

**Augmentum Fintech raises £28m in oversubscribed placing**

Friday 30 October 2020 1:29 pm

**QuotedData**  
BY MARTEN & CO

**Augmentum proves resilient in face of crisis**

16 July 2020 | QuotedData | Global | Show 3 Sectors

INVESTMENT TRUST  
**INSIDER**

**Trust Watch: winners & losers six months after Covid crash**

By Gavin Lumsden / 25 Sep, 2020

**Biggest Risers: 4. Augmentum Fintech**

**investors CHRONICLE**  
Simon Thompson July 20 2020

**“ Watchlist small caps on the upgrade**

Simon Thompson

*A fintech winner... There is no doubt in my mind that Augmentum is performing well.*

**W.M WEALTH MANAGER**

**PRIVATE EQUITY THE STATE OF PLAY IN THE UK**

*At Wellian Investment Solutions, wealth manager Richard Philbin gets exposure to private markets both by investing in dedicated private equity funds such as 3i and the venture capital fund Augmentum which provides exposure to unlisted fintech firms.*

*'I've invested in Augmentum for a number of our clients and portfolios'... It's a really good diversifier'*

## Awards highlights



**INVESTOR Allstars**



**Thank you**



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# Gross Portfolio Value Table

Six months ended 30<sup>th</sup> September 2020

	Fair value of holding at 31 March 2020 £'000	Net investments/ (realisations) £'000	Investment return £'000	Fair value of holding at 30 September 2020 £'000	% of portfolio
Interactive Investor <sup>^</sup>	21,807	-	387	22,194	16.9%
Tide	14,221	-	-	14,221	10.9%
BullionVault <sup>^</sup>	11,191	(446)*	923	11,668	8.8%
Onfido	10,867	-	1	10,868	8.3%
Farewill	7,216	2,573	802	10,591	8.1%
Monese	10,159	1,000	(879)	10,280	7.9%
Zopa <sup>^</sup>	7,930	503	398	8,831	6.7%
Grover	6,267	894	863	8,024	6.1%
Iwoca	7,600	252	15	7,867	6.0%
Receipt Bank	7,500	-	-	7,500	5.7%
<b>Top 10 Investments</b>	<b>104,758</b>	<b>4,776</b>	<b>2,510</b>	<b>112,044</b>	<b>85.4%</b>
Other Investments	18,374	345	176	18,895	14.6%
<b>Total Investments</b>	<b>123,132</b>	<b>5,121</b>	<b>2,686</b>	<b>130,939</b>	<b>100.0%</b>

<sup>^</sup> Held via Augmentum I LP

\* During the period WhiskyInvestDirect was spun out of BullionVault and is now held directly by Augmentum I LP. WhiskyInvestDirect's value of £446,000 is included within Other Investments as at 30 September 2020.



# Consolidated Income Statement

Six months ended 30<sup>th</sup> September 2020

	Note	Six months ended 30 September 2020			Six months ended 30 September 2019		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains on investments held at fair value		-	2,686	2,686	-	4,646	4,646
Investment income		7	-	7	57	-	57
AIFM Fees and Carried Interest	2	(153)	2,367	2,214	(130)	(182)	(312)
Other expenses		(1,190)	(20)	(1,210)	(1,052)	(38)	(1,090)
<b>(Loss)/return before taxation</b>		<b>(1,336)</b>	<b>5,033</b>	<b>3,697</b>	<b>(1,125)</b>	<b>4,426</b>	<b>3,301</b>
Taxation		-	-	-	-	-	-
<b>(Loss)/return attributable to equity shareholders of the parent company</b>		<b>(1,336)</b>	<b>5,033</b>	<b>3,697</b>	<b>(1,125)</b>	<b>4,426</b>	<b>3,301</b>
<b>Earnings per share*</b>	3	<b>(1.1)</b>	<b>4.3</b>	<b>3.2</b>	<b>(1.1)p</b>	<b>4.2p</b>	<b>3.1p</b>

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

# Our experienced management team are ex-operators and entrepreneurs with deep sector expertise

## Management team



Tim Levene



Richard Matthews



Martyn Holman



Perry Blacher



Ellen Logan



Georgie Hazell



Akash Bajwa



## Advisory board



Edward Wray



Phillip Riese



Josh Hannah



Bronek Masojada

