

AGM PRESENTATION



11<sup>th</sup> September 2019

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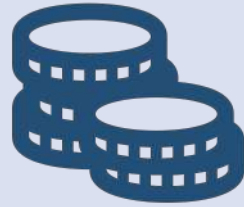
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# HIGHLIGHTS | SINCE IPO



## Financial highlights at Annual Report<sup>1</sup>

**£94m**

Launch size of fund was £94m on 13<sup>th</sup> March 2018

**28%<sup>2</sup>**

Unrealised annualised IRR of 28% on seed portfolio, taking value to £43m

**109.6p**

10.7% uplift in NAV per share from 99 pence to 109.6 pence

## Total deployment since IPO

**£92m**

We are 72% invested... earmarked for two near term opportunities

... with up to **£15m**



## Operational highlights since IPO

**£3bn**

We have reviewed >950 opportunities, with combined capital requirements of ~£3bn

**1%**

We have made 10 new investments – just 1.1% of the opportunities that we've seen

**90%**

We have secured 90% of the deals where we have offered Term Sheets

**£300m**

... and have >£300m of active Investment opportunities in our pipeline

<sup>1</sup>As of 31<sup>st</sup> March, 2019; <sup>2</sup>Annualised as of 31<sup>st</sup> March 2019 valuations

# OUR PROFILE CONTINUES TO GROW...

## The Daily Telegraph

Thursday 10 January 2019 The Daily Telegraph

### Business

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



Questor Trust Bargains  
Richard Evans

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

QUESTOR'S investment trust pick of the year, which we name today, aims to buy assets with the potential for "exponential" growth. These assets are stashed 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 "blue-sky" approach is risky, and indeed it is - but the people behind the trust are bank-broked and experienced. Although the fund itself floated only in March last year, elements of it, managed by the same team that now runs the trust, have existed since 2010, and

were excellent at about 17pc a year. The trust was effectively spun out of RIT Capital Partners, a regular listed fund set up to manage the wealth of part of the nottishild family.

Augmentum Fintech Buy

Managers have excellent access to deals but expect 90pc of them

A portfolio of unlisted fintech stocks is partly owned by RIT became the core of the new trust, while the flotation raised about £70m of new money, which is now being invested in similar opportunities. The management team, led by Tim Levene and Richard Matthews, has decades of experience in private equity investing and as a result possesses the extensive networks of contacts crucial to getting access to the right potential investments. "We have great confidence in this team," said Anthony Leadham, an investment trust analyst at Peel Hunt, the stockbroker. "A lot depends on how chosen in your



**Key numbers**  
 ♦ Market value: £92.5m  
 ♦ Year of listing: 2018  
 ♦ Discount: 5.4pc  
 ♦ Ave discount over past year: n/a  
 ♦ Yield: nil  
 ♦ Most recent year's dividend: nil  
 ♦ Annual charge (P/E): 2.2pc

with banks and financial services providers, we see fintech's market share increasing exponentially from here. Augmentum is well placed to participate in this growth."

The trust currently trades at a discount of 5.4pc. A trust that takes a similar approach to investing in healthcare companies, Syncona, trades at a premium of about 25pc.

Questor says: buy  
 Ticker: AUGM  
 Share price at close: 98.4p

**Update: Tetragon Financial**  
 We tipped Tetragon Financial, which has a diversified portfolio of assets including stakes in other asset management businesses. In October 2017 on the basis that the 3.9pc discount at the time was too wide. Unfortunately the discount has widened to 46pc and as a result the share price is about 9pc lower. The trust recently sold a stake in one of its asset management businesses, Greentek Real Estate. Tom Treason, of Asset Value Investors, said his firm had increased its stake in Tetragon since our original article. He said the investment case was

It's not just a question of access to opportunities, however: it's vital to be discriminating about which ones you actually invest in. The Augmentum team's record suggests that they are just that.

Private equity insiders talk about the "loose-to-tight ratio" - the number of opportunities you look at relative to the number you put money into. Over the investment period of the previous portfolio more than 1,000 leads were whittled down to only seven investments, said Peel Hunt, which is Augmentum Fintech's broker.

selective in its investments, isolating only those that have the greatest potential to generate multiples of invested capital," he broker added.

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

By G.A. Chester / Thursday, 31st January, 2019 / More on AUGM

John Glen MP  
@JGlenUK  
Following

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

investors CHRONICLE  
Simon Thompson January 31, 2019  
Bargain Shares 2019

Augmentum Fintech (AUGM)  
 Main: Share price: 103p  
 Bid-offer spread: 102.5-103p  
 Market value: £96.8m  
 Website: augmentum.xx

**Augmentum Fintech (AUGM)**, a leading venture capital investment group, became the first publicly listed fintech fund in the UK when it listed its shares on the London Stock Exchange in March 2018 and raised £94m, at 100p a share.

The company's objective is simple: back Europe's most exciting fintech businesses that are disrupting and enhancing the traditional financial services industry. Typically, this will be at an early stage, not seed capital but at Series A and B investment rounds where there is more visibility on a company's potential. At the same time, Augmentum investment team looks for value in fintechs that have not fulfilled their early promise and perhaps lofty valuations. These companies can require fresh capital, restructuring and impetus to build on a solid base that has sometimes taken longer to mature than early investors had anticipated. The ultimate aim of Augmentum is to have a portfolio of around 15 to 20 holdings once it is fully invested.

**Portfolio offers strong investment prospects**  
 Augmentum's starting portfolio of five holdings was valued at £23.3m 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 lent more than £3.7bn to 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 £18.5m in March 2018 to £22m.

Moreover, 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 launch 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 playing the upside in interactive investor (ii), a leading UK investment platform offering analysis, tools and expert ideas to help investors make better informed investment decisions. It's award-winning trading platform provides access to an extensive choice of markets, instruments and currencies within trading, individual savings accounts (ISAs) and self-invested personal pensions (SIPPs) accounts.

alt fi  
 Augmentum: One of 2018's most active UK fintech investors  
 By David Lupton on 30th September 2018

As the investment trust announces a new £2.5m investment in

Companies in this Article

### 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

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.

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

### Augmentum Fintech Sees Portfolio Rise In First Interims Since IPO

LONDON (Alliance News) - Augmentum Fintech PLC reported its first interim results Monday since ...

Alliance News | 26 November, 2018 | 12:49PM

LONDON (Alliance News) - Augmentum Fintech PLC reported its first interim results Monday since listing on the London Main Market in March.

In the period from incorporation on December 19 last year to September 30, the fintech venture capital investor had a net asset value total return of 5.1%.

master investor  
 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.

### Promising start for new Fintech fund

FINTECH

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

### 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).

### Augmentum: the FCA is great and Interactive Investor has a big future

INVESTMENT TRUST INSIDER  
 Your independent guide to investment trusts and investment companies  
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Augmentum: the FCA is great and Interactive Investor has a big future  
 By Gavin Lumsden · 02 Aug, 2019

# THE AUGMENTUM TEAM

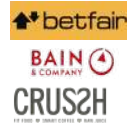
A well-networked management team involved in some of Europe's most attractive and compelling fintech businesses, with over 80 years of entrepreneurial, operational and investment experience

## Team



**Tim Levene**  
CEO

- Started career at Bain & Co
- Founding employee of Flutter.com which merged with Betfair
- Founded Augmentum in 2010
- Young Global Leader at World Economic Forum
- Innovate Finance Global Ambassador



**Richard Matthews**  
COO

- Started career at PwC
- CFO of Flutter.com between 1999-2001, raising \$30m venture capital
- Finance Director of Benchmark Capital Partner at Manzanita Capital
- Founded Augmentum in 2010



**Perry Blacher**  
Partner

- Fintech specialist Advisor/Non Exec (Fairpoint Plc, Onfido...)
- VC at Episode 1 & Amadeus Capital
- VP International at Zulilly 2013 up to Nasdaq IPO
- Founder/CEO of two businesses sold to public companies (Serum 2002 & Covestor 2007)
- McKinsey & Co in 1996, Microsoft 1998



**Martyn Holman**  
Partner

- 5 years at Forward Partners and Oxford Capital Partners
- Co-founded LMAX exchange
- Key member of early Betfair team
- 6 years at The Boston Consulting Group



**Freddie Evans**  
Associate



**Ellen Logan**  
Associate



**Rahil Patel**  
Analyst



**Georgie Hazell**  
Head of Engagement



**Nigel Szembel**



## Advisory Board



**Edward Wray**

- Co-Founder of Betfair
- Prolific fintech investor, which includes investments in Funding Circle, LMAX, Curve, Prodigy Finance, Property Partner



**Philip Riese**

- Former president American Express Consumer Card Group and chairman of American Express Centurion Bank
- Prolific fintech investor



**Josh Hannah**

- Co-founder of Flutter.com, Silicon Valley entrepreneur and investor
- General partner at Matrix Partners



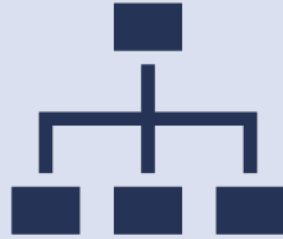
**Bronek Masojada**

- CEO of Hiscox since 2000
- Deputy Chairman of Lloyd's 2001-2007
- McKinsey & Co 1993-1997



# WHAT DIFFERENTIATES AUGMENTUM?

1



## LISTED STRUCTURE

- Patient capital
- IRR driven
- Liquidity in VC investing
- Ability to scale capital rapidly
- Self-sustaining at scale
- Opens an emerging and hard to access asset class for institutional and retail investors
- Provides indirect exposure to public markets for portfolio companies

2



## SECTOR SPECIALISTS

- Access to the most exciting deals
  - Extensive network
  - Proactive sourcing of deals
  - High conversion rate
- Deep sector knowledge
  - We can cut through the noise
  - Expertise across a variety of sub-sectors
- A team of operators
  - A total of 80 years' experience as tech entrepreneurs and tech investors
  - Engaged investors, typically with board oversight across each investee company

3



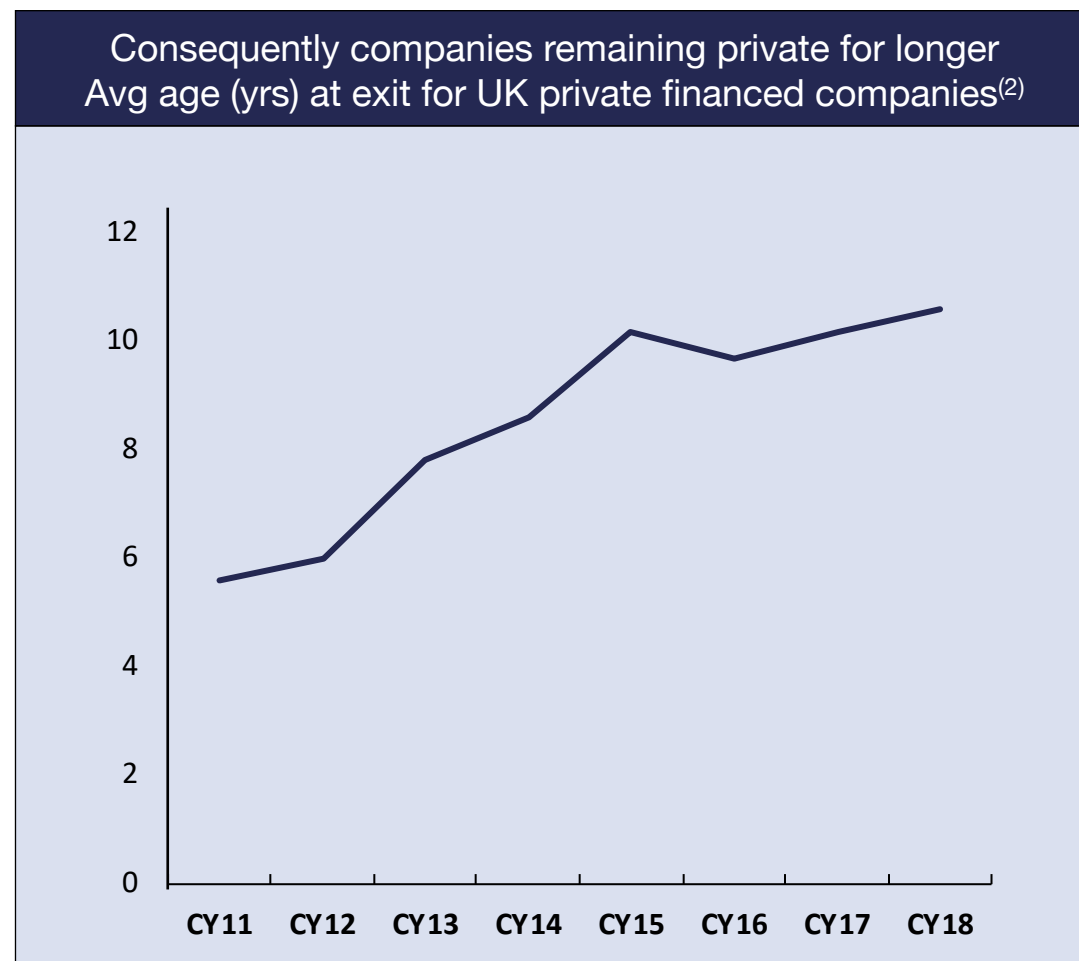
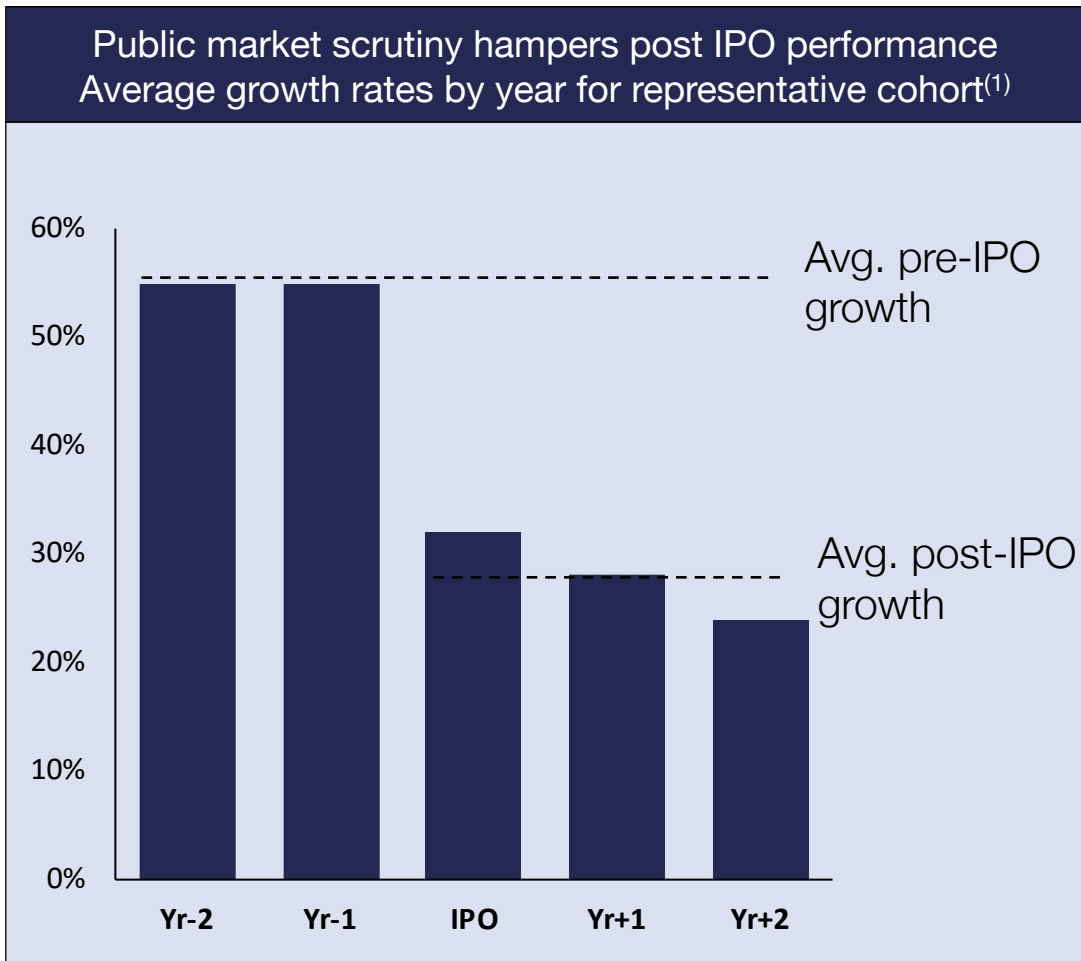
## EUROPEAN FOCUS WITH UK BIAS

- We invest in Europe, where the fintech opportunity is still in its nascency
- ... and is being driven by the UK
  - More VC capital was invested in UK fintech in 2018 as the rest of Europe combined (\$1.7bn)<sup>1</sup>
- We target post-seed fintechs and leverage our permanent capital to follow-through all the way to exit

<sup>1</sup>Innovate Finance 2018 FinTech VC Investment Landscape

# PERMANENT CAPITAL IS AN OPTIMUM CHOICE FOR TODAY'S BUSINESS CYCLE

Public market pressures are leading companies to stay private for longer

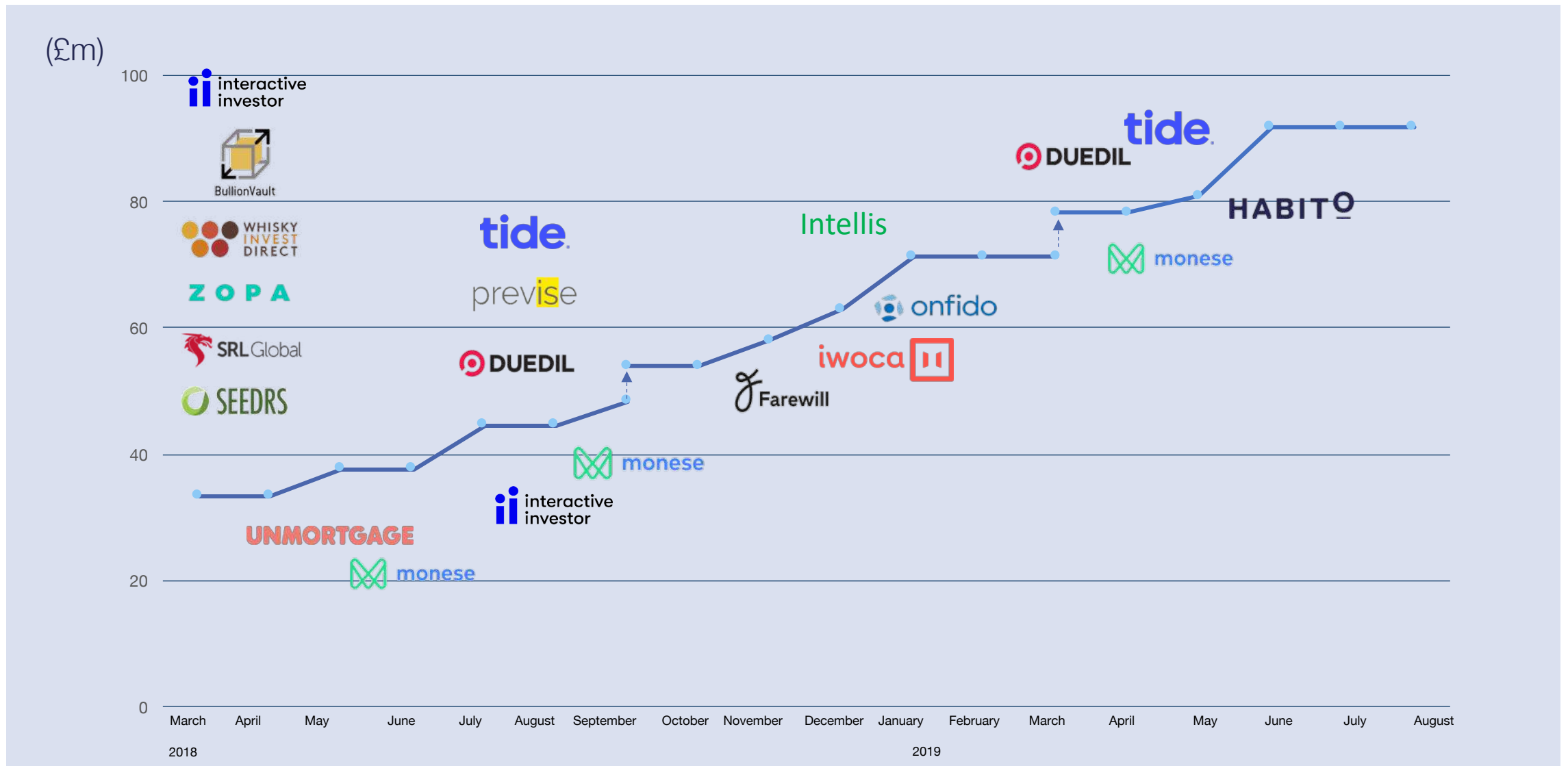


Sources: MGI plus IPO broker research (17 Aug 2018), Merian Global Investors research

(1): Cohort assessed included Just Eat (UK sales), Blue Prism, Fever Tree, boohoo.com, Alfa Financial software, Alpha FX, MindGym, Sanne, Medica, FootAsylum, Joules, Codemasters, Boku (ex social), Aquis Exchange

(2): Defined as duration from, first engagement with private finance to subsequent exit (exits > \$250m)




# PORTFOLIO EVOLUTION SINCE IPO





# PORTFOLIO IS SPLIT ACROSS SECTOR & INVESTMENT AREAS

A portfolio balanced across stage and sector, other than “insurtech” where we continue to evaluate opportunities

|                  |   |   |  |
|------------------|---|---|--|
| Insurance        |   |   |  |
| Rails            | Intellis  | onfido  | DUEDIL   |
| Asset management |  Farewill<br> SEEDRS<br> SRL Global<br> UNMORTGAGE<br> WHISKY INVEST DIRECT |  BullionVault  |  interactive investor |
| Banking          |  previse  |  monese<br> iwoca<br> tide<br> HABITO |  ZOPA               |
|                  | Early growth  | Late growth   | Special Situations   |

Key  Primary and secondary investment

# PORTFOLIO HIGHLIGHTS



## Investment Value

- £22.0m

## Completion Date

- March 2018

## Description

- World's first P2P lending platform

## Highlights

- Received banking license in Dec 2018
- Best Personal Loan Provider at British Bank Awards for 3 years running

## Board representation

- Yes

## Key Metric

- Loan disbursements grew from £49m in 2010 to >£1bn in 2018

## Investment Value

- £10.1m

## Completion Date

- March 2018

## Description

- Digital investment platform

## Highlights

- No 2 D2C platform in UK
- Announced acquisition of Alliance Trust Savings

## Board representation

- No\*

## Key Metric

- AUA from £2bn in 2013 to ~£35bn today

## Investment Value

- £8.4m

## Completion Date

- March 2018

## Description

- Precious metals investment and trading platform

## Highlights

- ~\$2bn in metals and cash on platform
- Owner of Whisky Invest Direct

## Board representation

- Yes

## Key Metric

- Over 7m litres of whisky stored through WID platform

## Investment Value

- £7.5m

## Completion Date

- January 2019

## Description

- Alternative SME lender

## Highlights

- Provides easy, fast and flexible lending to SMEs
- Operational in UK, Germany and Poland

## Board representation

- Yes

## Key Metric

- Total funding of £796m to over 25,000 businesses

## Investment Value

- £9.0m

## Completion Date

- September 2018

## Description

- Pan-European challenger banking service

## Highlights

- 1 million registered customers
- Launched business banking in Jan 2019

## Board representation

- Yes

## Key Metric

- 75% of incoming funds from salary payments

All valuations as at 31st March 2019 plus value of any investments made between 31 March and 6th September 2019 \* Tim Levene retired as board director in Jan 2019 after 4+ years on the board

# PORTFOLIO HIGHLIGHTS



## Investment Value

- £10.0m

## Completion Date

- July 2018

## Description

- SME banking

## Highlights

- Awarded £60m in BCR process<sup>1</sup>
- 1.4% of SME market
- \$200m+ in deposits

## Board representation

- Yes

## Key Metric

- 1 in 12 new accounts opened with Tide



## Investment Value

- £4.0m

## Completion Date

- December 2018

## Description

- Financial and legal services platform for dealing with death

## Highlights

- Farewill writes 1 in 25 UK wills
- Launched probate offering

## Board representation

- Yes

## Key Metric

- >30,000 wills written since launch



## Investment Value

- £4.0m

## Completion Date

- March 2019

## Description

- Digital KYC verification service

## Highlights

- 1,500 customers
- Operates in 200 countries

## Board representation

- No

## Key Metric

- >20m applicants checked since April '18



## Investment Value

- £5.0m

## Completion Date

## Description

- Rent-to-own specialist

## Highlights

- Completed £2.4bn in submissions since April '16

## Board representation

- Yes

## Key Metric

- Habitat has helped >200,000 people better understand their mortgage needs



## Investment Value

- £3.0m

## Completion Date

- July 2018

## Description

- Private company information tool

## Highlights

- API solution covers 131m companies
- Launched CRM cleansing tool

## Board representation

- Yes

## Key Metric

- +560% increase in annual contract value from top 25 clients over last 3 years

+6 other investments totaling £8.9m

All valuations as at 31st March 2019 plus value of any investments made between 31 March and 6th September 2019; 1. The 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