Augmentum

Augmentum Fintech plc

Half Year Report for the six months ended 30 September 2021

Investing in Fintech.

ABOUT AUGMENTUM FINTECH PLC

Augmentum Fintech plc (the "Company") is the UK's only publicly listed investment company focusing on the fintech sector, having launched on the main market of the London Stock Exchange in 2018, giving businesses access to patient funding and support, unrestricted by conventional fund timelines.

We invest in early and later stage fast growing fintech businesses that are disrupting the banking, insurance, asset management and wider financial services sectors.

Portfolio management is undertaken by Augmentum Fintech Management Limited ("AFML"). AFML is a wholly owned subsidiary of the Company, together referred to as the "Group".

From left to right: Richard Matthews and Tim Levene of Augmentum Fintech Management Limited, David Haysey, Chairman of the Management Engagement & Remuneration Committee and Valuations Committee, Conny Dorrestijn, Neil England, Chairman of the Board and Nominations Committee and Karen Brade, Chairman of the Audit Committee.

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CHAIRMAN'S STATEMENT

Introduction

This report covers your Company's progress in the six months to 30 September 2021 and its financial position as at that date.

Investment Policy

Your Company invests in early stage fintech businesses which have disruptive technologies and offer the prospect of high growth with scalable opportunities, a policy consistent with our objective to provide long term capital growth to shareholders.

Performance and Transactions

I am pleased to report that the investments continued to perform well in the half year to 30 September 2021, with an increase in the Group's NAV per share of 13.3% and an increase of 9.0% in the NAV per share after performance fee*.

During the period under review new investments were made in Tesseract (Finland), Anyfin (Sweden), Cushon (UK), Epsor (France), and Gemini (US). The Company made its first disposal in the period, with the sale of Dext (previously Receiptbank) realising a 30.5% IRR* over an investment period of just 15 months.

The Portfolio Manager's report, beginning on page 8, includes a detailed review of the portfolio and investment transactions in the period.

Fundraising

The Company's fundraise in July raised gross proceeds of £55 million and was significantly oversubscribed, endorsing our investment thesis. 40,590,406 new ordinary shares were issued at 135.5p per share by way of the initial placing, open offer, offer for subscription and intermediaries offer. The issue price represented a premium of 3.9% to the NAV per ordinary share as at 31 March 2021 and a discount of 6.1% to the closing price per ordinary share on 11 June 2021 (this being the last business day prior to the announcement of the issue price). The Portfolio Manager has developed an interesting pipeline of investments and the increase in the size of the Company will allow them to deploy resources into some of these opportunities. The enlarged size of the Company should deliver additional benefits in that the appeal of an investment company typically broadens as the company increases in size, it reduces the ongoing charge percentage and should improve market liquidity. There are now 181,013,697 ordinary shares in issue. As at the date of this report the Company has invested £158.7 million since inception and holds £43.8 million of free cash. The pipeline of investment opportunities under review by the Portfolio Manager significantly exceeds the available cash.

Portfolio Management

Our investment team continues to work very hard evaluating a wide range of investment opportunities, reviewing and challenging financial and commercial metrics in order to identify those most likely to be successful. We are active investors with a team that works

*Alternative performance measure. See note 5 and Glossary on page 38.

CHAIRMAN'S STATEMENT continued

closely with the companies we invest in, typically taking either a board or an observer seat and working with management to guide strategy consistent with long term value creation. We have built a balanced portfolio across different fintech sectors and maturity stages and are focused on managing these investments and carefully growing the portfolio further. The investment team is also committed to a responsible investment approach through the lifecycle of the investments, from pre-screening to exit, believing that the integration of Environmental, Social and Governance ("ESG") factors within the investment analysis, diligence and operating practices is pivotal in mitigating risk and creating sustainable, profitable investments. More details on this were provided in the 2021 annual report.

Performance fee

As reported in Note 18 of the 2021 Annual Report there is a mis-match between accounting standards that required the Company's subsidiary, Augmentum Fintech Management Limited ('AFML'), to recognise performance fees potentially payable to its employees based on current investment valuations but did not permit AFML to recognise the matching performance fee receivable from the Company until it was virtually certain to be paid. In order to ensure that this did not cause AFML to be in breach of its regulatory capital requirements the AFML scheme was terminated and the performance fee liability to employees as at 31 March 2021 was reversed, resulting in a credit to the Group Income Statement of £6.5 million. AFML continues to be entitled to a performance fee as before, but any performance fee paid by the Company to AFML will now be allocated to employees of AFML on a discretionary basis by the Management Engagement & Remuneration Committee of the Company. See Note 2 on page 25 for further details.

In order to ensure that shareholders can understand the potential impact of the performance fee we will report a new NAV, 'NAV per share after performance fee', in our Annual and Interim Reports. The Board considers that the NAV per share after performance fee better reflects the current value of each share. See Note 5 and the Glossary on page 38 for further details of this alternative NAV.

Board

On 21 September 2021, the Board announced the appointment of a new non-executive Director, Conny Dorrestijn, effective on 1 November 2021. I am delighted to welcome Conny to Augmentum Fintech plc. She has been an active part of the European fintech scene for many years and has worked with a number of early stage fintech businesses. Conny's skills and experiences are complementary to those of the other Directors and we value the new perspective she will bring to Board discussions. Conny also joins the Audit, Valuations, Nominations and Management Engagement & Remuneration committees.

Outlook

As we continue to adapt to this changing world, the opportunity for fintech businesses remains considerable. It is inevitable that all financial institutions, whether incumbent or new, will be touched by technological developments. The Company is well positioned to capitalise on this, as the UK's only listed specialist fintech fund. We offer access to some of Europe's most

CHAIRMAN'S STATEMENT continued

exciting fintech businesses and our recent successful fundraise has allowed us to continue to grow our portfolio.

We have an interesting and diverse set of investments and an experienced investment team. The fintech market offers substantial opportunities for further growth and as a consequence your Board remains confident that the long term investor will be well rewarded.

Neil England
Chairman

19 November 2021

INVESTMENT OBJECTIVE AND POLICY

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 or later stage investments in unquoted fintech businesses. The Company intends to realise value through exiting these investments over time.

The Company seeks 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% of Net Asset Value;
- the aggregate value of seed stage investments will represent no more than 1% of Net Asset Value; and
- at least 80% 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.

* Please refer to the Glossary on page 38.

INVESTMENT OBJECTIVE AND POLICY continued

In addition, the Company will itself not invest more than 15% 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.

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% 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% 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.

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.

PORTFOLIO

as at 30 September 2021

	Fair value of holding at 31 March 2021 £'000	Net investments/ (realisations) £'000	Investment return £'000	Fair value of holding at 30 September 2021 £'000	% of portfolio
Interactive Investor^	32,631	-	4,036	36,667	16.4%
Tide	18,962	2,200	5,166	26,328	11.8%
Grover	12,937	-	5,629	18,566	8.3%
Onfido	14,851	-	1,904	16,755	7.5%
Zopa^	9,501	-	5,725	15,226	6.8%
Monese	10,341	1,167	628	12,136	5.4%
BullionVault^	11,465	-	(418)	11,047	4.9%
Farewill	10,591	-	-	10,591	4.7%
Gemini**	-	10,243	-	10,243	4.6%
Iwoca	7,971	-	(97)	7,874	3.5%
Top 10 Investments	**129,250**	**13,610**	**22,573**	**165,433**	**73.9%**
Other Investments*	34,877	20,354	3,244	58,475	26.1%
Total Investments	**164,127**	**33,964**	**25,817**	**223,908**	**100.0%**

^ Held via Augmentum I LP

* There are fourteen other investments (31 March 2021: ten) held in the portfolio. see page 18 for further details.

** Held through Augmentum Gemini Ltd

PORTFOLIO MANAGER'S REVIEW

Overview

When I wrote to you this time last year the world was six months into the pandemic and our focus had been on ensuring that our portfolio companies were well equipped to deal with the uncertainty of the environment in which they found themselves. The pandemic is still with us, but it seems that the world is gradually learning to live with its impact and is adapting to the new normal. As a result of the nimbleness of tech led businesses and the efforts of the management teams, our portfolio has prospered over the last six months.

Fintech as a sector continues to go from strength to strength with an increasing number of investors drawn to the sector. The presence of several, and significant, new investors to the sector has led to record levels of investment and makes it more important than ever that we hold our discipline on valuations and only deploy your money into opportunities where we fully buy into the investment case as well as the business case.

One sector which has been particularly competitive is the digital currency and asset space. This is an area that in many ways is seeking to redefine the financial landscape and we have taken a number of positions to increase our exposure to it as you will note in the Investments section below. Our thesis on the space is to invest principally into the infrastructure that is being built to take the digital world into the mainstream rather than directly into the tokens themselves.

Investments

The reporting period has been a busy one for the portfolio with movements across no fewer than 13 companies. In total £44.5 million has been invested across six new additions and five follow on investments.

We have also exited two investments in the period and one post period end. As well as the previously announced sale of our investment in **Dext** for £10.5 million, we also took the opportunity to exit from two of our smaller holdings, **SRL Global**, in August, and **Seedrs**, post period end in November, at their last reported valuations of £1.0 million and £2.4 million respectively, in order to focus on opportunities that allow us to deploy more material sums.

New Investments

We have invested a total of £35.6 million across the six new companies during the reporting period.

As reported in our March results, we devoted significant effort in late 2020 to understanding the opportunities across the digital asset space, partnering with Parafi as our first proactive step in the first quarter of 2021.
In June this year we completed our first direct investment in the space by leading **Tesseract's** US$25 million Series A funding round with a $10 million (£7.3 million) investment alongside Sapphire Ventures, Leadblock Capital, Blackfin, DN Capital and Coinbase Ventures. Helsinki based Tesseract build the infrastructure to connect borrowers and (institutional) lenders in the digital asset space, helping to extend credit

PORTFOLIO MANAGER'S REVIEW continued

provision in what is currently an under-penetrated space.

In September we closed our second investment in the Nordic region with a US$10 million (£7.3 million) subscription in the $52 million Series B funding round of **Anyfin** alongside investors EQT, Northzone, Accel and GFC. Anyfin's purpose driven mission is to aggregate and refinance consumer credit at more affordable rates. This is made possible by more significant automation of the loan process, better underwriting decisions made through the availability of the refinanced credit performance history, and by broader access to both open banking data and publicly available data enrichment. The team, formed mainly of early Klarna executives, have driven significant growth across multiple markets and will use the proceeds of the round to drive broader international expansion.

Continuing the digital asset theme, and leveraging our market relationship with co-investors Parafi, we have been able to invest US$13.8 million (£10.2 million) in the first private funding round, totalling $400 million, of Gemini, a leading US based crypto exchange.

As a broad fintech focused fund we have considered a significant number of capital markets propositions since our launch in March 2018. In September we completed our first investment in the space by subscribing US$5 million (£3.7 million) of a $17 million round, led by Deutsche Börse, in the Tel Aviv headquartered but largely French domiciled company **WeMatch**. Founded in 2017, WeMatch offers a dealer-to-dealer matching, negotiation and workflow tool for traders of structured financial products. The proposition brings electronic trading capabilities to banks and other buy side firms, an environment that is still dominated by manual offline transactions and records.

As we disclosed in our March results, we also closed during the period a first €2.5 miilion (£2.2 million) investment into the French workplace savings platform **Epsor**, alongside Revaia Capital (formerly Gaia Capita) in a competitive €20 million financing round, and in parallel led the series A round with a £5 million investment in the UK based pensions aggregator, **Cushon**. We believe the workplace pensions and savings opportunity across Europe remains significant, with much disruption still to come.

The Existing Portfolio

Follow on investments have been an important part of our investment mix over the reporting period, as our companies emerge from the challenges of 2020 and embrace the opportunities created by an increasingly digital world. In total we have invested £8.9 million in follow on investments into our existing portfolio.

We first welcomed **VOLT** to the portfolio in December 2020 as announced in our March results. **VOLT** is the leading provider of account-to-account payments orchestration for international merchants and payment service providers. Broadly this means they are providing resilient payment networks using open banking rails as an alternative to traditional card rails. In June the company raised its Series A round totalling £14 million led by EQT, in which we contributed £4 million of fresh capital and converted our existing convertible loan note at a significant discount to the round price. The company is now

PORTFOLIO MANAGER'S REVIEW continued

building against its various opportunities in the space.

We invested a further £1.2 million in **Monese** as part of a round led by new investor Investec, and supported by existing investors Paypal and Kinnevik. Monese is providing its banking infrastructure as a service to support Investec's new retail banking proposition. The business continues to develop its technology platform and product which is now available in 31 countries across Europe.

Tide have continued to build and consolidate on their market leading opportunity with their SME banking platform and proposition. Now with more than 6% market share of SME current accounts, the company is the leading challenger banking platform in the space with only the incumbent big 5 banks serving more customers in the UK. The company is now well advanced in executing against identified opportunities in India, its second target market. Against these successes **Tide** completed an £80 million Series C funding round in July led by Apax Digital in which we invested £2.2 million and converted a £2 million convertible loan note.

Since obtaining its banking license in June 2020, **Zopa** has successfully launched a fixed term savings product and a credit card to address identified gaps in the market. Demand for its savings account has been strong in the low interest rate environment. As at mid-year it already had over 100,000 customers for the credit card offering, seen a 3.5 times increase in volumes for auto-loans and was enjoying disbursals significantly ahead of budget levels. Since the period end, the company has recently agreed a £220 million new funding round led by SoftBank Vision Fund in which we have secured a meaningful investment allocation.

We also made smaller investments of £1.0 million in **Wayhome** by way of a convertible loan note as they launch their unique home finance proposition and acquire their first properties, and a £0.5 million investment into **Artesian** (formerly **Duedil**) as part of the merger process between the two companies completed in September.

There has also been particularly notable performance from a number of other companies in the portfolio:

Interactive Investor (ii) has continued to build on the record client growth it experienced during the boom of 2020. The company reported 19% year-on-year revenue growth for the first half of 2021, driven primarily by continuing strong market activity offset by declining interest revenue. It also reported 33% year-on-year growth in the number of new client additions – demonstrating that the momentum built during 2020 is being sustained. As at the end of June the company had more than 400,000 customers with Assets Under Management approaching £55 billion. Since the period end, the company has announced that it is in discussions with Abrdn regarding a potential acquisition of the company. However, it continues to explore a number of options, including an IPO.

As we previously reported in our March results, **Grover** completed its Series B funding round in March, raising €60 million to further develop the rental platform and expand into new geographies. It has since considerably strengthened its balance sheet, announcing a new US$1 billion debt finance facility in July

PORTFOLIO MANAGER'S REVIEW continued

positioning the company for significant onward growth. The company recently appointed a US executive to lead operations in the US and launched a pilot programme during September with strong early market indications.

Onfido continues to build on the foundation it laid in its US$100 million financing round completed in April 2020. In the first half of 2021 it reported a 100% year-on-year increase in bookings and revenue driven by some leading marquee client signings. The business has continued to grow their share of bookings from existing clients, with strong tailwinds from trends in the digital asset space.

Performance

For the six months to 30 September 2021 we are reporting gains on investments of £25.8 million (2020: £2.7 million). Since IPO this represents an IRR of 21.5% on the capital that we have deployed.

Outlook

As I wrote to you in June in the Annual Report, the level of investment activity in the European fintech sector is at unprecedented levels and we are seeing this in our dealflow pipeline where we continue to see growth in the number of opportunities and, in many instances, the valuation expectations attached to them. The quality of opportunities remains high with more and more talent drawn to the sector. Not every good business is a good investment though, and our conversion rate of meeting companies and ultimately investing is less than 0.5%. The bar must remain exceptionally high, and we believe our network and sector specialism can continue to differentiate us from a growing crowd of generalist investors, some of whom only offer price as their key differentiator.

Our belief in the potential of the sector remains as strong as ever and that our portfolio is well placed to benefit not just from this surge of investment interest but also from the wave of adoption of fintech propositions by consumers and businesses globally.

Tim Levene
CEO
Augmentum Fintech Management Limited

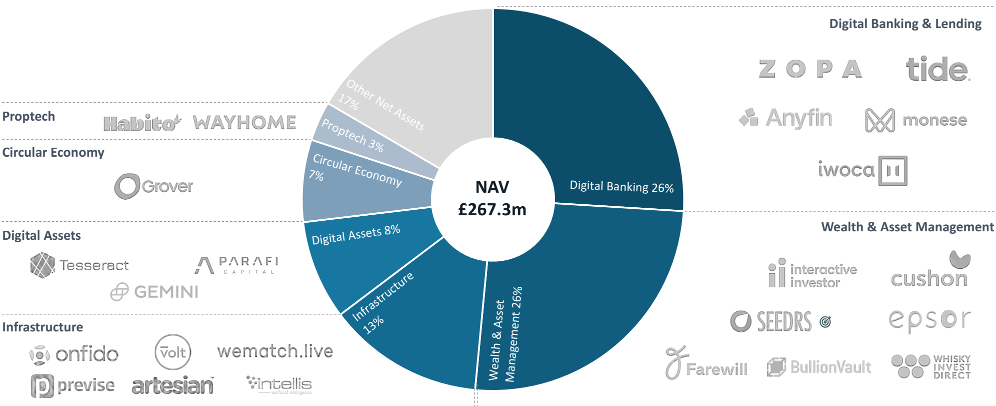
19 November 2021

INVESTMENTS

Augmentum is building a diversified portfolio of high growth fintechs across the sector

The Augmentum portfolio is diversified across the fintech ecosystem

NAV[1] by sub-sector, %

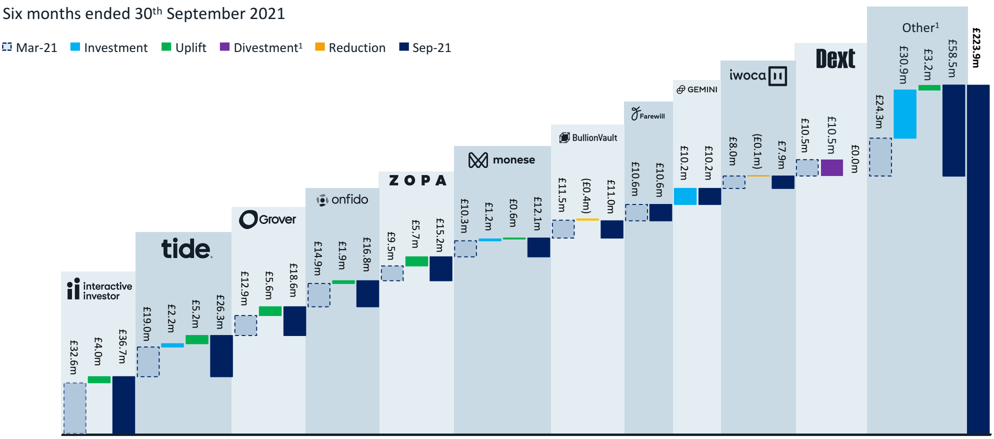


Portfolio exit post-period end

1. NAV as at 30th September 2021

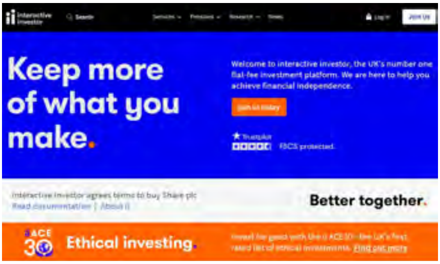
Portfolio valuation changes

Six months ended 30th September 2021



1. Other assets includes SRL Global at 31st March 2021, which was exited during the period, and other net assets in Aug I LP

INVESTMENTS continued



interactive investor

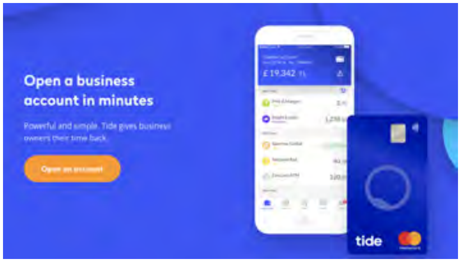
interactive investor is the No.1 UK direct-to-consumer fixed fee investment platform, with around £55 billion of assets under administration and over 400,000 customers across its general trading, ISA and SIPP accounts. The company offers execution-only trading and investing services in shares, funds, ETFs and investment trusts, all for a market-leading monthly subscription fee.

interactive investor completed a £40 million acquisition of Alliance Trust Savings in 2019, bringing together the two largest UK fixed price platforms, and in 2020 completed the acquisition of Share plc. In March 2021 interactive investor announced the acquisition of the EQi D2C investment platform from Equinti for £48.5 million, resulting in the transfer-in of 59,000 customers in June.

Source: ii	31 March 2021 £'000	30 Sept 2021 £'000
Cost	3,843	**3,843**
Value	32,631	**36,666**
% ownership (fully diluted)	3.8%	**3.8%**

As per last filed audited accounts of the investee company for the year to 31 December 2020:

	2020 £'000	2019 £'000
Turnover	133,153	**90,170**
Pre tax profits	41,692	**13,933**
Net assets	205,278	**128,005**



tide

Tide's mission is to help SMEs save time and money in the running of their businesses. Customers are set up with an account number and sort code in as little as 5 minutes, and the company is building a comprehensive suite of digital banking services for businesses, including automated accounting, instant access to credit, card control and quick, mobile invoicing. Tide provides business current accounts and smart financial administration services to over 350,000 small-business owners through their mobile-first platform.

In September 2019 Augmentum led Tide's £44.1 million first round of Series B funding, alongside Japanese investment firm The SBI Group. Tide appointed Sir Donald Brydon as its first independent Non-Executive Chair in September 2020; Sir Donald brings extensive experience to the Board, previously chairing the London Stock Exchange, the Royal Mail and Sage. In the same month Tide also won a second major BCR grant in partnership with ClearBank.

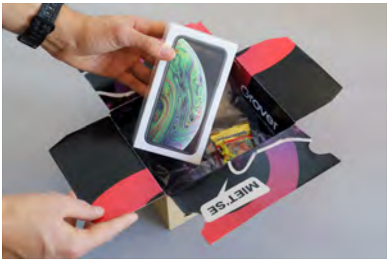
Source: Tide	31 March 2021 £'000	30 Sept 2021 £'000
Cost	11,000	**13,200**
Value	18,962	**26,328**
% ownership (fully diluted)*	5.9%	**5.4%**

* 31 March 2021: £2.5 million of investment in a convertible loan note.

As per last filed audited accounts of the investee company for the year to 31 December 2020:

	2020 £'000	2019 £'000
Turnover	14,442	**4,860**
Pre tax loss	(23,208)	**(20,821)**
Net assets	17,761	**26,021**

INVESTMENTS continued



Grover

Grover brings the access economy to the consumer electronics market by offering a simple, monthly subscription model for technology products. Private and business customers have access to over 3,000 products including smartphones, laptops, virtual reality technology and wearables. The Grover service allows users to keep, switch, buy, or return products depending on their individual needs. The company has over one million registered users in Europe and announced its launch into the US market in September.

In September 2019 Augmentum led a €11 million funding round with a €6 million convertible loan note ("CLN") investment. This coincided with Grover signing a new €30 million debt facility with Varengold Bank, one of Germany's major fintech banking partners. In April 2021 Grover completed a €60 million Series B funding round, with Augmentum participating and converting its CLN. The round was made up of €45 million from equity investors and €15 million in venture debt financing.

Source: Grover	31 March 2021 £'000	30 Sept 2021 £'000
Cost	7,927	**7,927**
Value	12,937	**18,565**
% ownership (fully diluted)	8.3%	**8.3%**

As an unquoted German company, Grover is not required to publicly file audited accounts.

onfido

Onfido is building the new identity standard for the internet. Its AI-based technology assesses whether a user's government-issued ID is genuine or fraudulent, and then compares it against their facial biometrics. Using computer vision and a number of other AI technologies, Onfido can verify against 4,500 different types of identity documents across 195 countries, using techniques like "facial liveness" to see patterns invisible to the human eye.

Onfido was founded in 2012 and has offices in London, San Francisco, New York, Lisbon, Paris, New Delhi and Singapore. The company has attracted over 1,500 customers in 60 countries worldwide, including industry leaders such as Remitly, Bitstamp and Revolut. These customers are choosing Onfido over others because of its ability to scale, speed in on-boarding new customers (15 seconds for flash verification), preventing fraud, and its advanced biometric technology.

In November 2020 Onfido appointed Mike Tuchen as CEO, a highly experienced executive with a track record of scaling software businesses globally.

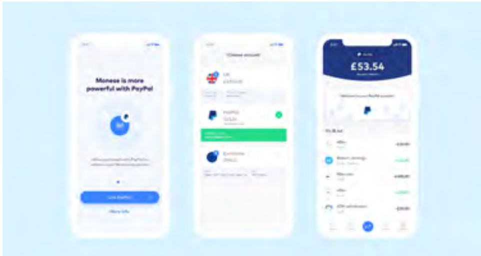
Augmentum invested an additional £3.7 million in a convertible loan note in December 2019 as part of a £4.7 million round. This converted into equity when Onfido raised an additional £64.7 million in April 2020.

Source: Onfido	31 March 2021 £'000	30 Sept 2021 £'000
Cost	7,722	**7,722**
Value	14,851	**16,755**
% ownership (fully diluted)	2.6%	**2.6%**

As per last filed audited accounts of the investee company for the year to 31 December 2020:

	2020 £'000	2019 £'000
Turnover	45,408	**27,561**
Pre tax loss	34,712	**(26,488)**
Net assets/(liabilities)	68,508	**(9,494)**

INVESTMENTS continued



ZOPA

Zopa built the first peer-to-peer (P2P) lending company to give people access to simpler, better-value loans and investments. Silverstripe invested £140 million in April 2020 following which Zopa was granted their full UK banking licence.

Zopa's proprietary technology has contributed to their leading digital acquisition position. The company has lent over £5 billion in personal loans since inception and generated positive returns every year through the cycle. New products include a fixed term savings product protected by the Financial Services Compensation Scheme (FSCS), a credit card, a money management product and motor finance. Since commencing operations in June 2020, Zopa bank has attracted £675 million in deposits through its fixed savings accounts, and has issued 150,000 credit cards, becoming a top 10 credit card issuer in just over a year from launch. In 2021 Zopa was awarded Best Personal Loan Provider and Best Credit Card Provider by the British Bank Awards, and Best Online Savings Provider by the Moneynet Personal Finance Awards.

Augmentum participated in a £20 million funding round led by Silverstripe in March 2021 and in October participated in a £220million round led by SoftBank.

Source: Zopa	**31 March 2021 £'000**	**30 Sept 2021 £'000**
Cost	19,670	**19,670**
Value	9,501	**15,226**
% ownership fully diluted)	3.0%	**3.0%**

As per last filed audited accounts of the investee company for the year to 31 December 2020

	2020 £'000	**2019 £'000**
Operating income	21,252	**33,464**
Pre tax loss	(41,481)	**(18,136)**
Net assets	134,072	**36,535**

monese

With Monese you can open a UK or European current account in minutes from your mobile, with a photo ID and a video selfie. Their core customers are amongst the hundreds of millions of people who live some part of their life in another country – whether it's for travel, work, business, study, family, or retirement.

With its mobile-only dual UK and Euro IBAN current account, its portability across 31 countries, and both the app and its customer service available in 14 languages, Monese allows people and businesses to bank like a local across the UK and Europe. Launched in 2015 Monese had more than 2 million registered users in 2020. 70% of incoming funds are from salary payments, indicating that customers are using Monese as their primary account. In October 2020 Mastercard and Monese announced a multi-year strategic partnership, with Monese becoming a principal Mastercard issuer. Monese's new BaaS platform, which arrived following deals by Monese with Mastercard and core banking provider Thought Machine, will be used by Investec for its private client transactional banking service and in the launch of a new business current account offering for private companies. Over time, Investec also expects BaaS will allow the bank to consolidate its retail savings products.

Augmentum is invested alongside Kinnevik, PayPal and International Airlines Group.

Source: Monese	**31 March 2021 £'000**	**30 Sept 2021 £'000**
Cost	10,261	**11,428**
Value	10,341	**12,136**
% ownership (fully diluted)*	7.5%	**6.9%**

* 31 March 2021: £0.9m of investment in a convertible loan note.

As per last filed audited accounts of the investee company for the year to 31 December 2019:

	2019 £'000	**2018 £'000**
Turnover	10,273	**5,485**
Pre tax loss	(38,061)	**(12,663)**
Net (liabilities)/assets	(17,398)	**18,101**

INVESTMENTS continued

BullionVault

BullionVault is a physical gold and silver market for private investors online. It enables people across 175 countries to buy and sell professional-grade bullion at the very best prices online, with US$3.8 billion of assets under administration, over US$100 million worth of gold and silver traded monthly, and over 95,000 clients.

Each user's property is stored at an unbeaten low cost in secure, specialist vaults in London, New York, Toronto, Singapore and Zurich. BullionVault's unique Daily Audit then proves the full allocation of client property every day.

The company generates solid monthly profits from trading, commission and interest. It is cash generative, dividend paying, and well-placed for any cracks in the wider financial markets.

Source: BullionVault	31 March 2021 £'000	30 Sept 2021 £'000
Cost	8,400	**8,400**
Value	11,465	**11,047**
% ownership (fully diluted)	11.1%	**11.1%**
Dividends paid	622	**-**

As per last filed audited accounts of the investee company for the year to 31 October 2020:

	2020 £'000	2019 £'000
Turnover	15,707	**9,340**
Pre tax profits	10,703	**5,197**
Net assets	34,851	**35,712**

Farewill

In the next 10 years, £1 trillion of inheritance will pass between generations in the UK. Farewill is a digital, all-in-one financial and legal services platform for dealing with death and after-death services, including wills, probate and cremation. "The nation's favourite will writer" according to Trustpilot reviews, Farewill aims to be the first major consumer brand in death services.

Farewill accounts for one out of every ten wills written, or a 10% market share, and has raised £340 million for charity in pledged income.

Augmentum led Farewill's £7.5 million Series A fundraise, with a £4 million investment. Augmentum participated in Farewill's £20 million Series B, led by Highland Europe in July 2020.

Source: Farewill	31 March 2021 £'000	30 Sept 2021 £'000
Cost	6,573	**6,573**
Value	10,591	**10,591**
% ownership (fully diluted)	14.1%	**14.1%**

As per last filed audited accounts of the investee company for the year to 31 July 2020 (Farewill is not required to file a statement of comprehensive income):

	2020 £'000	2019 £'000
Loss for year	(4,679)	**(1,797)**
Net assets	16,390	**5,592**

INVESTMENTS continued

GEMINI

Gemini enables individuals and institutions to safely and securely buy, sell and store cryptocurrencies. Gemini was founded in 2014 by Cameron and Tyler Winklevoss and has been built with a security and regulation first approach. Gemini operates as a New York trust company regulated by the New York State Department of Financial Services (NYSDFS) and was the first cryptocurrency exchange and custodian to secure SOC 1 Type 2 and SOC 2 Type 2 certification. Gemini entered the UK market in 2020 with an FCA Electronic Money Institution licence and is one of only ten companies to have achieved FCA Cryptoasset Firm Registration.

	31 March 2021 £'000	30 Sept 2021 £'000
Cost	N/a	**10,243**
Value	N/a	**10,243**
% ownership (fully diluted)	N/a	**N/a**

No audited accounts have been filed for Gemini.

iwoca

Founded in 2011, iwoca uses award-winning technology to disrupt small business lending across Europe. They offer short-term loans of up to £200,000 to SMEs across the UK, Germany and Poland. iwoca leverage online integrations with high-street banks, payment processors and sector-specific providers to look at thousands of data points for each business. These feed into a risk engine that enables the company to make a fair assessment of any business – from a retailer to a restaurant, a factory to a farm – and approve a credit facility within hours. The company has issued over £1 billion in funding to over 50,000 SMEs in total and has surpassed £100 million worth of lending through the Coronavirus Business Interruption Loan Scheme to businesses grappling with the fallout of the economic crisis caused by the coronavirus. Iwoca launched iwocaPay in June 2020, an innovative business-to-business (B2B) 'buy now pay later' product to provide flexible payment terms to buyers while giving peace of mind to sellers.

Source: Iwoca	31 March 2021 £'000	30 Sept 2021 £'000
Cost	7,852	**7,852**
Value	7,971	**7,874**
% ownership (fully diluted)*	2.5%	**2.5%**

* £0.4 million (31 March 2021: £0.4 million) of investment is in a convertible loan note

As per last filed audited accounts of the investee company for the year to 31 December 2020:

	2020 £'000	2019 £'000
Turnover	56,822	**68,587**
Pre tax loss	(3,240)	**(1,427)**
Net assets	44,783	**43,051**

INVESTMENTS continued

Anyfin

Anyfin (www.anyfin.com) was founded in 2017 by former executives of Klarna, Spotify and iZettle, and leverages technology to allow credit-worthy consumers the opportunity to improve their financial wellbeing by consolidating and refinancing existing credit agreements with improved interest rates, as well as offering smart budgeting tools. Anyfin is currently available in Sweden, Finland and Germany.

Augmentum invested £7.2 million in Anyfin in September 2021.

Tesseract

Tesseract (www.tesseractinvestment.com) is a forerunner in the dynamic digital asset sector, providing digital lending solutions to market makers and other institutional market participants via regulated custody and exchange platforms. Tesseract was founded in 2017, is regulated by the Finnish Financial Supervisory Authority ("FIN-FSA"), and was one of the first companies in the EU to obtain a 5AMLD (Fifth Anti-Money Laundering Directive) virtual asset service provider ("VASP") licence. It is the only VASP with an express authorisation from the FIN-FSA to deploy client assets into decentralized finance or "DeFi".

Taking no principal position, Tesseract provides an enabling crypto infrastructure to connect digital asset lenders with digital asset borrowers. This brings enhanced capital efficiency with commensurate cost reduction to trading, in a space that is currently significantly under-leveraged relative to traditional capital markets.

Augmentum invested £7.3 million in Tesseract in June 2021.

Volt

Volt is a provider of account-to-account payments connectivity for international merchants and payment service providers (PSPs). An application of Open Banking, Account-to-account payments – where funds are moved directly from one bank account to another rather than via payment rails – deliver benefits to both consumers and merchants. This helps merchants shorten their cash cycle, increase conversion and lower their costs. Volt has connectivity to over 3,500 banks, 27 geographies, 9 currencies and 5 networks.

Augmentum invested £0.5 million in Volt in December 2020 and a further £4 million in June 2021.

HABITO

Habito is transforming the United Kingdom's £1.3 trillion mortgage market by taking the stress, arduous paperwork, hidden costs and confusing process out of financing a home.

Since launching in April 2016, Habito has helped nearly 400,000 better understand their mortgage needs and submitted almost £6 billion of mortgages. Habito launched their own buy-to-let mortgages in July 2019 and in March 2021 launched a 40-year fixed-rate mortgage 'Habito One', the UK's longest-ever fixed rate mortgage.

In August 2019, Augmentum led Habito's £35 million Series C funding round with a £5 million investment.

cushon

Cushon (www.cushon.co.uk) provides workplace pensions and payroll-linked ISAs to more than 200,000 members across 8,000 UK employers. Cushon has overall assets under management of £740 million and is authorised by The Pensions Regulator to operate a master trust pension scheme. In January 2021, Cushon became the first UK pension provider to launch a fully carbon neutral 'Net Zero Now' pension product.

Augmentum invested £5 million in Cushon in June 2021.

PARAFI CAPITAL

ParaFi Capital is an investor in decentralised finance protocols that address tangible use cases of the technology and demonstrate signs of product-market fit. The ParaFi investment has drawn on their domain expertise developed in both traditional finance and crypto to identify and invest in leading protocols such as Compound (lending and interest accrual), Aave (asset borrowing), Uniswap (automated liquidity provision), and Synthetix (synthetic asset trading), MakerDAO (stablecoins). ParaFi also supports its protocols as a liquidity provider and governance participant.

Augmentum invested £2.8 million in ParaFi in the first quarter of 2021. Co-investors include Bain Capital Ventures and Galaxy Digital.

Intellis

Intellis is an automated forex trading platform governed by AI.

Augmentum exercised its option to invest a further €1 million in March 2020 and a further €1 million in March 2021.

INVESTMENTS continued

wematch.live

Wematch (https://wematch.live) is a capital markets trading platform that helps financial institutions transition liquidity to an orderly electronic service, improving productivity and de-risking the process of voice broking. Their solution helps traders find liquidity, negotiate, trade, optimise and manage the lifecycle of their portfolios of assets and trade structures. Wematch is focused on structured products such as securities financing, OTC equity derivatives and OTC cleared interest rates derivatives.

Wematch is headquartered in Tel Aviv and has offices in London and Paris. Its software is used by 40 banks, 17 fund managers and more than 1.000 traders across Europe, and since 2020 the US.

Augmentum invested £3.7 million in September 2021.

WAYHOME

Wayhome (previously Unmortgage) offers a unique part-own part-rent model of home ownership, requiring as little as 5% deposit with customers paying a market rent on the portion of the home that Wayhome owns, with the ability to increase the equity in the property as their financial circumstances allow.

Wayhome opens up owner-occupied residential property as an asset class for pension funds, who will earn inflation-linked rent on the portion not owned by the occupier.

Augmentum added £1 million to its existing £2.5 million investment in Wayhome by way of a convertible loan note in June 2021.

previse

Previse allows suppliers to be paid instantly. Previse's artificial intelligence ("AI") analyses the data from the invoices that sellers send to their large corporate customers. Predictive analytics identify the few problematic invoices, enabling the rest to be paid instantly. Previse charges the suppliers a small fee for the convenience, and shares the profit with the corporate buyer and the funder. Previse precisely quantifies dilution risk so that funders can underwrite pre-approval payables at scale. The company processes over 100,000 invoices a day.

Augmentum invested £250,000 in a convertible loan note in August 2019. This converted into equity as part of the company's US$11 million funding round in March 2020, alongside Reefknot Investments and Mastercard, as well as existing investors Bessemer Venture Partners and Hambro Perks. Previse was awarded a £2.5 million Banking Competition Remedies' Capability and Innovation Fund grant in August 2020.

artesian™

Artesian was founded with a goal to change the way B2B sellers communicate with their customers. They have built a powerful sales intelligence service using the latest in Artificial Intelligence and Natural Language Processing to automate many of the time consuming, repetitive tasks that cause the most pain for commercial people.

The Company originally invested in DueDil, which merged with Artesian in July 2021. Combining DueDil's Business Information Graph (B.I.G.)™ and Premium APIs, and Artesian's powerful web application and advanced rules engine delivers an easy to deploy solution for banks, insurers and FinTechs to engage, onboard and grow the right business customers.

SEEDRS

Seedrs is the leading online platform for investing in the equity of startups and other growth companies in Europe, and has been named the most active investor in private companies in the UK.

Seedrs allows all types of investors to invest in businesses they believe in and share in their success, and allows all types of growth-focused businesses to raise capital and business community in the process. The Seedrs Secondary Market (launched in June 2017) enables investors to buy and sell shares from each other, and has served over 11,000 buyers and sellers, with £12.9 million traded. £1.1 billion has been invested into pitches to date with over 1,324 total deals funded.

epsor

Epsor (https://epsor.fr) is a Paris based provider of employee and retirement savings plans delivered through an open ecosystem, giving access to a broad range of asset management products accessible through its intuitive digital platform. Epsor serves more than 40,000 savers and over 400 companies in France.

Augmentum invested £2.2 million in Epsor in June 2021.

WHISKY INVEST DIRECT

Founded in 2015, WhiskyInvestDirect, was a subsidiary of BullionVault and is the online market for buying and selling Scotch whisky as it matures in barrel. This is an asset class that has a long track record of growth, yet has previously been opaque and inaccessible.

The Company has over 3,500 bulk-stockholding clients holding the equivalent of 29 million bottles of whisky stored in barrels. The business seeks to change the way some of the three billion litres of maturing Scottish whisky is owned, stored and financed, giving self-directed investors an opportunity to profit from whisky ownership, with the ability to trade 24/7.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months ended 30 September 2021			Six months ended 30 September 2020		
	Note	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains on investments held at fair value		–	25,817	25,817	–	2,686	2,686
Investment income		–	–	–	7	–	7
AIFM and Performance Fees	2	(229)	6,508	6,279	(153)	2,367	2,214
Other expenses		(1,559)	(50)	(1,609)	(1,190)	(20)	(1,210)
(Loss)/return before taxation		**(1,788)**	**32,275**	**30,487**	**(1,336)**	**5,033**	**3,697**
Taxation		–	–	–	–	–	–
(Loss)/return attributable to equity shareholders of the parent company		**(1,788)**	**32,275**	**30,487**	**(1,336)**	**5,033**	**3,697**
Earnings per share	3	**(1.1)**	**20.3**	**19.2**	**(1.1)**	**4.3**	**3.2**

The total column of this statement represents the Group's Consolidated Income Statement, prepared in accordance with IFRS as adopted by the UK.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Group does not have any other comprehensive income and hence the total return, as disclosed above, is the same as the Group's total comprehensive income.

All items in the above statement derive from continuing operations.

All returns are attributable to the equity holders of Augmentum Fintech plc, the parent company. There are no non controlling interests.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Six months ended 30 September 2021					
	Ordinary share capital £'000	**Share premium account £'000**	**Special reserve £'000**	**Other capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Opening shareholders funds	1,405	52,151	92,101	44,876	(7,371)	183,162
Issue of shares following placing and offer for subscription	405	54,595	-	-	-	55,000
Costs of placing and offer for subscription	-	(1,363)	-	-	-	(1,363)
Return/(loss) for the period	-	-	-	32,275	(1,788)	30,487
At 30 September 2021	**1,810**	**105,383**	**92,101**	**77,151**	**(9,159)**	**267,286**

	Six months ended 30 September 2020					
	Ordinary share capital £'000	**Share premium account £'000**	**Special reserve £'000**	**Other capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Opening shareholders funds	1,171	24,760	92,033	22,328	(4,499)	135,793
Purchase of own shares into Treasury	-	-	(51)	-	-	(51)
Return/(loss) for the period	-	-	-	5,033	(1,336)	3,697
At 30 September 2020	**1,171**	**24,760**	**91,982**	**27,361**	**(5,835)**	**139,439**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2021

	Note	30 September 2021 £'000	31 March 2021 £'000
Non current assets			
Investments held at fair value	7	223,908	164,127
Property, plant & equipment		7	6
Current assets			
Right of use asset		78	145
Other receivables		51	47
Cash and cash equivalents		57,836	27,433
Total assets		**281,880**	**191,758**
Current liabilities			
Other payables		(14,513)	(1,940)
Lease liability		(81)	(148)
Provisions		-	(6,508)
Total assets less current liabilities		**267,286**	**183,162**
Net assets		**267,286**	**183,162**
Capital and reserves			
Called up share capital	4	1,810	1,405
Share premium account	4	105,383	52,151
Special reserve		92,101	92,101
Retained earnings:			
Capital reserves		77,151	44,876
Revenue reserve		(9,159)	(7,371)
Total equity		**267,286**	**183,162**
Net asset value per share (pence)	5	147.7p	130.4p
Net asset value per share after performance fee (pence)	5	142.1p	130.4p

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Cash flows from operating activities		
Purchases of investments	(32,276)	(5,121)
Sales of investments	10,536	-
Acquisition of property, plant and equipment	(4)	
Interest received	–	67
Operating expenses paid	(1,490)	(1,260)
Net cash outflow from operating activities	**(23,234)**	**(6,314)**
Cash flow from financing activities		
Issue of shares following placing and offer for subscription	55,000	-
Costs of placing and offer for subscription	(1,363)	-
Purchase of own shares into Treasury	-	(51)
Net cash inflow/(outflow) from financing	**53,637**	**(51)**
Increase/(decrease) in cash and cash equivalents	**30,403**	**(6,365)**
Cash and cash equivalents at the beginning of the period	**27,433**	**15,111**
Cash and cash equivalents at the end of the period	**57,836**	**8,746**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1.a General information

Augmentum Fintech plc is a company limited by shares, incorporated and domiciled in the UK. Its registered office and principal place of business is at 25 Southampton Buildings, London WC2A 1AL, UK. Its shares are listed on the London Stock Exchange.

These condensed interim financial statements were approved for issue on 19 November 2021. These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2021 were approved by the board of directors on 11 June 2021 and delivered to the Registrar of Companies.

The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The financial statements have been reviewed, not audited.

1.b Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 September 2021 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and Accounting Standard IAS 34, ‘Interim Financial Reporting’, as adopted in the UK.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

1.c New and amended standards adopted by the group

No new or amended standards became applicable for the current reporting period that have an impact on the Group or Company.

1.d Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing these condensed consolidated financial statements, as the Board considers the Group has sufficient liquid financial resources to continue in business for the foreseeable future.

1.e Segmental Analysis

The Group operates a single business segment for reporting purposes and is managed as a single investment company. Reporting is provided to the Board of Directors on an aggregated basis. The investments are all located in the UK and continental Europe.

1.f Related Party Transactions

There have been no changes to the nature of the related party arrangements or transactions during the period to those reported in the Annual Report for the year ended 31 March 2021.

1.g Events after the reporting period

There have been no significant events since the end of the reporting period requiring disclosure.

2 AIFM and Performance Fees

	Revenue £'000	Capital £'000	Six months ended 30 September 2021 £'000	Revenue £'000	Capital £'000	Six months ended 30 September 2020 £'000
AIFM fees	229	-	229	153	-	153
Performance fee	-	(6,508)	(6,508)^	-	(2,367)	(2,367)*
	229	**(6,508)**	**(6,279)**	**153**	**(2,367)**	**(2,214)**

^ As set out in the Annual Report the performance fee arrangement were set up to provide a long term employee benefit plan to incentivise employees of AFML and align them with shareholders through participation in the realised investment profits of the Group. During the six months to 30 September 2021 the existing plan for AFML staff was terminated and the performance fee liability to AFML employees accrued as at 31 March 2021 of £6,508,000 was reversed. AFML continues to be entitled to a performance fee as before, but any performance fee paid by the Company to AFML will now be allocated to employees of AFML on a discretionary basis by the Management Engagement & Remuneration Committee of the Company. Non-executive Directors of the Company are not eligible to participate in any allocation of the performance fee.

* Under the terms of the performance fee arrangements in place as at 30 September 2020 employees were entitled to payments if the Group realised an aggregate annualised 10% return on investments (the 'hurdle'). Based on the investment valuations as at 30 September 2020 the hurdle had not been met, on an unrealised basis, and the performance fee liability that had been accrued as at 31 March 2020 of £2,367,000 was reversed.

A performance fee is payable by the Company to AFML when the Company has realised an aggregate annualised 10% return on investments (the 'hurdle') in each basket of investments. Based on the investment valuations and the hurdle level as at 30 September 2021 the hurdle has been met, on an unrealised basis, and as such a performance fee of £10,066,000 has been accrued by the Company as at 30 September 2021, equivalent to 5.6 pence per share. This accrual is reversed on consolidation and not included in the Group Statement of Financial Position.

The performance fee is only payable to AFML if the hurdle is met on a realised basis. See page 22 and Note 19.9 of the 2021 Annual Report, where it is referred to as carried interest, for further details. As noted above any allocation of the performance fee by AFML to its employees is made on a discretionary basis.

3 Return per share

The return per share figures are based on the following figures:

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Net revenue loss	(1,788)	(1,336)
Net capital return	32,275	5,033
Net total return	**30,487**	**3,697**

Weighted average number of ordinary shares in issue	**159,054,953**	**116,860,757**

	Pence	Pence
Revenue loss per share	(1.1)	(1.1)
Capital earnings per share	20.3	4.3
Total earnings per share	**19.2**	**3.2**

4 Share capital

On 13 July 2021 40,590,406 ordinary shares were issued. The nominal value of the shares issued was £405,000 and the total gross cash consideration received was £55,000,000. This consideration has been offered against the costs of issue, which totalled £1,363,000.

5 Net asset value per share

The net asset value per share is based on the Group net assets attributable to the equity shareholders of £267,286,000 and 181,013,697 shares being the number of shares in issue at the period end.

The net asset value per share after performance fee* is based on the Group net assets attributable to the equity shareholders of £267,286,000, less the performance fee accrual made by the Company of £10,066,000, and 181,013,697 shares being the number of shares in issue at the period end.

* Alternative Performance Measure

6 Subsidiary undertakings

The Company has an investment in the issued ordinary share capital of its wholly owned subsidiary undertaking, Augmentum Fintech Management Limited, which is registered in England and Wales, operates in the United Kingdom and is regulated by the Financial Conduct Authority.

7 Financial Instruments

The principal risks which the Company faces from its financial instruments are:

- Market Price Risk
- Liquidity Risk; and
- Credit Risk

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments in the Group's portfolio. It represents the potential loss the Group might suffer through holding market positions in the face of price movements, mitigated by stock diversification.

The Group is exposed to the risk of the change in value of its unlisted equity and non-equity investments. For unlisted equity and non-equity investments the market risk is principally deemed to be represented by the assumptions used in the valuation methodology as set out in the accounting policy.

Liquidity Risk

The Group's assets comprise unlisted equity and non-equity investments. Whilst unlisted equity is illiquid, short-term flexibility is achieved through cash and cash equivalents.

Credit Risk

The Group's exposure to credit risk principally arises from cash and cash equivalents. Only highly rated banks (with credit ratings above A3, based on Moodys ratings or the equivalent from another ratings agency) are used for cash deposits and the level of cash is reviewed on a regular basis.

Further details of the Company's management of these risks can be found in note 13 of the Company's 2021 Annual Report.

There have been no changes to the management of or the exposure to credit risk since the date of the Annual Report.

Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

The Group complies with IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. This requires the Group to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

7 Financial Instruments (continued)

The levels of fair value measurement bases are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair values measured using valuation techniques for which any significant input to the valuation is not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Directors.

The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

All investments were classified as Level 3 investments as at, and throughout the period to, 30 September 2021. Details of movements in, and changes in value of the, Level 3 investments are included on the next page.

All investments were valued in accordance with accounting policy set out in note 19.4 of the Company's Annual Report for the year ended 31 March 2021.

When using the price of a recent transaction in the valuations the Company looks to 're-calibrate' this price at each valuation point by reviewing progress within the investment, comparing against the initial investment thesis, assessing if there are any significant events or milestones that would indicate the value of the investment has changed and considering whether a market-based methodology (ie. using multiples from comparable public companies) or a discounted cashflow forecast would be more appropriate.

The main inputs into the calibration exercise, and for the valuation models using multiples, are revenue, EBITDA and P/E multiples (based on the most recent revenue, EBITDA or earnings achieved and equivalent corresponding revenue, EBITDA or earnings multiples of comparable public companies), quality of earnings assessments and comparability difference adjustments. Revenue multiples are often used, rather than EBITDA or earnings, due to the nature of the Group's investments, being in fast-growing, small financial services companies which are not normally expected to achieve profitability or scale for a number of years. Where an investment has achieved scale and profitability the Group would normally then expect to switch to using an EBITDA or earnings multiple methodology.

In the calibration exercise and in determining the valuation for the Group's equity instruments, comparable trading multiples are used. In accordance with the Group's policy, appropriate comparable public companies based on industry, size, developmental stage, revenue generation and strategy are determined and a trading multiple for each comparable company identified is then calculated. The multiple is calculated by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the Group's portfolio company and the comparable public companies based on company specific facts and circumstances.

7 Financial Instruments (continued)

The main input into the PWERM ('Probability Weighed Expected Return Methodology') was the probability of conversion. This method was used for the convertible loan notes held by the Company.

Total gains and losses on assets measured at Level 3 are recognised as part of Gains on Investments in the Consolidated Income Statement, and no other comprehensive income has been recognised on these assets. The total unrealised return for the period was £25,817,000 (period ended 30 September 2020: £2,686,000).

The table below presents those investments in portfolio companies whose fair values are recognised in whole or in part using valuation techniques based on assumptions that are not supported by prices or other inputs from observable current market transactions in the same instrument and the effect of changing one or more of those assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions.

Valuation Technique	Fair Value 30 September 2021 £'000	Fair Value 31 March 2021 £'000	Unobservable Inputs	Reasonably possible shift in input +/-	Change in valuation +/(-) £'000
Multiple methodology	64,881	75,461	Multiple	10%	6,116/(6,116)
			Illiquidity adjustment	30%	(4,178)/4,178
CPORT*	150,209	69,536	Transaction price	10%	14,163/(14,163)
PWERM**	1,726	4,503	Probability of conversion	25%	112/(112)
NAV	4,739	4,091	Discount to NAV	30%	(1,421)
Sales Price	2,353	10,536	N/a		

* Calibrated price of recent transaction.

** Probability weighted expected return methodology.

The following table presents the movement of investments measured at fair value, based on fair value measurement levels.

	Level 3	
	Six months to 30 Sept 2021 £'000	Year to 31 March 2021 £'000
Opening balance	164,127	123,132
Purchases	44,500	14,268
Sales	(10,536)	-
Gains on investments held at fair value	25,817	26,727
Closing balance as at 30 September	**223,908**	**164,127**

INDEPENDENT REVIEW REPORT TO AUGMENTUM FINTECH PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 which comprises the Condensed Consolidated Income Statement, Consolidated Statement of changes in Equity, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Cash Flows and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted in the UK. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted in the UK.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted in the UK, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

INDEPENDENT REVIEW REPORT TO AUGMENTUM FINTECH PLC continued

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
19 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

INTERIM MANAGEMENT REPORT

Principal Risks and Uncertainties

A review of the half year and the outlook for the Company can be found in the Chairman's Statement and in the Portfolio Manager's Review. The principal risks and uncertainties faced by the Company fall into the following broad categories: macroeconomic risks, Strategy implementation risks; investment risks; portfolio diversification risk, cash risk, credit risk, valuations risk, operational risk and key person risk. Information on these risks is given in the Annual Report for the year ended 31 March 2021.

The Board believes that the Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Group.

Going Concern

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, and the nature of the portfolio and the expenditure projections, that the Group has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements have been prepared in accordance with the Accounting Standards Board's 2007 Statement on Half-Yearly Reports; and

(ii) the condensed set of financial statements, which has been prepared in accordance with the applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation; and

INTERIM MANAGEMENT REPORT continued

(iii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules. In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

On behalf of the Board of Directors

Neil England
Chairman

19 November 2021

DIRECTORS AND OTHER INFORMATION

Directors
Neil England *(Chairman of the Board and Nominations Committee)*
Karen Brade *(Chairman of the Audit Committee)*
David Haysey *(Chairman of the Management & Remuneration Committee and Valuations Committee)*
Conny Dorrestijn *(appointed with effect from 1 November 2021)*

Registered Office
Augmentum Fintech plc
25 Southampton Buildings
London WC2A 1AL
United Kingdom

Incorporated in England and Wales with company no. 11118262 and registered as an investment company under Section 833 of the Companies Act 2006

AIFM, Company Secretary and Administrator
Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
United Kingdom
Tel: 0203 008 4910
Email: info@frostrow.com

Portfolio Manager
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5-23 Old Street
London EC1V 9HL
United Kingdom

Joint Corporate Brokers
Peel Hunt LLP
7th Floor
100 Liverpool St
London EC2M 2AT

Singer Capital Markets Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX
United Kingdom

Depositary
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Legal Adviser to the Company
Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH
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Independent Auditor
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55 Baker Street
London W1U 7EU
United Kingdom

Registrar
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL
United Kingdom

E-Mail: enquiries@linkgroup.co.uk
Telephone: +44 (0)371 664 0300†
Website: www.linkgroup.eu

† Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Identification codes
SEDOL: BG12XV8
ISIN: GB00BG12XV81
BLOOMBERG: AUGM LN
EPIC: AUGM

Legal Entity Identifier:
213800OTQ44T555I8S71

Foreign Account Tax Compliance Act ("FATCA")
IRS Registration Number (GIIN): 755CKI.99999.SL.826

Disability Act
Copies of this report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Group, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

aic
The Association of Investment Companies

PREMIUM MAIN MARKET
LONDON STOCK EXCHANGE

INFORMATION FOR SHAREHOLDERS

How to Invest

Retail Investors Advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) in the UK to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relation to non-mainstream investment procedures and intends to continue to do so.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	www.youinvest.co.uk
Charles Stanley Direct	www.charles-stanley-direct.co.uk
EQi	www.eqi.co.uk
Hargreaves Lansdown	www.hl.co.uk
iDealing	www.idealing.com
interactive investor	www.ii.co.uk
Pello Capital	www.pellocapital.com
Redmayne Bentley	www.redmayne.co.uk
Share Deal Active	www.sharedealactive.co.uk
Shareview	www.shareview.co.uk
X-O	www.x-o.co.uk

Financial Calendar

Date	Event
31 March	Financial Year End
June/July	Financial Results Announced
September	Annual General Meeting
30 September	Half Year End
November	Half Year Results Announced

Website

For further information on share prices, regulatory news and other information, please visit www.augmentum.vc.

Shareholder Enquiries

In the event of queries regarding your shareholding, please contact the Company's registrar, Link Group, who will be able to assist you with:

- Registered holdings
- Balance queries
- Lost certificates
- Change of address notifications

Link's full details are provided on page 34 or please visit www.linkgroup.eu.

INFORMATION FOR SHAREHOLDERS continued

Link Group – Share Dealing Service

A share dealing service is available to existing shareholders through the Company's Registrar, Link Group, to either buy or sell shares via an online dealing facility and telephone service. To deal online or by telephone all you need is your surname, investor code, full postcode and your date of birth. Your investor code can be found on your share certificate. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares. For further information on this service, please contact: www.linksharedeal.com (online dealing) Telephone: 0371 664 0445 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 8.00 a.m. – 4.30 p.m., Monday to Friday excluding public holidays in England and Wales).

Risk Warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined, in part, by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, some of the holdings in the portfolio are currently denominated in currencies other than sterling and therefore they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

WARNING TO SHAREHOLDERS

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Link Group, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ('FCA') using the share fraud report form at www.fca.org.uk/scams **or call the FCA Customer Helpline on 0800 111 6768**. You may also wish to call either the Company Secretary or the Registrar whose contact details can be found on page 34.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES

Within the Strategic Report and Business Review, certain financial measures common to investment trusts are shown. Where relevant, these are prepared in accordance with guidance from the AIC, and this glossary provides additional information in relation to them.

Alternative Investment Fund Managers Directive ("AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Alternative Performance Measures ("APMs")

The measures the Board of Directors uses to assess the Company's performance that are not defined under the International Financial Reporting Standards but which are viewed as particularly relevant for investment trusts. Definitions of the terms used and the basis of calculation are set out in this Glossary and the APMs are indicated with an asterisk(*).

Convertible Loan Note

A convertible loan note is a loan which bears interest and is repayable but may convert into shares under certain circumstances.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Initial Public Offering ("IPO")

An IPO is a type of public offering in which shares of a company are sold to institutional investors and usually also retail (individual) investors. Through this process, colloquially known as floating, or going public, a privately held company is transformed into a public company.

Internal Rate of Return ("IRR")

Is the annualised return on an investment calculated from the cash flows arising from that investment taking account of the timing of each cash flow. It is derived by computing the discount rate at which the present value of all subsequent cash flows arising from an investment are equal to the original amount invested.

Performance fee - Company

AFML is entitled to a performance fee (previously referred to as carried interest) in respect of the performance of the Company's investments.

Each performance 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

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES continued

performance fee shall be in respect of investments acquired using 80% 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% of the net realised cash profits from the sale of investments made over the relevant period once the Company has received an aggregate annualised 10% realised return on investments (the 'hurdle') made during the relevant period. AFML's return is subject to a "catch-up" provision in its favour.

The performance 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 the performance 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 performance fees as calculated following the relevant period.

The performance fee payable by the Company to AFML is accrued in the Company's financial statements and eliminated on consolidation in the Group financial statements.

Performance Fee - AFML

The performance fee arrangements (previously referred to as carried interest arrangements) within AFML were set up with the aim of incentivising employees of AFML and aligning them with shareholders through participation in the realised investment profits of the Group.

As set out in Note 2 these arrangements were terminated during the period and any performance fee received by AFML will be allocated to its employees on a discretionary basis by the Management Engagement & Remuneration Committee of the Company.

NAV per share Total Return*

The theoretical total return on the NAV per share, reflecting the change in NAV during the period assuming that any dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in the share price discount/premium.

Net Asset Value ("NAV")

The value of the Group's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV per share is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares in issue. The NAV per share is unlikely to be the same as the share price, which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

Net Asset Value ("NAV") per share after performance fee

The NAV of the Group as calculated above less the performance fee accrual made by the Company divided by the number of issued shares.

GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES continued

Partnership

Augmentum I LP, a limited partnership registered in Jersey and a wholly-owned subsidiary of the Company.

Total Shareholder Return*

The theoretical total return per share reflecting the change in share price during the period and assuming that any dividends paid were reinvested at the share price at the time the shares were quoted ex-dividend.

Unquoted investment

Investments in unquoted securities such as shares and debentures which are not quoted or traded on a stock market.