

# Full Year Results

31<sup>st</sup> March 2021

# Disclaimer

This presentation has been prepared by Augmentum Fintech Management Limited ("Augmentum"), which is authorised and regulated by the United Kingdom Financial Conduct Authority, for information and discussion purposes only and should not be considered to be an offer or solicitation of an offer to buy or sell shares in the capital of Augmentum Fintech plc (the "Company"). In particular, this document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for shares in the capital of the Company in any jurisdiction where to do so would be unlawful. The information in this presentation has not been fully verified and is subject to material revision and further amendment without notice.

This presentation has not been approved by an authorised person in accordance with section 21 of the Financial Services and Markets Act 2000. As such this document is being made available only to and is directed only at: (a) persons outside the United Kingdom; (b) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (c) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) (A) to (C) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Any failure to comply with these restrictions constitutes a violation of the laws of the United Kingdom. The distribution of this presentation in or to persons subject to the laws of other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

This presentation does not constitute or form any part of, and should not be construed as, an offer or invitation or other solicitation or recommendation to purchase or subscribe for any securities. No reliance may be placed for any purpose whatsoever on the information, representations or opinions contained in this document, and no liability is accepted for any such information, representations or opinions. This document does not constitute either advice or a recommendation regarding any securities. Any persons who is any doubt about the subject matter of this presentation should consult a duly authorised person.

None of the Company, Augmentum or any other persons makes any guarantee, representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information and opinions contained in this document, and none of the Company, Augmentum or any other person accepts any responsibility or liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

In preparing this presentation, Augmentum has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by Augmentum. The information presented in this document may be based upon the subjective views of Augmentum or upon third party sources subjectively selected by Augmentum. Augmentum believes that such third party sources are reliable, however no assurances can be made in this regard.

Neither this presentation nor its contents may be distributed, published or reproduced, in whole or in part, by you or any other person for any purpose. In particular, neither this presentation nor any copy of it may be: (i) taken or transmitted into the United States of America; (ii) distributed, directly or indirectly, in the United States of America or to any US person (within the meaning of regulations made under the Securities Act 1933, as amended); (iii) subject to certain exceptions, taken or transmitted into Canada, Australia, New Zealand or the Republic of South Africa or to any resident thereof; or (iv) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

The value of investments and the income from them can fall as well as rise. An investor may not get the amount of money he/she invests. Past performance is not a guide to future performance.

By accepting this document or by attending any presentation to which this document relates you will be taken to have represented, warranted and undertaken that: (i) you are a relevant person; (ii) you have read and agree to comply with the contents of this disclaimer; and (iii) you will treat and safeguard as strictly private and confidential all the information contained herein and take all reasonable steps to preserve such confidentiality.

# Contents

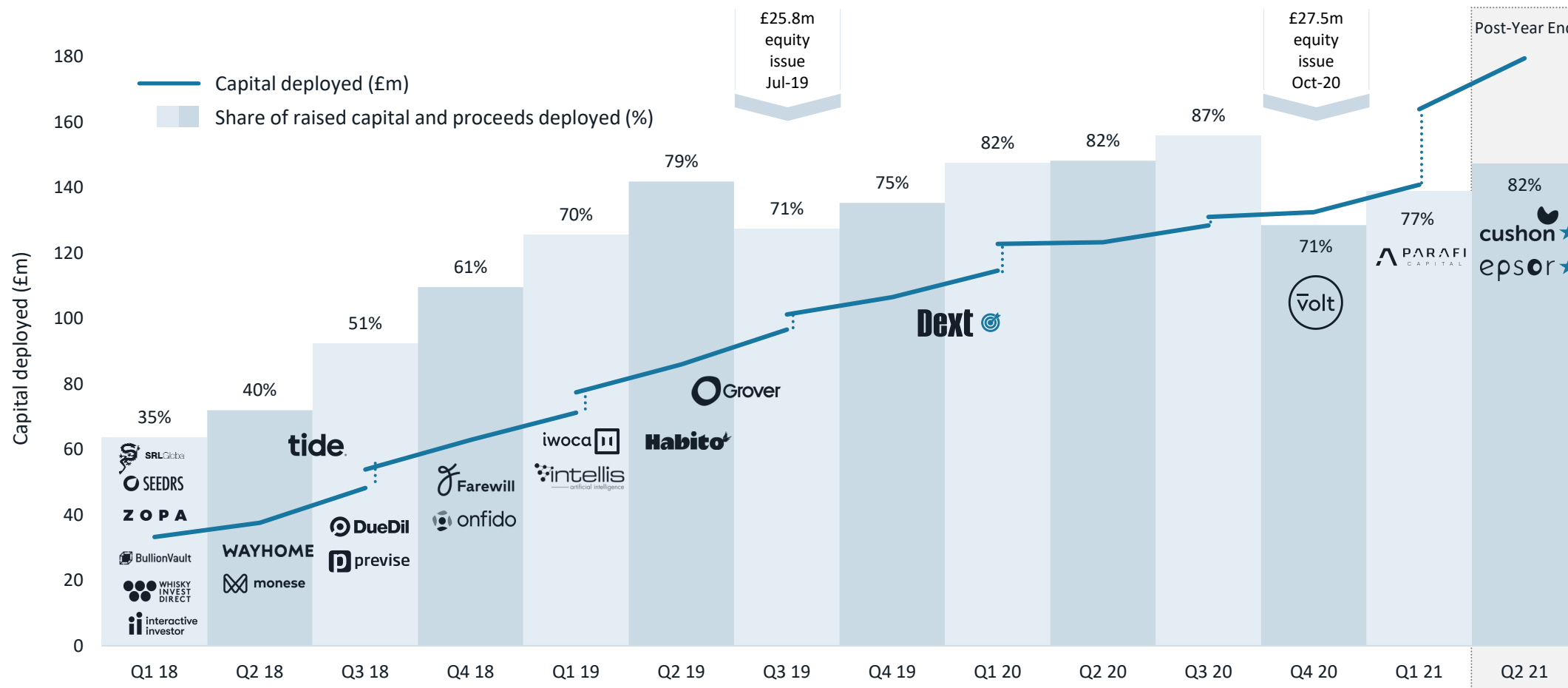
- **Investment summary**
- Full Year Results 31<sup>st</sup> March 2021
- Portfolio update
- Market update
- Appendix

# Summary

- Our portfolio of 21 companies is well diversified across fintech verticals: the portfolio and the fintech sector have proven resilient during the Covid-19 pandemic
- During the year ended 31<sup>st</sup> Mar-21 we delivered an increase of 14.3p in NAV per share, +12% versus 31<sup>st</sup> Mar-20. NAV stands at £183.2m, +35%<sup>1</sup> versus Mar-20 and the unrealised annualised IRR on invested capital since inception is 19%
- In Oct-20 Augmentum raised £27.5m net proceeds through an oversubscribed placing and retail offer
- We remain a highly selective investor; welcoming two exceptional companies to the portfolio during the year and strengthening existing portfolio positions through follow-on investment
- Post-year end, we have completed two further initial investments, additional follow-on investments and realised our first portfolio exit through the sale of our holding in Dext to Hg Capital
- The fintech sector is a beneficiary of accelerated digitisation driven by the Covid-19 pandemic, creating additional near-term opportunities for companies operating in the space
- Looking forward, we have a strong pipeline of further opportunities across our target verticals

# Our portfolio stands at 21 companies with steady deployment of capital since IPO in 2018

Capital deployment Q1 2018 – Q2 2021<sup>1</sup>



1. Q2 2021 Year to Date (Apr-June 9<sup>th</sup> 2021)

★ New investment post-year end

🎯 Portfolio exit post-year end

# The Augmentum portfolio is well diversified

Augmentum NAV<sup>1</sup> by Area of Opportunity, %

B2B

SME Financial Stack



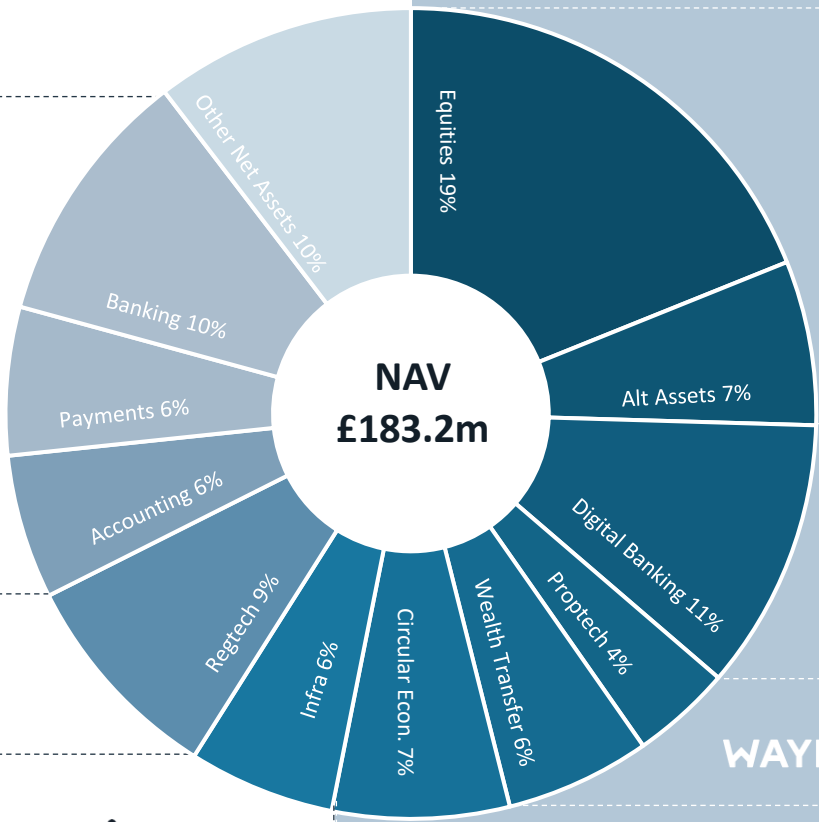
RegTech



Infrastructure



Portfolio exit post-year end



B2C

Retail Investment



Digital Banking



Lifetime Wealth



Circular Economy



# The latest additions to the portfolio increase our coverage of key areas where we hold a strong thesis but previously had limited exposure

Overview of thesis based sourcing strategy in action

## Payments

### Augmentum Thesis

*Rise of alternative payment methods (APMs) driven by ecommerce and regulatory change create opportunity for account-to-account payments providers to take significant digital payments market share*

### Market Statistic

**\$4.3trn**

Total retail e-commerce payment value 2020, expected to grow at 10%+ CAGR 2020-24F

### New Investment



Invested £0.5m in Nov-20 with intention to follow-on with £4m in upcoming round

## Decentralised Finance

### Augmentum Thesis

*Software-led disruption will move deeper into the financial services stack, smart contracts have the potential to play the role of intermediary in financial transactions*

### Market Statistic

**\$59bn**

Total Value Locked in decentralised finance smart contract transactions<sup>2</sup>

### New Investment



Invested a total of \$3.9m

## Workplace Pensions & Savings

### Augmentum Thesis

*There are multiple markets in Europe where a lack of product innovation from incumbent pension providers creates opportunity for disruption from new entrants*

### Market Statistic

**€3trn**

European pension fund assets<sup>3</sup>

### New Investments



Invested €2.5m in Epsor (France) in Apr-21 & £5m in Cushon (UK) in May-21

Including post-year end investments, available capital<sup>4</sup> is 82% deployed

1. Statista – Worldwide E-commerce Sales Value 2020-24F  
2. Defi Pulse, accessed 21<sup>st</sup> May 2021, 18:00 BST  
3. European Central Bank  
4. Available capital = raised capital + exit proceeds

# Contents

- Investment summary
- **Full Year Results 31<sup>st</sup> March 2021**
- Portfolio update
- Market update
- Appendix



# Financial & operational highlights

Year ended 31<sup>st</sup> March 2021

## AUGM PLC

**£183.2m** Overall Net Asset Value,  
+35% vs 31<sup>st</sup> Mar-20 NAV of £135.8m<sup>1</sup>

**+14.3p** NAV per share increase to  
130.4p, +12% vs Mar-20

**+19%** Unrealised annualised IRR on  
invested capital

## Capital Raise & Deployment

**£28m** Capital raised through  
oversubscribed placing and retail offer  
in Oct-20

**£15.4m** Capital deployed in new and  
follow-on investments, further £8.3m  
deployed post-year end

**>£185m** Total equity raised by  
Augmentum Portfolio Companies during  
the year

## Portfolio

**4**  
New portfolio  
companies



Post-Year End  
**epsor cushion**

Exit  
**Dext**

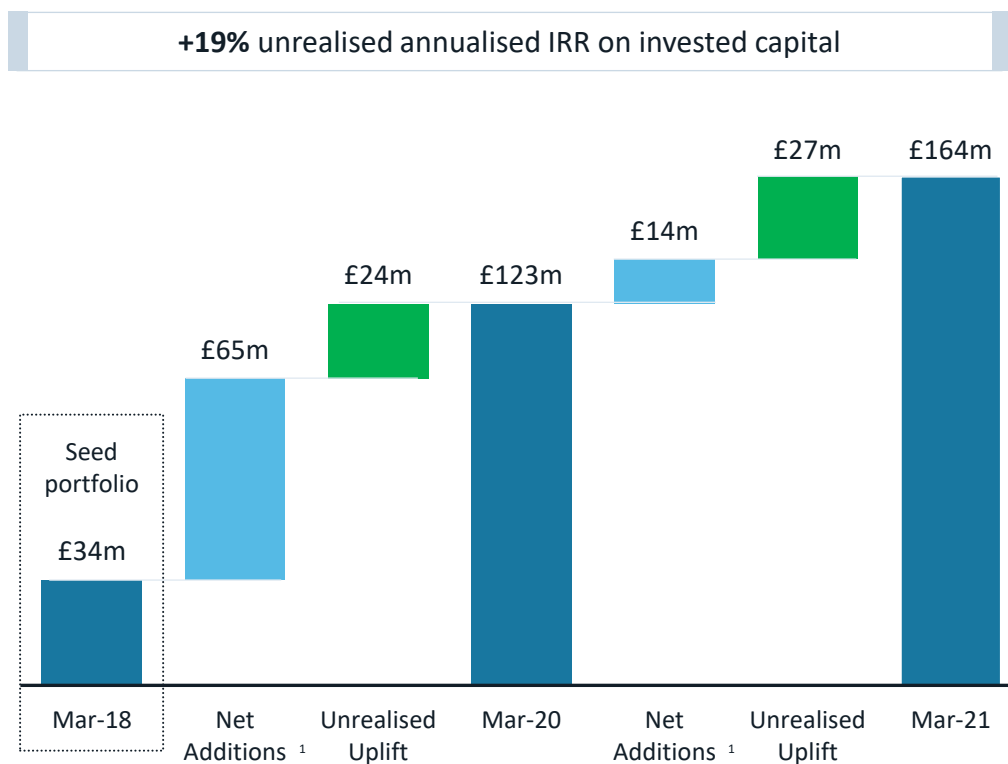
Post-Year End

Holding acquired by  
Hg Capital  
**31%** Gross IRR

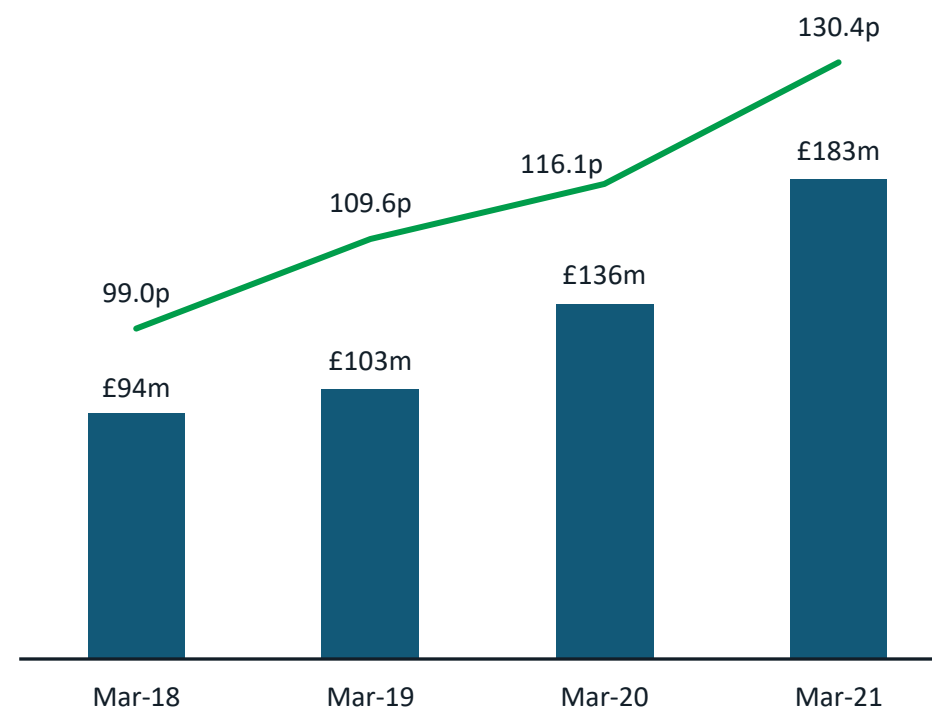
1. Includes net proceeds of £27.5m from capital raise in Q4 2020 (+20% contribution to uplift) and net portfolio fair value increase (+15% contribution to uplift)

# Gross portfolio value and NAV progression

## Gross Portfolio Value, 31<sup>st</sup> March 2018-21



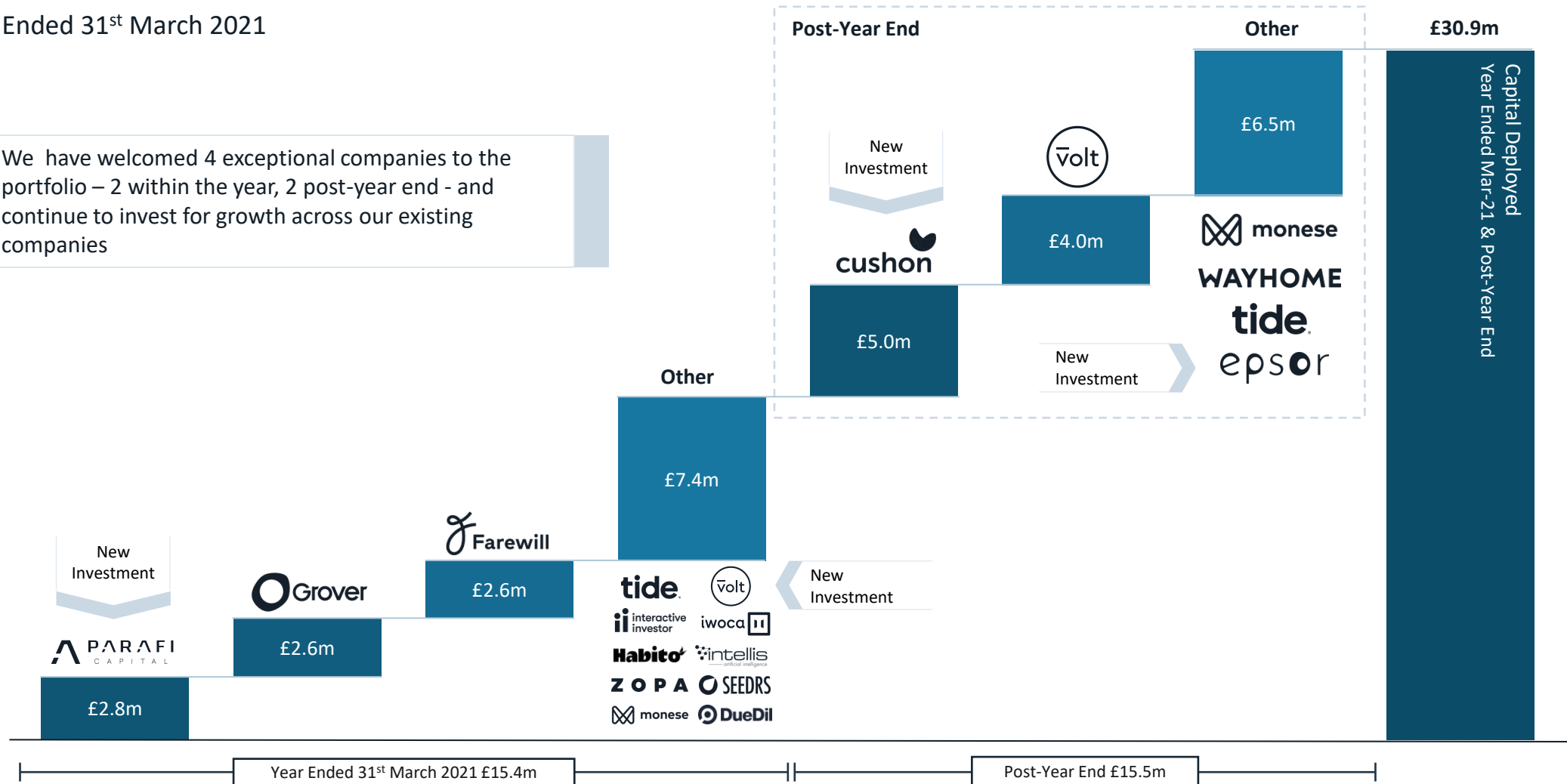
## NAV and NAV per Share, 31<sup>st</sup> March 2018-21



# Capital deployment during the year

Year Ended 31<sup>st</sup> March 2021

We have welcomed 4 exceptional companies to the portfolio – 2 within the year, 2 post-year end - and continue to invest for growth across our existing companies

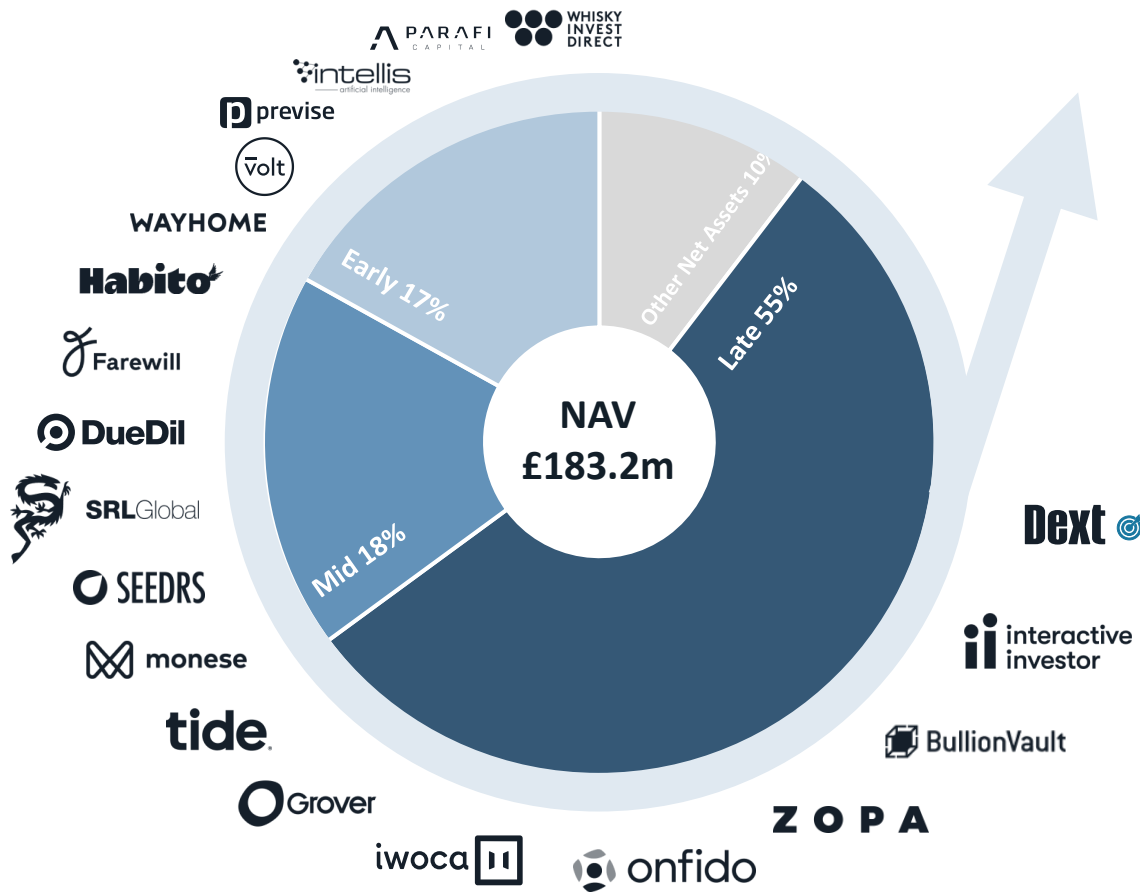


# Contents

- Investment summary
- Full Year Results 31<sup>st</sup> March 2021
- **Portfolio update**
- Market update
- Appendix

# Our portfolio is balanced across stages of maturity

Augmentum NAV<sup>1</sup> by Company Stage, %



Year-on-Year Revenue Growth by Stage  
Year Ended 31st March 2020-21<sup>2</sup>, %

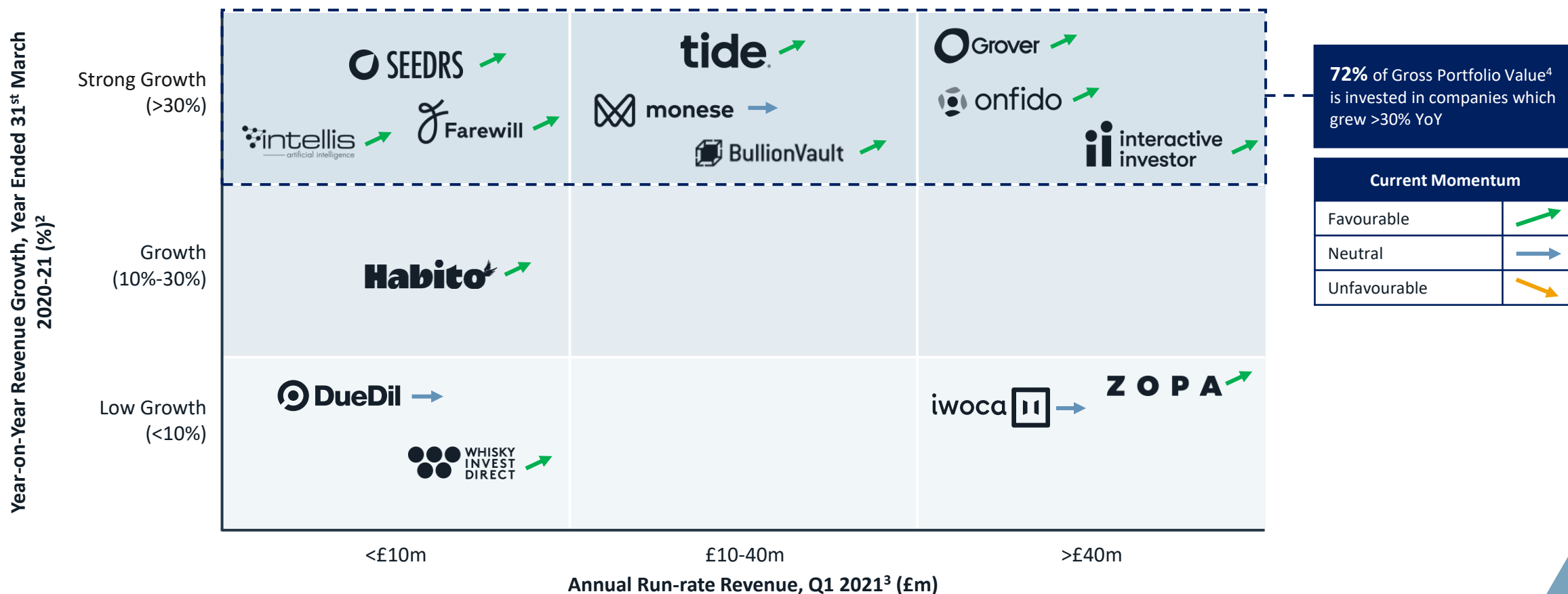
Early	+110%
Mid	+57%
Late	+30%

Portfolio exit post-year end

1. NAV as at 31<sup>st</sup> March 2021  
2. YoY revenue comparison period is Q2'19 -Q1'20 and Q2'20-Q1'21, except for for WhiskyInvestDirect (FY19-20, FYE October), Zopa where 12 months to February 2020-21 were used and Intellis, where annual revenue was smoothed to derive comparable estimates. Excludes Prewise, Wayhome and VOLT as all were pre-product launch in 2019 preventing YoY revenue comparison. Parafi Capital is also excluded due to being an investment fund and therefore non-revenue generative. SRL Global excluded as no comparable revenue figures for 2020 and 2021.

# Having delivered strong growth in 2020 despite Covid, our portfolio is well positioned to benefit from continued accelerated digitisation in financial services

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

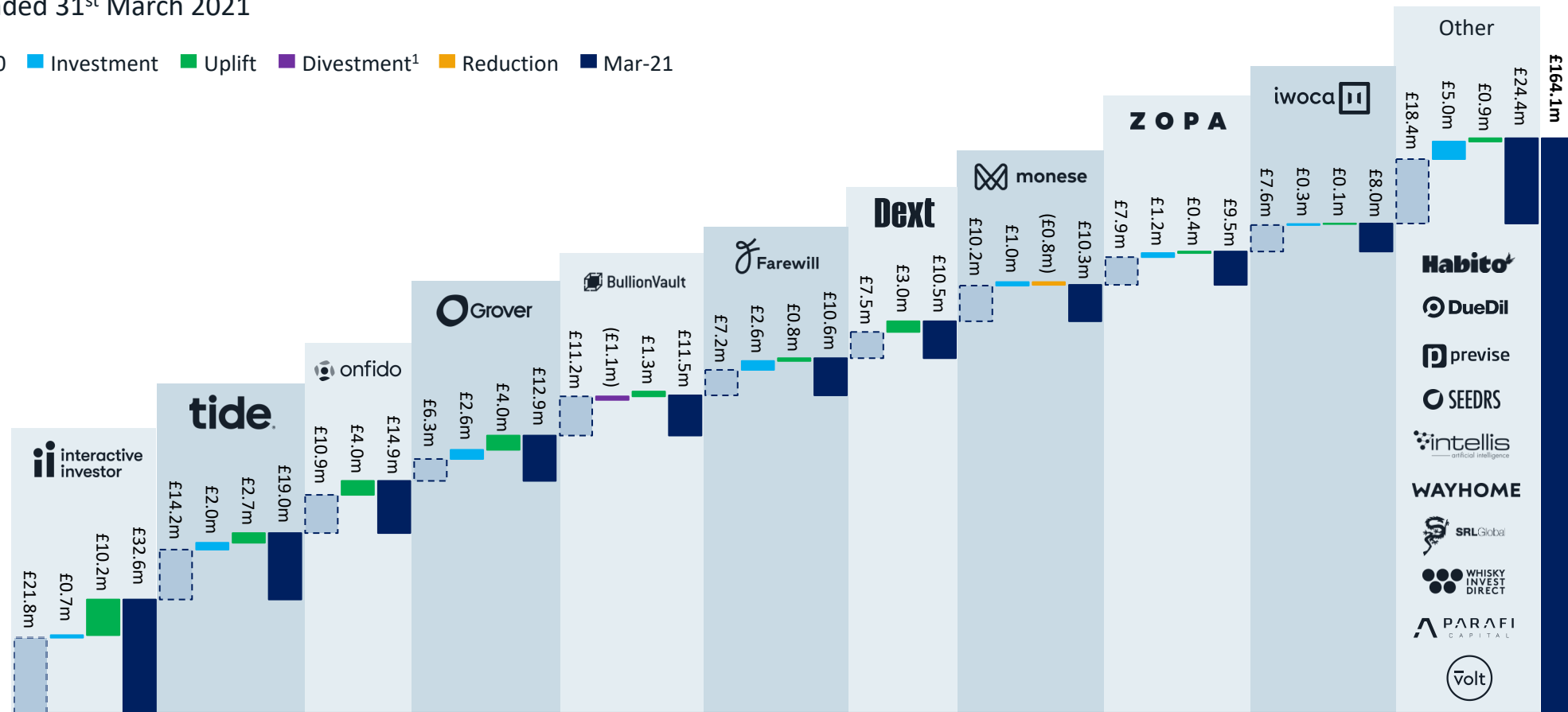


1. Excludes Previsse, Wayhome and VOLT as all were pre-product launch in 2020 preventing representative YoY revenue comparison. Parafi Capital is also excluded due to being an investment fund and therefore non-revenue generative. SRL Global excluded as no comparable revenue figures for 2020 and 2021.  
2. YoY revenue comparison period is Q2'19 - Q1'20 and Q2'20-Q1'21, except for WhiskyInvestDirect (FY19-20, FYE October), Zopa where 12 months to February 2020-21 were used and Intellis, where annual revenue was smoothed to derive comparable estimates.  
3. 2021 Run-rate revenue is derived using YTD figures as of March 2021 except for BullionVault (FY21 Q1-Q2), WhiskyInvestDirect (FY21 Q1), Zopa (Jan-February 2021)  
4. Gross Portfolio Value as at 31<sup>st</sup> March 2021

# Portfolio valuation changes

Year ended 31<sup>st</sup> March 2021

  Mar-20
 ■ Investment
 ■ Uplift
 ■ Divestment<sup>1</sup>
■ Reduction
 ■ Mar-21



# Significant fair value movements

Year ended 31<sup>st</sup> March 2021



- interactive investor is the No.1 UK direct-to-consumer fixed fee investment platform, with over £45 billion of assets under administration and over 350,000 customers across its general trading, ISA and SIPP accounts

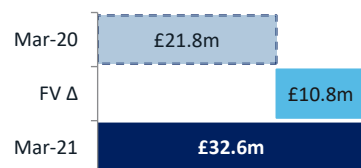
Highlights

Acquired  
the**share**centre:  <sup>1</sup>

Key Stat

**20%**  
Share of UK retail equity trading volume

FV Movement



Overview

Invested  
£3.8m

Value  
£32.6m

NAV/  
Cash  
8.5x

IRR  
114%

Methodology: Public market multiple comparison



- Grover brings the access economy to the consumer electronics market by offering a simple, monthly subscription model for over 2,000 products including smartphones, laptops, virtual reality technology and wearables

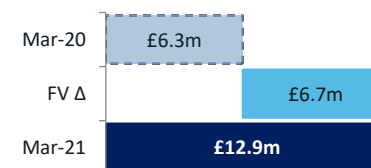
Highlights

17x growth in international markets  
130k+ active subscriptions

Key Stat

**€70m**  
Annualised subscription value surpassed in March 2021

FV Movement



Overview

Invested  
£9.7m

Value  
£12.9m

NAV/  
Cash  
1.3x

IRR  
50%

Methodology: Calibrated price of recent transaction

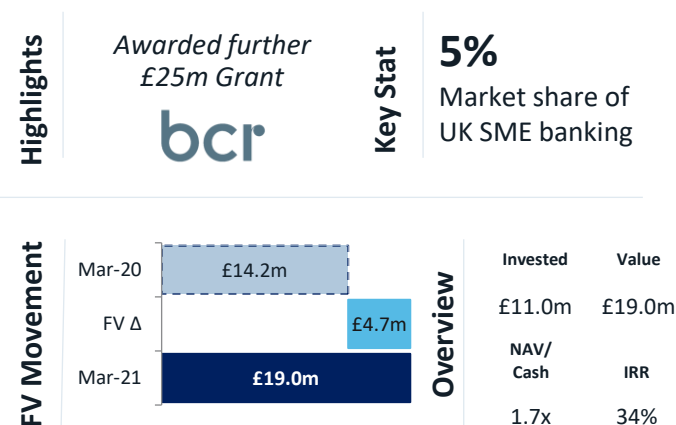


# Significant fair value movements

Year ended 31<sup>st</sup> March 2021

**tide.**

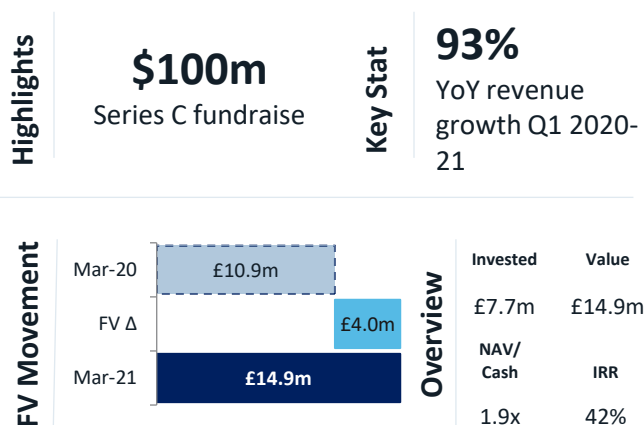
- Tide's mission is to help SMEs save time and money in the running of their businesses, with 5% market share of business accounts in the UK, serving over 320,000 SMEs



Methodology: Calibrated price of recent transaction

**onfido**

- Onfido's is building the new identity standard. Onfido's AI-based technology assesses over 4,500 different types of identity documents, determining whether they are genuine or fraudulent



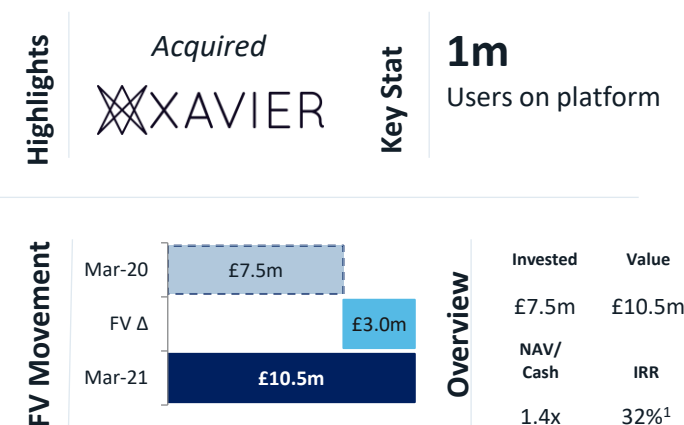
Methodology: Public market multiple comparison

Mar-20 Fair Value Movement Mar-21

**Dext**

Exit Post-Year End

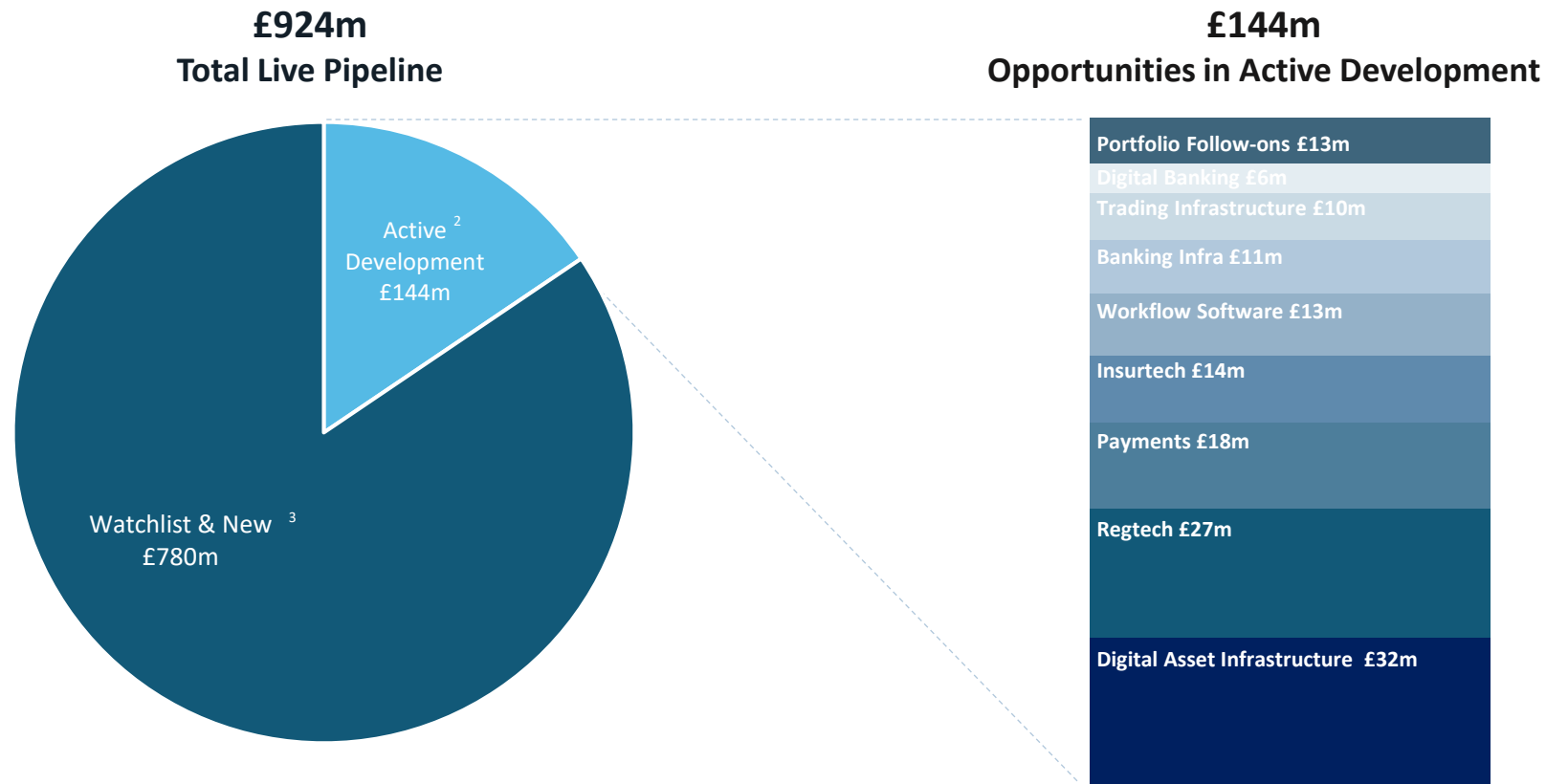
- Hg Capital acquired Augmentum's holding in Dext in April 2021
- Dext's provides machine learning technology to connect accountants, bookkeepers and businesses



Methodology: Calibrated price of recent transaction

# We have a significant live pipeline of investment opportunities with £144m under active development

Overview of Potential Deal Value in Live Pipeline<sup>1</sup>



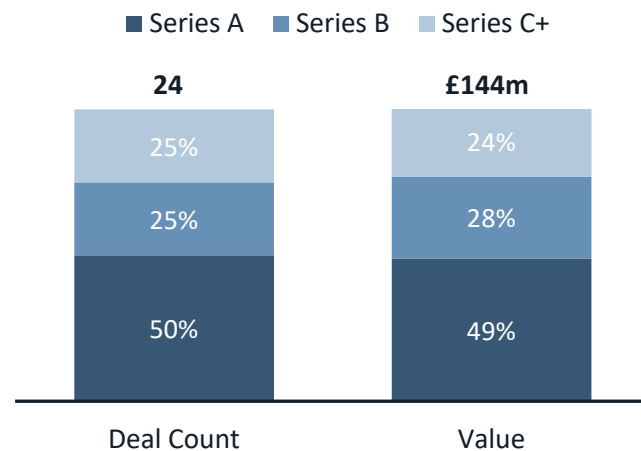
<sup>1</sup>. As at 14<sup>th</sup> May 2021

<sup>2</sup>. Active Development includes live pipeline opportunities which have been progressed beyond initial meeting

<sup>3</sup>. Watchlist & New includes live pipeline opportunities which are approaching first meeting (New) and companies which have progressed beyond first meeting and been assigned for follow-up when appropriate fundraising process kicks off (Watchlist)

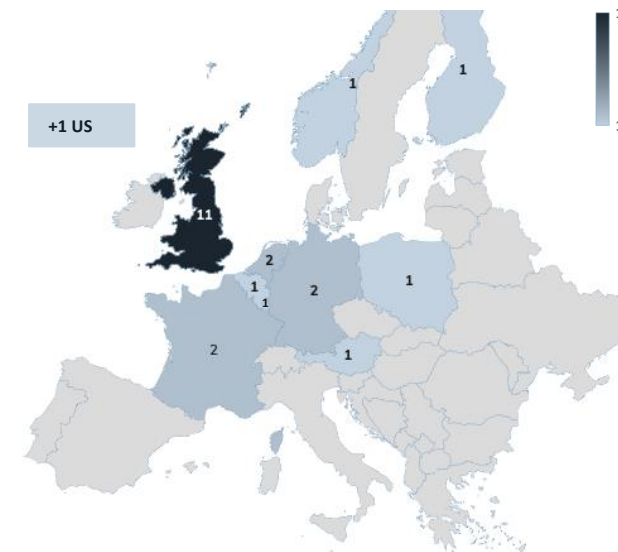
# The diversity in our pipeline showcases our multi-stage, pan-European investment strategy

## Opportunities in Active Development by Stage<sup>1</sup>



- Our fund structure allows us to capitalise on a broader opportunity set than most funds
- Our expertise spans the growth stages

## Opportunities in Active Development by Geography<sup>1</sup>



### Geographical Split of Live Opportunities

	UK	Non-UK
Count	46%	54%
Value	37%	63%

# The fintech verticals represented in our live pipeline opportunities showcase areas where we see significant opportunity

Overview of fintech verticals represented by pipeline opportunities in Active Development<sup>1</sup>

Vertical	Overview of Thesis	Opportunities in Active Development	
		#	Combined Ticket Value
Digital Asset Infrastructure	Opportunity to build fundamental market infrastructure which will support the new asset class of digital assets	4	£32m
Regtech	Technology has the potential to transform regulatory processes and their efficacy across regulatory industries including financial services	3	£27m
Payments	Global leaders in payments will be built by leveraging new technologies to deliver better, faster, cheaper solutions to consumers and industry participants	3	£18m
Insurtech	Large, traditional vertical waking up to the power of technology to expand product opportunities, enhance user experiences and deliver significant efficiencies	3	£14m
Workflow Software	Across financial services people-led processes could be performed in part or in full by software with no compromise, and often enhancement in outcomes	2	£13m
Banking Infrastructure	Much of banking infrastructure is comprised of restrictive legacy technology, rebuilding technology stacks using modern programming opens new opportunities for the vertical	2	£11m
Trading	Technologies enabling advantaged access to new markets	1	£10m
Digital Banking	Reimagining banking interfaces and focus on personalization at scale	1	£6m
Portfolio Follow-ons	Our portfolio brings together a broad range of investment theses	5	£13m
<b>Total</b>		<b>24</b>	<b>£144m</b>

# Contents

- Investment summary
- Full Year Results 31<sup>st</sup> March 2021
- Portfolio update
- **Market update**
- Appendix

# With accelerated adoption driven by Covid and a huge opportunity ahead, the Fintech sector is an exciting place to be

## Fintech adoption trends were accelerated by Covid lockdowns

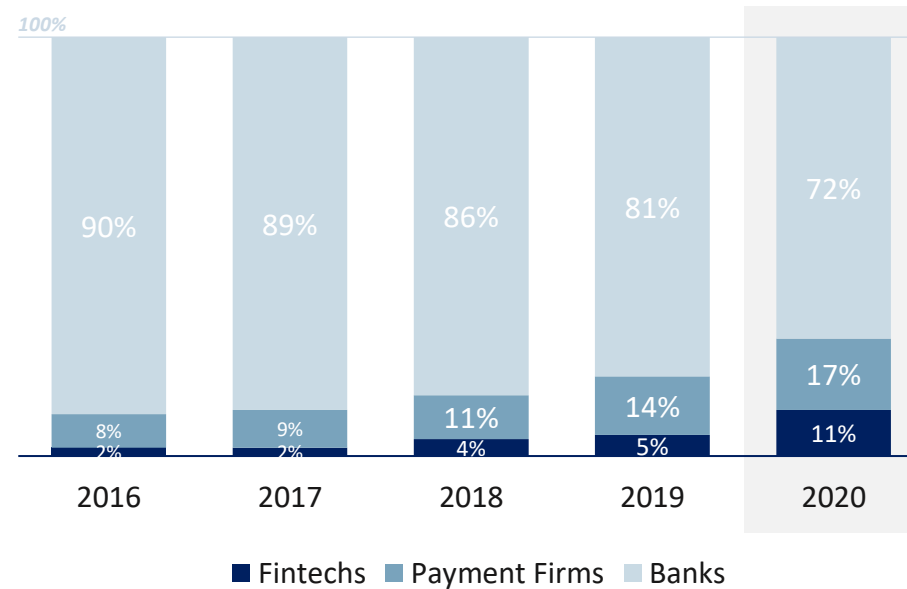
**12%** of UK population downloaded an online banking app for the first time during the first lockdown<sup>1</sup>

**74%** of UK consumers are using less cash vs pre-covid<sup>2</sup>

**20%** of US daily trading volume from retail traders in 2021 vs c.10% in 2019<sup>3</sup>

## Fintechs and payment firms are a growing market presence but huge headroom remains

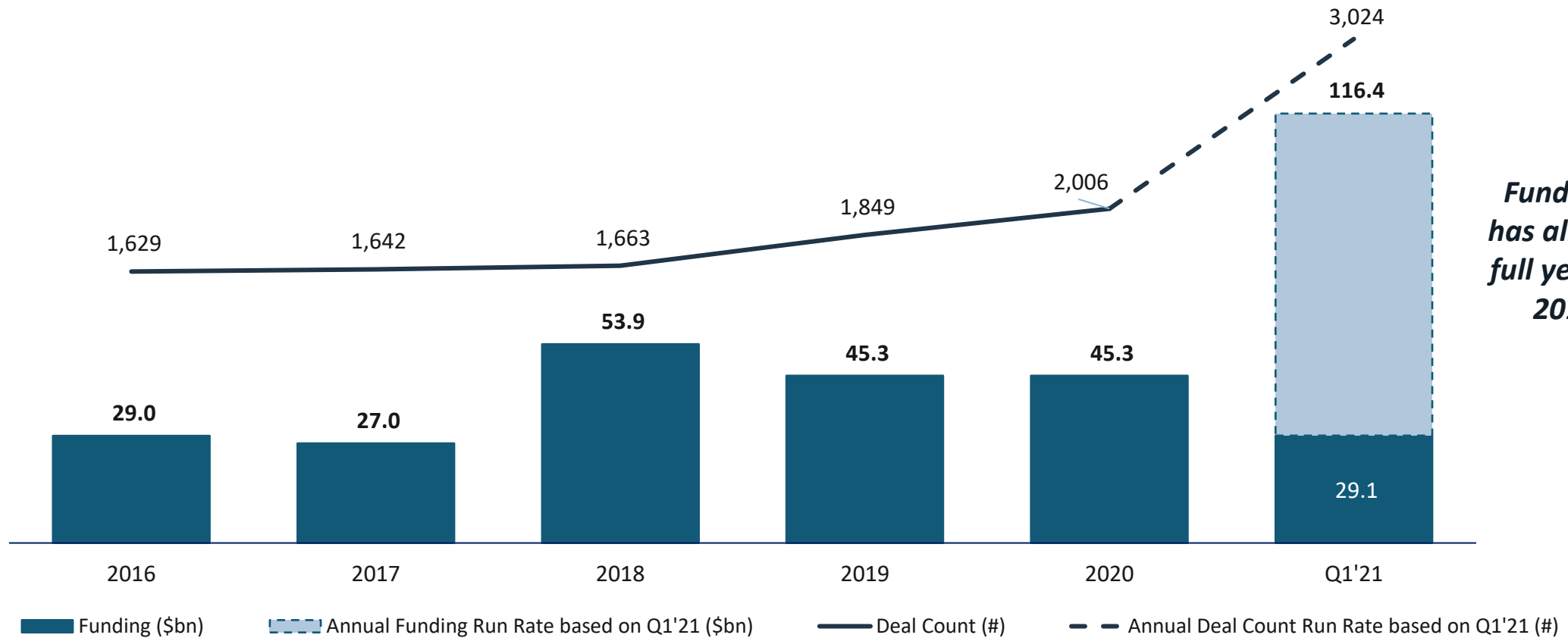
Top 500 Global Banks, Payment & Fintech Firms\* Share of Market Capitalisation



**Fintech firms more than doubled share of Top 500 market cap 2019-20**

# Fintech funding in Q1 is at record levels

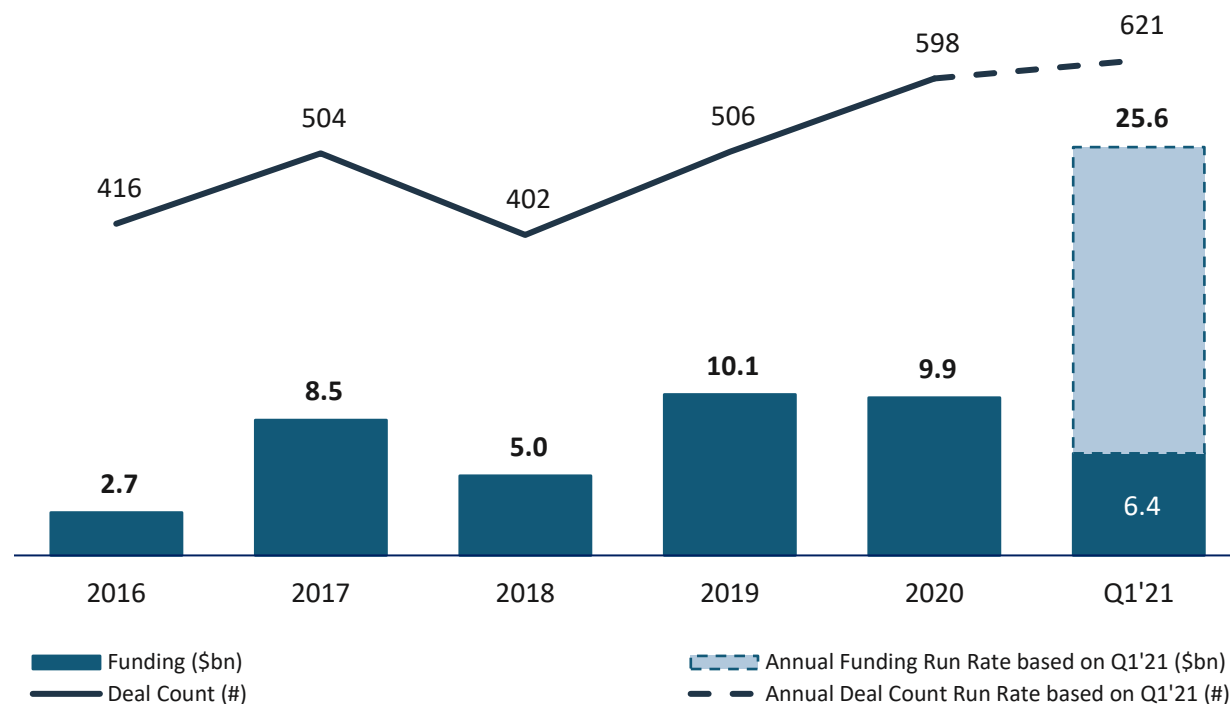
Global Fintech Financing Volume & Deal Count, 2016-Q1'21 Run Rate



Source: FT Partners

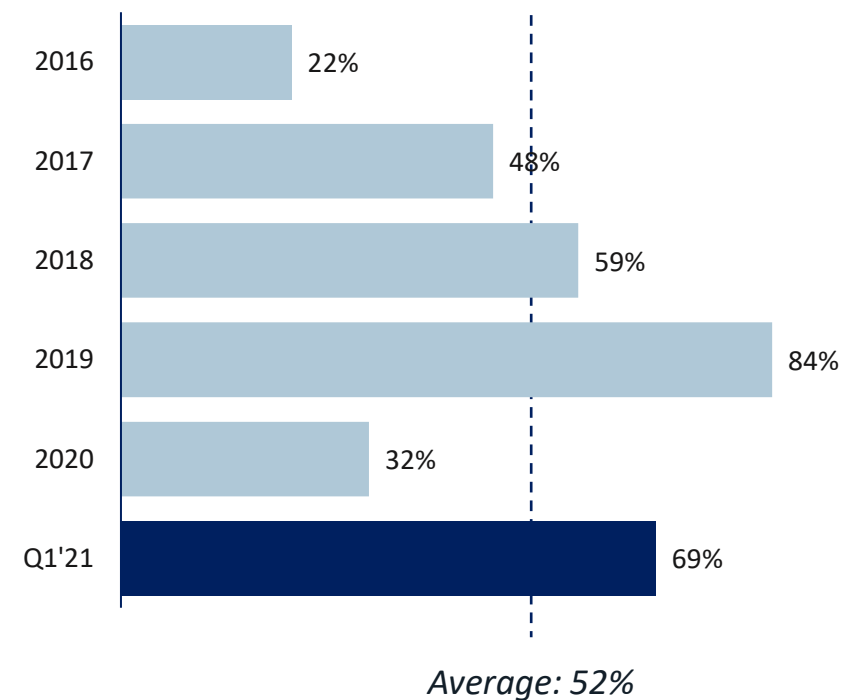
# Europe is experiencing the same bounce back and the UK continues to over-index on fintech investment

European Fintech Financing Volume & Deal Count  
2016-Q1'21 Run Rate



Source: FT Partners

UK Share of European Fintech Funding  
2016-Q1'21, %

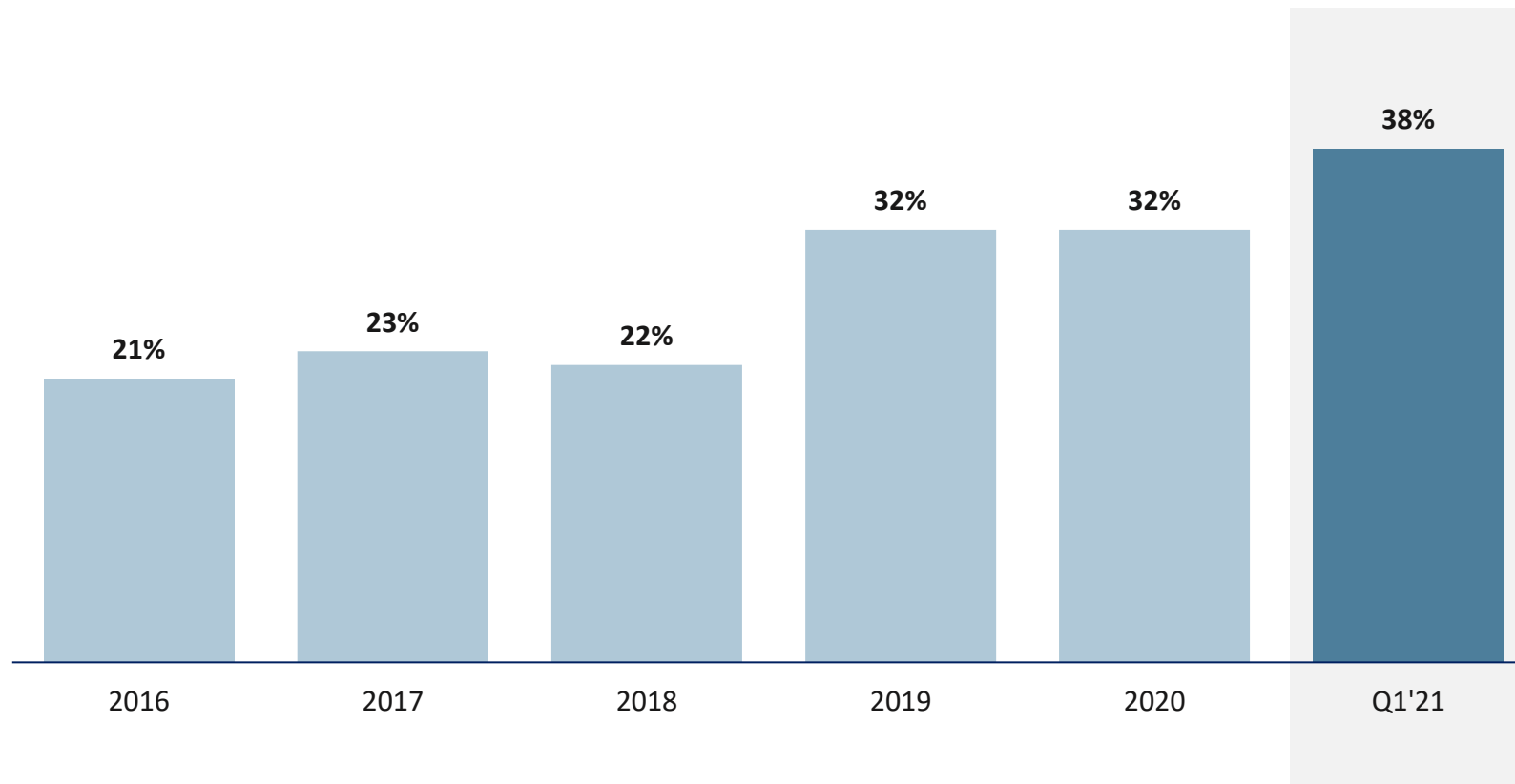


Source: KPMG Pulse of Fintech, Sifted



## Growing overseas investment in Europe reflects the quality, and global potential of European fintechs

% European Fintech Financing Rounds with US-Based Investor Participation, 2016-Q1'21



*Increased activity from US-based investors introduces new co-investment opportunities for Augmentum*

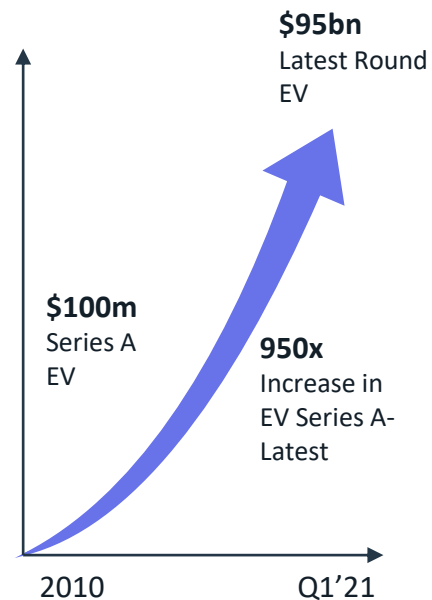
Source: FT Partners

# Leading fintechs are electing to remain private, leaving public market investors with limited opportunity to participate in exceptional returns

Funding and Valuation History for Leading Private Fintechs, Series A-Latest Reported Funding Round<sup>1</sup>

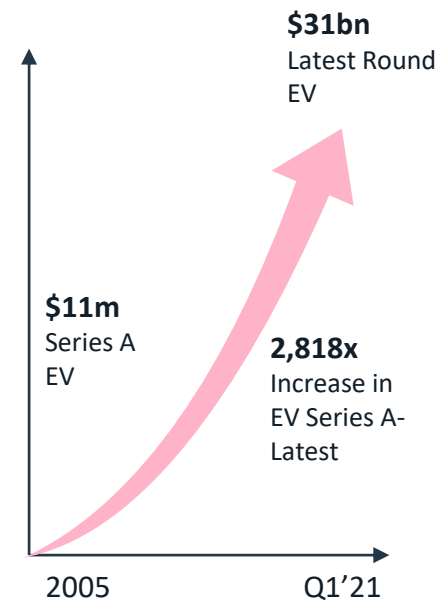
**stripe**

Payments

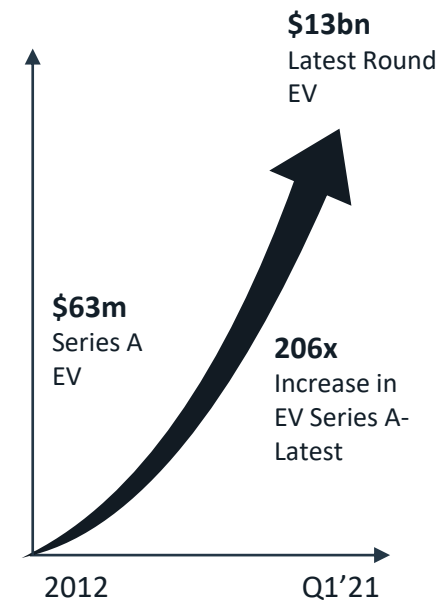


**Klarna**

Lending

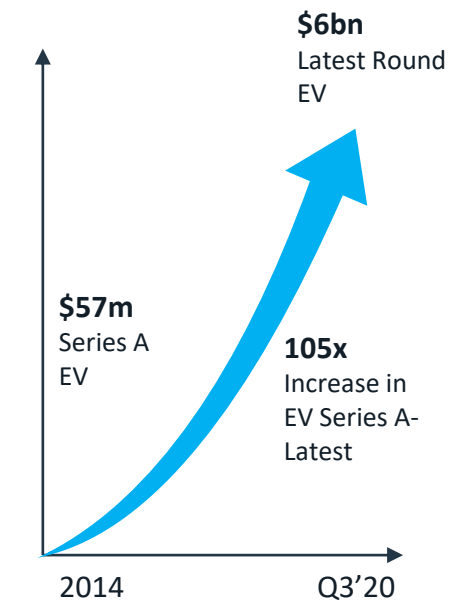


Open Banking



**Revolut**

Digital Banking



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

## Press coverage highlights

INVESTMENT TRUST  
**INSIDER**

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

By Jeremy Gordon / 17 Apr, 2020

**CITYA.M.**

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

Friday 30 October 2020 1:29 pm

**QuotedData**

BY MARTEN & CO

**Augmentum proves resilient in face of crisis**

16 July 2020 | QuotedData | Global | Show 3 Sectors

INVESTMENT TRUST  
**INSIDER**

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

By Gavin Lumsden / 25 Sep, 2020

**Biggest Risers: 4. Augmentum Fintech**

**The Telegraph**

By Richard Evans  
20 August 2020 • 6:00am

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

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

**investors**  
CHRONICLE

Simon Thompson July 20 2020

**Watchlist small caps on the upgrade**

Simon Thompson

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

**investors**  
CHRONICLE

Podcasts September 7 2020

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

*Augmentum Fintech offers tremendous potential.*

**W.M.** WEALTH  
MANAGER



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

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

## Award Highlights





**INVESTOR Allstars**

GROWTH  
**INVESTOR**  
2019 | AWARDS

GROWTH  
**INVESTOR**  
2020 | AWARDS



**PRIVATE EQUITY**  
**EXCHANGE**  
&  
**AWARDS**

@AugmentumF   
Augmentum Fintech 

**Thank you**

# Contents

- Investment summary
- Full Year Results 31<sup>st</sup> March 2021
- Portfolio update
- Market update
- **Appendix**

# Gross Portfolio Value Table

Year Ended 31<sup>st</sup> March 2021

	Fair value of holding at 31 March 2020 £'000	Net investments/ (realisations) £'000	Investment return £'000	Fair value of holding at 31 March 2021 £'000	% of portfolio
Interactive Investor <sup>^</sup>	21,807	667	10,157	32,631	19.9%
Tide	14,221	2,000	2,741	18,962	11.6%
Onfido	10,867	-	3,984	14,851	9.0%
Grover	6,267	2,631	4,039	12,937	7.9%
BullionVault <sup>**^</sup>	11,191	(1,068)	1,342	11,465	7.0%
Farewill	7,216	2,572	803	10,591	6.5%
Dext (formerly Receipt Bank)	7,500	-	3,036	10,536	6.4%
Monese	10,159	1,000	(818)	10,341	6.3%
Zopa <sup>^</sup>	7,930	1,173	398	9,501	5.8%
lwoca	7,600	252	119	7,971	4.9%
<b>Top 10 Investments</b>	<b>104,758</b>	<b>9,227</b>	<b>25,801</b>	<b>139,786</b>	<b>85.3%</b>
Other Investments <sup>**</sup>	18,374	5,041	926	24,341	14.7%
<b>Total Investments</b>	<b>123,132</b>	<b>14,268</b>	<b>26,727</b>	<b>164,127</b>	<b>100.0%</b>

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

<sup>\*\*</sup> During the period WhiskyInvestDirect was spun out of BullionVault and is now held directly by Augmentum I LP. WhiskyInvestDirect's value of £545,000 is included within Other Investments as at 31 March 2021.

# Consolidated Income Statement

Year Ended 31<sup>st</sup> March 2021

	Notes	Year ended 31 March 2021			Year ended 31 March 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on Investments	8	-	26,727	28,457	-	12,683	12,683
Interest Income		7	-	7	106	-	106
Expenses	2	(2,879)	(37)	(2,916)	(2,579)	(2,410)	(4,989)
Carried interest fees	2	-	(4,140)	(4,140)	-	-	-
<b>(Loss)/Return before Taxation</b>		<b>(2,872)</b>	<b>22,548</b>	<b>19,676</b>	<b>(2,473)</b>	<b>10,273</b>	<b>7,800</b>
Taxation	6	-	-	-	-	-	-
<b>(Loss)/Return for the year</b>		<b>(2,872)</b>	<b>22,548</b>	<b>19,676</b>	<b>(2,473)</b>	<b>10,273</b>	<b>7,800</b>
<b>(Loss)/Return per Share (pence)</b>	7	<b>(2.3)</b>	<b>18.2</b>	<b>15.9</b>	<b>(2.2)p</b>	<b>9.2p</b>	<b>7.0p</b>

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 and capital 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.

## Top 10 holdings

Company	Fintech Area	Joined Portfolio	Invested <sup>1</sup>	Fair Value 31 <sup>st</sup> Mar-21	NAV/Cash	IRR
ii	Retail Investment	Mar-18	£3.8m	£32.6m	8.5x	114%
Tide	SME Financial Stack	Aug-18	£11.0m	£19.0m	1.7x	34%
Onfido	Regulatory Technology	Dec-18	£7.7m	£14.9m	1.9x	42%
Grover	Circular Economy	Sept-19	£7.9m	£12.9m	1.6x	50%
BullionVault	Retail Investment	Mar-18	£8.4m	£11.5m	1.4x	15%
Farewill	Lifetime Wealth	Dec-18	£6.6m	£10.6m	1.6x	31%
Dext 	SME Financial Stack	Jan-20	£7.5m	£10.5m	1.4x	32% <sup>2</sup>
Monese	Digital Banking	May-18	£10.3m	£10.3m	1.0x	-
Zopa	Digital Banking	Mar-18	£19.7m	£9.5m	0.5x	-
iwoca	SME Financial Stack	Dec-18	£7.9m	£8.0m	1.0x	-

 Portfolio exit post-year end



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

## Management team

### Senior Team



Tim Levene



Richard Matthews



Martyn Holman



Perry Blacher



Ellen Logan



Réginald de Wasseige



Akash Bajwa



Georgie Hazell



## Advisory board



Edward Wray



Phillip Riese



Josh Hannah

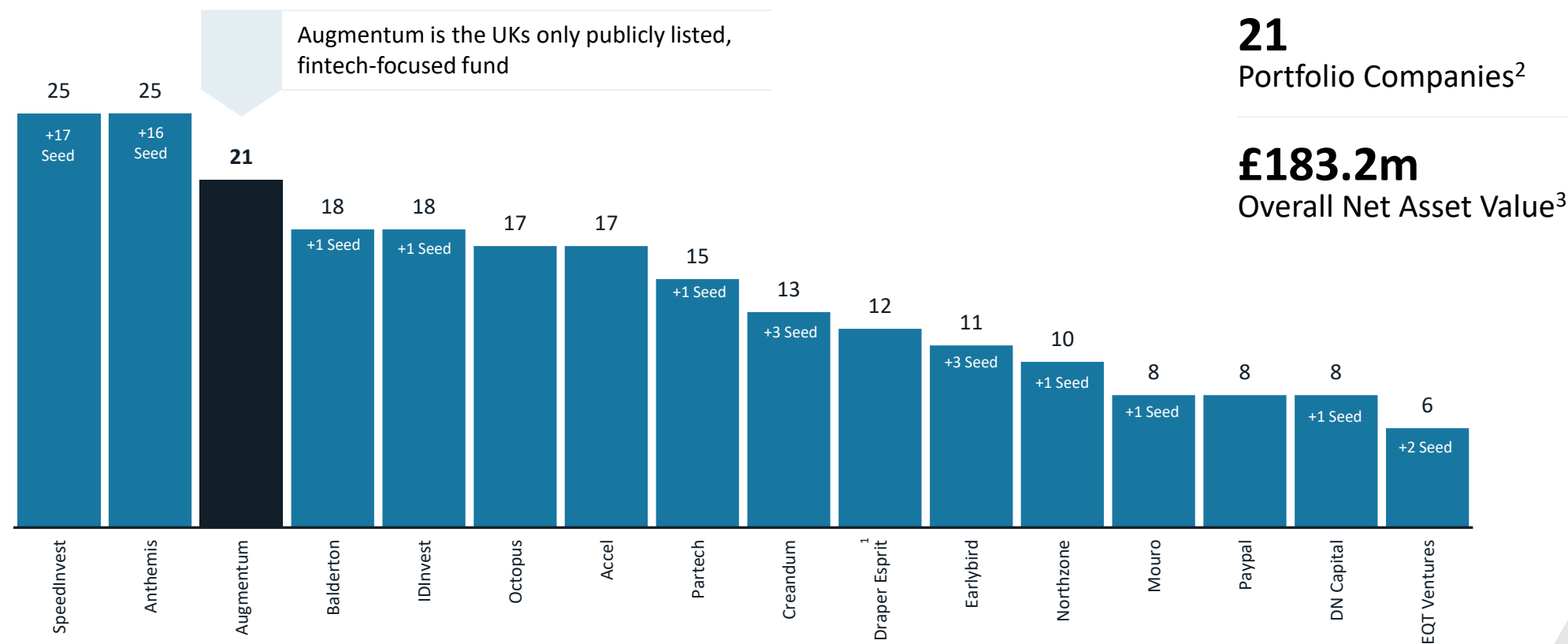


Bronek Masojada



# Since IPO in 2018, Augmentum has built one of the largest fintech portfolios in Europe

Venture Funds by Direct Active European Series A+ Fintech Investments, #



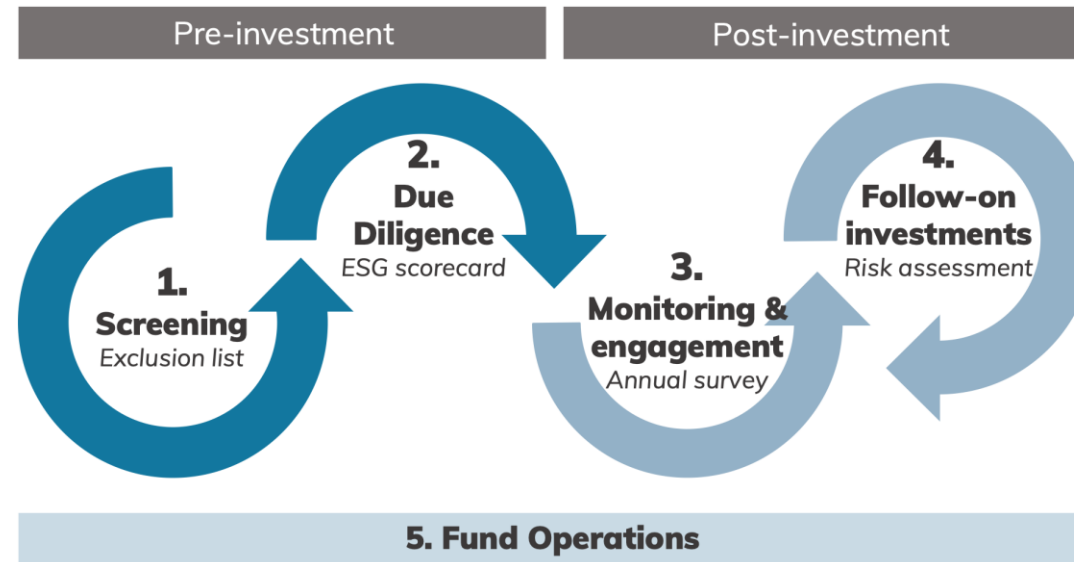
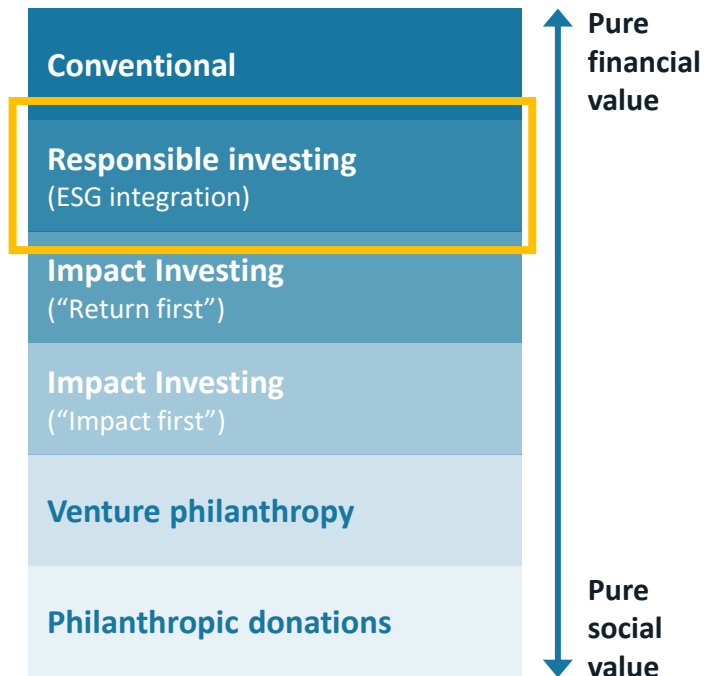
1. Draper Esprit investment in Earlybird evaluated as a single active investment

2. Includes new investment into Cushon and Epsor and realisation of Dext made post-year ended 31<sup>st</sup> Mar-21

3. 31<sup>st</sup> Mar-21 NAV

Source: Investor Websites, Crunchbase. Accessed 14 May-21

## We have integrated a broad set of responsible investment principles into our investment approach and fund operations



# We use a variety of valuation methodologies to value each business, tailoring the approach to the stage & circumstances of the company

Overview of valuation methodologies applied to portfolio holdings

<b>Calibrated price of recent transaction (CPORT)</b>	Where there has been a recent funding round we take the price of Augmentum shares at the point of this transaction and calibrate the value according to our analysis of the performance of the company since that date.
<b>Multiple comparisons</b>	Where there are comparable businesses in the public markets, we use multiple comparisons to value our portfolio company using the most appropriate financial metrics for that business (e.g. Revenue, Earnings, AUA etc.).
<b>Discounted cash flow forecast</b>	For more mature, profit-making businesses we use DCF forecasts to reach an estimated valuation, taking into account liquidity discounts.
<b>Convertible loan note (CLN)</b>	Where CLNs have been issued we determine the value using the built-in discount and valuation cap that the note will receive on the next round in conjunction with our calibrated assessment of the expected company valuation at the next funding round
<b>Downside protection<sup>1</sup></b>	<p>We employ deal terms to protect our exposure to downside risk &amp; factor this into our valuation assessments, e.g.:</p> <ul style="list-style-type: none"><li>▪ Anti-dilution</li><li>▪ Liquidation preferences</li><li>▪ Ratchets</li><li>▪ Warrants</li></ul>

BDO audit or review our valuations twice yearly