

This document is issued by Augmentum Fintech plc solely in order to make certain particular information available to investors in Augmentum Fintech plc (the “Company”) before they invest, in accordance with the requirements of the United Kingdom Financial Conduct Authority (“FCA”) Handbook rules implementing in the United Kingdom the UK version of the Alternative Investment Fund Managers Directive (2011/61/EU) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended, as further amended by UK legislation (“AIFM Directive”) and the EU Regulation on Sustainability-related Disclosures in the Financial Services Sector (2019/2088). It is made available to investors in the Company by being made available at www.augmentum.vc.

Potential investors in the ordinary shares of 1p each in the capital of the Company (the “Shares”) should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

AUGMENTUM FINTECH PLC

INVESTOR DISCLOSURE DOCUMENT

June 2021

IMPORTANT INFORMATION

Regulatory status of the Company and its Alternative Investment Fund Manager (“AIFM”)

Augmentum Fintech plc is an “alternative investment fund” (“AIF”) for the purposes of the AIFM Directive and the Company has appointed Frostrow Capital LLP (“Frostrow”), to act as its AIFM. Frostrow is authorised and regulated by the FCA as a “full scope UK AIFM” for the purposes of the AIFM Directive.

The Shares are listed on the premium segment of the Official List of the FCA and are admitted to trading on the main market of the London Stock Exchange. The Company is subject to its articles of association, the Listing Rules of the FCA (the “Listing Rules”), the Disclosure Guidance and Transparency Rules, the Companies Act 2006 and the Financial Services and Markets Act 2000.

The provisions of the Company's articles of association are binding on the Company and its shareholders (“Shareholders”). The articles of association set out the respective rights and restrictions attaching to the Shares. These rights and restrictions apply equally to all Shareholders. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's articles of association. The Company's articles of association are governed by English law.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain, required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulation, the Company and its AIFM, Frostrow, and their directors and members will not be responsible to persons other than the Shareholders for their use of this document, nor will they be responsible to any person (including the Shareholders) for any use which they may make of this document other than to provide information to invest in the Shares.

This document does not purport to provide complete details of the Company and potential investors should not solely rely upon this document when determining whether to make an investment. Furthermore, investors should refer to the risks and disclaimers contained within the Company's latest annual report, which can be found on the Company's website: www.augmentum.vc.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and the Shares.

Frostrow may amend the information set out in this document from time to time.

No advice

The Company and its AIFM, Frostrow, and their directors and members are not advising any person in relation to any investment or other transaction involving the Shares. Recipients must not treat the contents of this document or any subsequent communications from the Company, the AIFM or any of their subsidiaries, affiliates, officers, directors, members, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in the Shares.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. No action has been taken by the Company that would permit an offer of the Shares or distribution of any offering or publicity material in any jurisdiction where action for that purpose is required, other than the United Kingdom and the Republic of Ireland, where the Company may market to professional investors. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan or their respective territories or possessions. Accordingly, the Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia, the Republic of South Africa or Japan or their respective territories or possessions. The Company is not registered under the United States Investment Company Act of 1940, as amended, and investors are not entitled to the benefits of such legislation.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares.

THE COMPANY**Investment objective**

The Company's investment objective is 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 invests in early (but not seed)^ or later stage investments in unquoted fintech businesses. The Company intends to realise value through exiting the investments over time.

The Company will seek exposure to early stage businesses which are high growth, with scalable opportunities, and have disruptive technologies in the banking, insurance and wealth and asset management sectors as well as those that provide services to underpin the financial sector and other cross-industry propositions.

Investments are expected to 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 intends to invest in unquoted companies and will ensure that the Company has suitable investor protection rights where appropriate. The Company may also 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 the Partnership*).

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

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 Management Team will actively manage the portfolio to maximise returns, including helping to scale the team, 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 object 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 per cent. of Net Asset Value; and
- at least 80 per cent. of Net Asset Value will be invested in businesses which are headquartered in or have their main centre of business in the UK or wider Europe.

In addition, the Company will itself not invest more than 15 per cent. of its gross assets in other investment companies or investment trusts which are listed on the Official List of the FCA.

Each of the restrictions above will be calculated at the time of investment and disregard the effect of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that 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.

[^] A proposal is being put to shareholders at a General Meeting convened for 8 July 2021 to remove the exclusion of seed stage investment which, if approved, will be limited in aggregate to 1% of Net Asset Value at the time of investment.

* Augmentum I LP, a limited partnership registered in Jersey (the "Partnership"), is a wholly-owned subsidiary of the Company.

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.

Borrowing policy

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 Net Asset Value, calculated at the time of borrowing.

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. The Board has agreed prudent cash management guidelines with the AIFM to ensure an appropriate risk/return profile is maintained.

Cash and cash equivalents are held with approved counterparties, and in line with prudent cash management guidelines, agreed with the Board, AIFM and Portfolio Manager.

It is expected that the Company will hold between 5 and 15[^] 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.

[^] Subject to the approval of Shareholders at the General Meeting convened for 8 July 2021. Currently 10-20 per cent. of Gross Assets.

Changes to the investment policy

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. Non-material changes to the investment policy may be approved by the Board. In the event of a breach of the investment policy set out above and the investment and gearing restrictions set out therein, the Management Team shall inform the AIFM and the Board upon becoming aware of the same and if the AIFM and/or the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

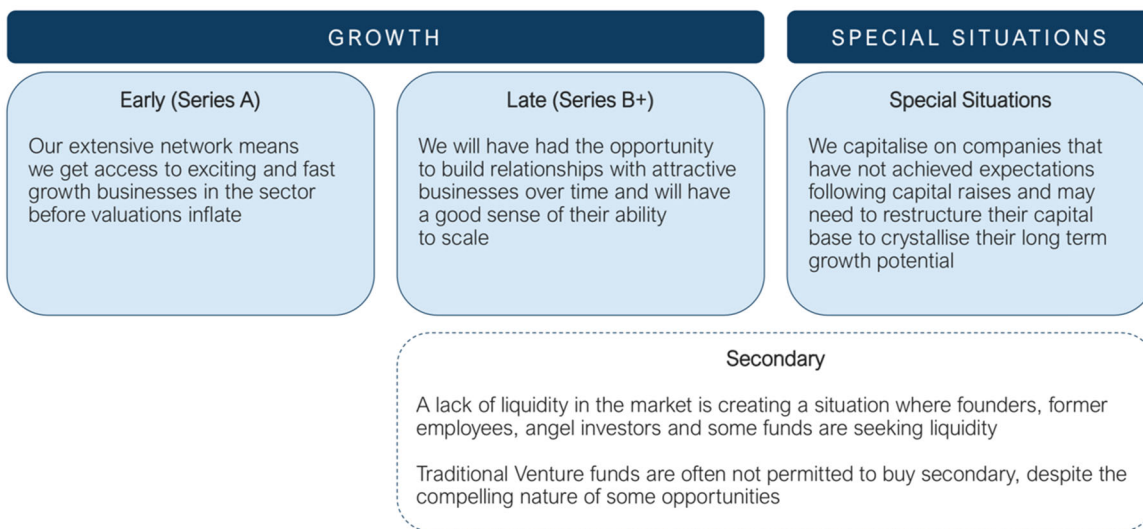
Investment strategy

Model

The Management Team invests the Company's assets predominantly in the areas of opportunity outlined below.

INVESTMENT STRATEGY

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



Early (Series A)

These are early stage investments in fledgling fintech businesses. To help to mitigate risk the Company will generally not invest in seed stage businesses (save through the Scout Programme) but will instead wait until the first institutional round after proof of concept has been delivered. The Management Team will, however, routinely meet and track seed stage businesses so that the Company is ready to make potential investments when these businesses meet the Company's investment criteria for post-seed stage investments. This can be a highly effective way for the Company to secure lower valuations by pre-empting a more widespread fundraising and, in addition, it benefits the investee company by avoiding the need for the founders to be distracted from the business as a result of meeting potential investors at what could be a critical inflection point for the company.

Mid/Late (Series B+)

These businesses are further along in their life cycle, have a clear understanding of their market and how to address it and are raising capital that is intended to enable them to maintain or accelerate growth. Typically the Company will be joining an existing group of like-minded venture capital shareholders in these businesses.

Special situations

On occasion businesses are launched before the market is ready or raise money at an over-ambitious valuation which the business may struggle to justify. When those businesses look to the market for further capital, they often have to revise their valuation expectations and seek a lower price. In the past venture capital funds have steered clear of these businesses and focused instead on younger and higher growth companies without the "chequered" past. The Management Team believes that an opportunity exists in this area and will look to unlock value that has been built using capital already deployed in previous funding rounds.

Secondary stakes

There is a current trend for businesses to remain private for longer, creating an opportunity for the Company to provide liquidity to early shareholders of more mature businesses. In addition, the fixed, often short-term nature of traditional

venture capital GP/LP funds means that capital that has been invested in a business for some time may create the need for the fund to seek an exit prior to the opportunity reaching maximum potential. The Management Team sees this repeatedly and is keen to capitalise on these opportunities. In addition, with recently less active IPO markets, the Management Team sees opportunities to provide liquidity to founders and other funds winding down by buying secondary stakes in attractive businesses at value prices.

Investment criteria

The Management Team aims to seek out high growth fintech focused businesses originating from across Europe that demonstrate a number of the following characteristics:

- Disruptive – the Management Team look for sector-redefining propositions - businesses that aim to challenge the status quo and take a fresh approach to addressing customer needs;
- Disintermediation – businesses that compress the layers between provider and consumer. Even before compressing margins, minimising the number of layers provides financial benefits for everyone left in the chain;
- Capital efficient – businesses that will be able to scale efficiently and will not require large amounts of capital to sustain growth, particularly before proof of concept;
- Strong founder team – an exceptional team is a must. The Management Team look for founders that have the ability and grit to transform sectors and become industry leaders. The Management Team’s preferred investment opportunity has a three-person founder team: one product orientated; one technology orientated; and one commercially orientated. Not all businesses will have these three roles and the founder team may have other roles or combinations of two of the three. In the Management Team’s view, the ability of the founder team to execute is critical; even more so than the quality of the idea. Accordingly, the Management Team spends time before an investment assessing the team and after the investment in building it out;
- Compelling unit economics – the Management Team are highly data-driven and undertake significant amounts of due diligence to understand how the business will ultimately become profitable. It is critical that the lifetime value of a customer is ultimately higher than the cost of acquiring that customer. The Management Team will not originate opportunities with business models that rely on intangible revenue streams;
- Market opportunity – in financial services, significant businesses can be built in even the most specialised of sectors. Nevertheless, the Management Team seeks clarity that the scale of the opportunity is such that the investment can deliver outsized returns if the business is successful;
- Barriers to entry – the Management Team looks for businesses that have competitive barriers to entry to encourage strong margins and efficient marketing spend;
- Ability to exit – the Management Team will invest in businesses which, based on the above criteria, are anticipated to be attractive candidates for acquisition by large corporations or public ownership by institutions or by way of an IPO, with valuation return targets ranging from £50 million to in excess of £1 billion; and
- Return – the Management Team will invest in opportunities that have the potential to generate multiples of invested capital for investors.

The Company’s investments, whether primary or direct secondary transactions, will typically:

- secure a minority stake (typically 5-20per cent.) with board participation and rights in portfolio companies;
- allow the Company to participate in later follow-on funding rounds in order to minimise any dilution where possible;
- potentially require the Company to invest £5 million to £20 million over the course of several funding rounds in primary and secondary transactions; and
- afford a degree of downside protection through mechanisms such as a liquidation preference and/or anti-dilution provisions.

Dividend Policy

The Company invests with the objective of achieving capital growth over the long term and it is not expected that a revenue dividend will be paid in the foreseeable future. The Board intends only to pay dividends out of revenue to the extent required in order to maintain the Company's investment trust status.

Potential returns of capital

It is expected that the Company will realise investments from time to time. The proceeds of these disposals may be re-invested, used for working capital purposes or, at the discretion of the Board, returned to shareholders.

The Company commits to return to Shareholders up to 50 per cent. of the gains realised by the disposal of investments in each financial year. It is expected that such returns of capital would be made annually. The Company may also seek to make returns of capital to Shareholders where available cash is not expected to be substantially deployed within the following 12-18 months. The options for effecting any return of capital to shareholders may include the Company making tender offers to purchase Shares, paying special dividends or any alternative method or a combination of methods. Certain methods intended to effect a return of capital may be subject to, amongst other things, shareholder approval. Shareholders should note that the return of capital by the Company is at the discretion of the Directors and is subject to, amongst other things, the working capital requirements of the Company.

The options for effecting any return of capital to shareholders may include the Company making tender offers to purchase Shares, paying special dividends or any alternative method or a combination of methods. Certain methods intended to effect a return of capital may be subject to, amongst other things, shareholder approval. Shareholders should note that the return of capital by the Company is at the discretion of the Directors and is subject to, amongst other things, the working capital requirements of the Company.

Leverage

The Company may employ leverage through the use of borrowings, foreign currency hedging arrangements or through investment in equity related instruments in portfolio companies.

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 Net Asset Value, calculated at the time of borrowing.

For the purposes of the AIFM Directive, leverage is required to be calculated using two prescribed methods: (i) the gross method; and (ii) the commitment method; and expressed as the ratio between a fund's total exposure and its net asset value.

As measured using the gross method and the commitment method, the maximum level of leverage is 200% and 125% respectively.

The Company will not enter into collateral or asset reuse arrangements.

The AIFM will ensure that any change to the maximum level of leverage, right of the re-use of collateral or assets and any guarantee granted will be published in the Company's annual report, which can be found on the Company's website: www.augmentum.vc. In addition, the Company will notify Shareholders of any such changes without undue delay by issuing an announcement via a Regulatory Information Service.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The AIFM

Frostrow Capital LLP ("Frostrow") has been appointed to act as our AIFM for the purposes of the AIFMD. Frostrow has also been appointed as our administrator and company secretary under the AIFM Agreement.

As well as being responsible for portfolio management and risk management, the AIFM provides day-to-day company secretarial functions. The AIFM is also responsible for general administrative functions, such as the calculation and publication of the Net Asset Value, maintenance of accounting records and ensuring that we comply with our continuing obligations as an investment trust. The fees payable for the services of Frostrow as administrator and company secretary are included in the fees charged as AIFM.

The AIFM is not liable under the AIFM Agreement for any loss arising from the acts or omissions of Augmentum Fintech Management Limited ("AFML"), as applicable, to whom the AIFM delegates its portfolio management function under a

Portfolio Management Agreement, except to the extent those losses arise from fraud, wilful default or negligence on the part of the AIFM, a breach by the AIFM of the AIFM Directive or its obligations under the AIFM Agreement.

The AIFM Agreement is terminable by either the Company or the AIFM giving to the other not less than 12 months' written notice. The AIFM Agreement may be summarily terminated by the Company by notice in writing if: (a) following termination of the Investment Advisory Agreement or the Portfolio Management Agreement, as applicable, the Company and the AIFM are unable to agree within three calendar months of such termination alternative arrangements for the provision of day to day portfolio management or investment advisory services with respect to the Company and the timetable for implementing such alternative arrangements; or (b) following the suspension of the performance by the Portfolio Manager, as applicable, of its functions in accordance with the Portfolio Management Agreement, if the Company and the AIFM are unable to agree within three calendar months of the commencement of such suspension whether the Portfolio Management Agreement, should be terminated or, if so, how day to day portfolio management or investment advisory services will be provided with respect to the Company following such termination and the timetable for implementing such alternative arrangements. The AIFM Agreement may also be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material breach which fails to be remedied within 30 days of receipt of notice, or if the AIFM is required to do so by the FCA or any other governmental or regulatory body.

The Company has agreed to indemnify the AIFM against all claims by third parties which may be made against the AIFM in connection with its services under the agreement, except to the extent that the claim is due to any breach of the agreement by the AIFM or any of its employees or agents, breach of the rules of any competent regulatory authority having jurisdiction over the AIFM by any such person, breach of any statutory duty by any such person, or the negligence, wilful default or fraud of any such person or any person to whom the AIFM may have delegated any of its obligations and/or functions under the agreement, or any employee of any such person.

The AIFM Agreement is governed by the law of England and Wales.

The AIFM has delegated its portfolio management function to AFML. The AIFM does not consider that any conflicts of interest arise from the delegation of its portfolio management function to Augmentum Fintech Management Limited.

Fees

The fee payable to the AIFM is:

- (i) 22.5 basis points per annum on the net asset value up to £150 million;
- (ii) 20 basis points on the net asset value exceeding £150 million up to £500 million; and,
- (iii) 17.5 basis point on the net asset value exceeding £500 million.

The Portfolio Manager

The Company and the AIFM have appointed the Portfolio Manager, AFML, to provide investment advice and related services in respect of the Company pursuant to the Portfolio Management Agreement.

The Portfolio Management Agreement is subject to termination on not less than 12 months written notice by any party. The Portfolio Management Agreement can be terminated at any time in certain standard circumstances. The Portfolio Management Agreement is governed by the law of England and Wales.

Under the terms of the Portfolio Management Agreement, AFML is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable monthly in arrears at a rate of 1.5 per cent. of the Net Asset Value per annum, falling to 1.0 per cent. of any Net Asset Value in excess of £250 million.

AFML is entitled to a carried interest fee in respect of the performance of any investments and follow-on investments. Each carried interest fee operates in respect of investments made during a 24 month period and related follow-on investments made for a further 36 month period, save that the first carried interest fee shall be in respect of investments acquired using 80 per cent. of the net proceeds of the Company's IPO in March 2018 (including the Initial Portfolio), and related follow-on investments.

Subject to certain exceptions, AFML will receive, in aggregate, 15 per cent. of the net realised cash profits from the investments and follow-on investments made over the relevant period once the Company has received an aggregate annualised 10 per cent. realised return on investments and follow-on investments made during the relevant period. AFML's return is subject to a "catch-up" provision in its favour.

The carried interest fee is paid in cash as soon as practicable after the end of each relevant period, save that at the discretion of the Board payments of carried interest fee may be made in circumstances where the relevant basket of investments has been realised in part, subject to claw-back arrangements in the event that payments have been made in excess of AFML's entitlement to any carried interest fees as calculated following the relevant period.

The management fee is used to pay the overheads of AFML, including the salaries and remuneration of the Management Team and any other employees taken on, as well as amounts put aside to provide for pension and retirement benefits, rent and utilities expenditure. The carried interest fee will be used to fund the carried interest plans which AFML implements for the Management Team. Salaries and the remuneration of the Directors, Management Team and employees of AFML (including the allocation of the carried interest fees to be paid to AFML) is determined within the framework set by the Management Engagement and Remuneration Committee.

The management fee will be reviewed from time to time by the Management Engagement and Remuneration Committee, with the intention of ensuring that the fee reflects the costs of operating AFML. The management fee may be adjusted upwards or downwards from time to time to reflect these costs. However, it is not expected that the management fee would be adjusted upwards except to compensate for any material decrease in Net Asset Value.

The Depositary

IQ EQ Depositary Company (UK) Limited has been appointed as the Depositary to the Company as required by the AIFM Directive. IQ EQ Depositary (UK) Limited is a private limited company incorporated in England and Wales (registered number 5830789) and having its registered office at 2 London Bridge, London SE1 9RA.

The Depositary carries out the core duties under Article 21(7), (8) and (9) of the AIFM Directive, which include cash monitoring, asset verification and general oversight of the Company's portfolio, in accordance with the provision of depositary services, as set out in the Depositary Agreement dated 22 February, 2018 (the "Depositary Agreement"), between the AIFM, the Company and the Depositary.

Liability and Indemnity

The provisions in the Depositary Agreement relating to the liability of the Depositary shall be construed in accordance with the AIFM Directive. In the event that a provision in the Depositary Agreement conflicts with the AIFM Directive, the AIFM Directive shall prevail.

The Depositary's liability to the Company shall not be affected by any delegation of its custody functions in accordance with the terms of the Depositary Agreement. The Depositary has discharged itself of its liability in relation to the safeguarding of custody assets to Société Générale S.A.

Fees

The Depositary is entitled to receive remuneration from the assets of the Fund. Given that the fees payable by the Company to the Depositary under the Depositary Agreement are calculated by reference inter alia to the assets held, there is no maximum amount payable under the Depositary Agreement.

The fees stipulated below have been agreed between the parties and may be amended to include such other fees at such rates at such times as may be agreed from time to time between the Company and the Depositary: -

Annual depositary fee:	GBP	25,000
Annual depositary fee per investment	GBP	500
Fee per investment/disposal:	GBP	350

Custody of Custodial Assets fees (if applicable):

Custodial Assets of the AIF will be held in custody by Société Générale S.A., Dublin Branch as the Depositary's global sub-custodian. Any fees of the global sub custodian will be payable by the Company.

Termination

The Depositary Agreement may be terminated by either party by giving not less than six months' notice in writing (or such shorter notice as such other party may agree to accept) or immediately if either party is in material breach of any of the terms of the Depositary Agreement.

Transfer and reuse of the Company's Assets

The Depository may not use or re-use the Company's securities or other investments without the prior consent of the Company.

The Auditor

BDO LLP.

The auditor provides audit services to the Company.

The Registrar

Link Group.

The Registrar maintains the Company's register of members.

Joint Brokers

Peel Hunt LLP

N+1 Singer

Fees, charges and expenses

Additional fees payable by the Company to those set out above include: legal fees, auditor fees, registrar's fees, broker commissions, directors' fees, professional services fees and expected expenses.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

SHAREHOLDER INFORMATION

Annual Reports and Accounts

Copies of the Company's latest annual and half year reports may be accessed on the Company's website: www.augmentum.vc.

Publication of Net Asset Values

The latest net asset value per ordinary share of the Company may be accessed on the Company's website: www.augmentum.vc.

Valuation Policy

The Net Asset Value of the Company and the Net Asset Value per Share are calculated in Sterling by the AIFM on a semi-annual basis as at 30 September (unaudited) and 31 March (audited).

The Net Asset Value is the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with IFRS on the basis of market value.

The AIFM will determine the value of investments that are not publicly traded using recognised valuation methodologies in accordance with the International Private Equity and Venture Capital Valuation Association valuation guidelines (IPEVCA Guidelines) or any other guidelines the AIFM and Board considers appropriate. These methods will include primary valuation techniques, such as revenue or earnings multiples, discounted cash flow analysis or recent transactions, in accordance with the IPEVCA Guidelines.

Where an investment has been made recently the Company may use cost as the best indicator of fair value. In such a case changes or events subsequent to the relevant transaction date would be assessed to ascertain if they imply a change in the investment's fair value.

Such valuations prepared by the AIFM will be approved by the Audit Committee at least twice a year. If the Board considers that any of the above bases of valuation are inappropriate in any particular case, or generally, it may adopt such other valuation procedures as it considers reasonable in the circumstances.

Publicly traded securities will be valued by the AIFM by reference to their bid price or last traded price, if applicable, on the relevant exchange in accordance with the Association of Investment Companies' valuation guidelines and applicable accounting standards. Where trading in the securities of an investee company is suspended, the investment in those securities will be valued at the AIFM's estimate of its net realisable value. In preparing these valuations, the AIFM will take into account, where appropriate, latest dealing prices, valuations from reliable sources, comparable asset values and other relevant factors.

Details of each semi-annual valuation will be announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant six-month period.

The calculation of the NAV may be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator) which prevents the Company from making such calculations.

Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's annual reports, which are available on the Company's website: www.augmentum.vc.

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

Purchases and sales of Shares by investors

The issue of new Shares by the Company, either by way of a fresh issue of Shares or by way of the sale of Shares from treasury, is subject to the requisite Shareholder authorities being in place and all Listing Rule requirements having been met. Shares can also be bought in the open market through a stockbroker or other financial intermediary. Shares qualify fully for inclusion within tax-efficient ISA wrappers. Further information on how Ordinary Shares may be purchased is set out in the section headed "How to Invest" on the Company's website: www.augmentum.vc.

New Shares may be issued only at a premium to net asset value, at the Board's discretion.

While the Company will typically have shareholder authority to buy back Shares, shareholders do not have the right to have their Shares purchased by the Company.

The Company is a public company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Act 2006. Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims on misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult their own legal advisers.

Jurisdiction and applicable law

The agreement between the Shareholders and the Company for the acquisition of Shares is governed by English law and, by purchasing Shares, Shareholders agree that the courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with the purchase of Shares will be in English.

The UK has acceded to the Hague Convention on Choice of Courts Agreements 2005 (the "Hague Convention") which applies between the EU member states, Montenegro, Denmark, Mexico, Singapore and the UK and provides for the recognition of foreign judgments in respect of contracts which contain an exclusive jurisdiction clause. The UK has also applied to re-join the Lugano Convention 2007 which would permit for the recognition of judgments based on contracts

under the laws of member states regardless of whether the contract contains an exclusive or a non-exclusive choice of law clause in the states that are parties to that convention (i.e. EU member states and Iceland, Norway and Switzerland). However, each member of the Lugano Convention (EU, Iceland, Norway and Switzerland) has a veto on the accession of new members and UK accession may not occur.

Fair treatment of investors

As a company listed on the Official List of the FCA, the Company and the AIFM are required to treat all shareholders of a given class equally. The Company has only one class of Shares, each of which possesses the same voting, dividend, and economic rights.

The AIFM has procedures, arrangements and policies in place to ensure compliance with the principles more particularly described in the AIFM Directive relating to the fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- acting in the best interests of the Company and of the Shareholders;
- ensuring that the investment decisions taken for the account of the Company are executed in accordance with the Company's investment policy and objective and risk profile;
- ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;
- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- preventing undue costs being charged to the Company and Shareholders;
- taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and
- recognising and dealing with complaints fairly.

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

In addition, as its Shares have been admitted to the Official List, the Company is required to comply with, among other things, the FCA's Listing Rules and Disclosure Guidance and Transparency Rules and the Takeover Code, all of which operate to ensure a fair treatment of investors.

In particular, as directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

As at the date of this document, no investor has obtained preferential treatment or the right to obtain preferential treatment.

The Company's Shares rank *Pari Passu*.

RISK FACTORS

The principal risks currently facing the Company are set out under the heading "Principal Risks and Risk Management" in the latest annual report of the Company, which can be found on the Company's website: www.augmentum.vc.

RISK MANAGEMENT

Risk profile

In accordance with the AIFM Directive, the AIFM will ensure that the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks in relation to the Company's portfolio is published in the Company's latest annual report, which can be found on the Company's website: www.augmentum.vc.

Risk management systems

The AIFM has established risk management systems in order to manage key risks. Further details regarding the risk management process is available from the AIFM, on request.

Liquidity risk management

The AIFM maintains a Liquidity Management Policy to monitor the liquidity risk of the Company. Shareholders have no right to redeem their Shares from the Company but may trade their Shares on the secondary market. However, there is no guarantee that there will be a liquid market in the Shares.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations of the Company as they fall due.

It is expected that the Company will hold between 5 and 15 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.

Further details regarding liquidity management are available from the AIFM, on request.

In accordance with the AIFM Directive, the AIFM will ensure that the following information in relation to the Company's portfolio is published in the Company's annual report, which can be found on the Company's website: www.augmentum.vc:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature; and
- any new arrangements for managing the liquidity of the Company.

Professional negligence liability risks

The AIFM maintains professional indemnity insurance at the level required under the AIFM Directive in order to cover potential liability risks arising from professional negligence.

The manner in which sustainability risks are integrated into the investment decisions of the AIFM.

The AIFM has delegated its portfolio management function to AFML and therefore does not take any investment decisions on behalf of the Company.

AFML believes that the integration of Environmental, Social and Governance ("ESG") factors within its investment analysis, diligence and operating practices is pivotal in mitigating risk and creating sustainable, profitable investments.

ESG principles adapted from the UN PRI (Principles of Responsible Investment) are integrated throughout business operations; in investment decisions, at the screening stage through an exclusion list and due diligence, ongoing monitoring and engaging with portfolio companies post-investment and when making follow-on investment decisions, as well as within fund operations. Further detail is included in the Company's annual report, which can be found on the Company's website: www.augmentum.vc.

The likely impacts of sustainability risks on the returns of the Company

AFML and the AIFM have determined that the sustainability risk (being the risk that the value of the Company could be materially negatively impacted by an environmental, social or governance event or condition) faced by the Company, given that ESG factors are integrated into the investment process, is low and it has not been listed amongst the Company's principal risks and uncertainties in its annual report.