

# Annual General Meeting

14<sup>th</sup> September 2022

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# Summary

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- Our portfolio of 24 companies is well diversified across fintech verticals and performing in line with expectations. Our Top 10 holdings are growing at an average of 96% YoY and have an average of 17 months cash runway or are profitable.
- For the year ended 31<sup>st</sup> Mar-22 we delivered an increase of 24.8p in NAV per share to 155.2p net of performance fee, +19% versus 31<sup>st</sup> Mar-21. NAV stands at £295.2m and annualised IRR on invested capital since inception is 22.6%.
- We remain a highly selective investor; investing in 0.4% of opportunities assessed. During the year ended 31<sup>st</sup> March 2022 we deployed £60.8m across 7 new investments and follow-on investments in existing portfolio companies. We slowed our pace of deployment in H2 in response to market conditions (H1: £44.4m vs H2: £16.4m).
- Post-period end, we delivered a return of 11x MOIC with proceeds of £42.8m as a result of the sale of interactive investor to abrdn.
- We have demonstrated a consistent approach towards valuation of our portfolio; maintaining a revenue multiple of 5.3x on our Top 10 holdings during the period. We continue to apply pricing discipline to investment processes.
- The structural opportunity for the fintech sector remains significant irrespective of macroeconomic headwinds with huge headroom for further disruption in financial services where fintech revenue penetration remains <10%.
- Despite market challenges we have £241m of opportunity under active development in our pipeline. Sector specialism, team experience and valuation discipline remain key competitive advantages.

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# Financial and operational highlights

Year ended 31st March 2022

## AUGM plc

**£295.2m**

Net Asset Value<sup>1</sup>, +61% vs 31st March 2021  
NAV of £183.2m

**+24.8p**

NAV per share increase to 155.2p net of  
performance fee<sup>2</sup>, +19% vs 31st March 2021

**+22.6%**

Annualised IRR on invested capital  
since IPO

**£60.6m**

Cash position  
as at 4th July 2022<sup>3</sup>

Post-period end

## Capital raise, deployment and realisations

**£55.0m**

Capital raised through oversubscribed placing  
and retail offer in July 2021

**£60.8m**

Capital deployed in new and  
follow-on investments

**>£1.3bn**

Total equity raised by Augmentum portfolio  
companies during the year ended 31st March  
2022

**£42.8m**

Proceeds received from the sale of  
interactive investor to abrdn

Post-period end

## Portfolio

**8**

New portfolio  
companies

**cushon**

**Anyfin**

Sfermion

wematch.live

**epsor**

**Tesseract**

**GEMINI**

**kipp**

Post-period end

## Exits

**Dext**

**SEEDRS**

**interactive  
investor**

## Holdings acquired by

Hg Capital

Republic

abrdn

Post-period end

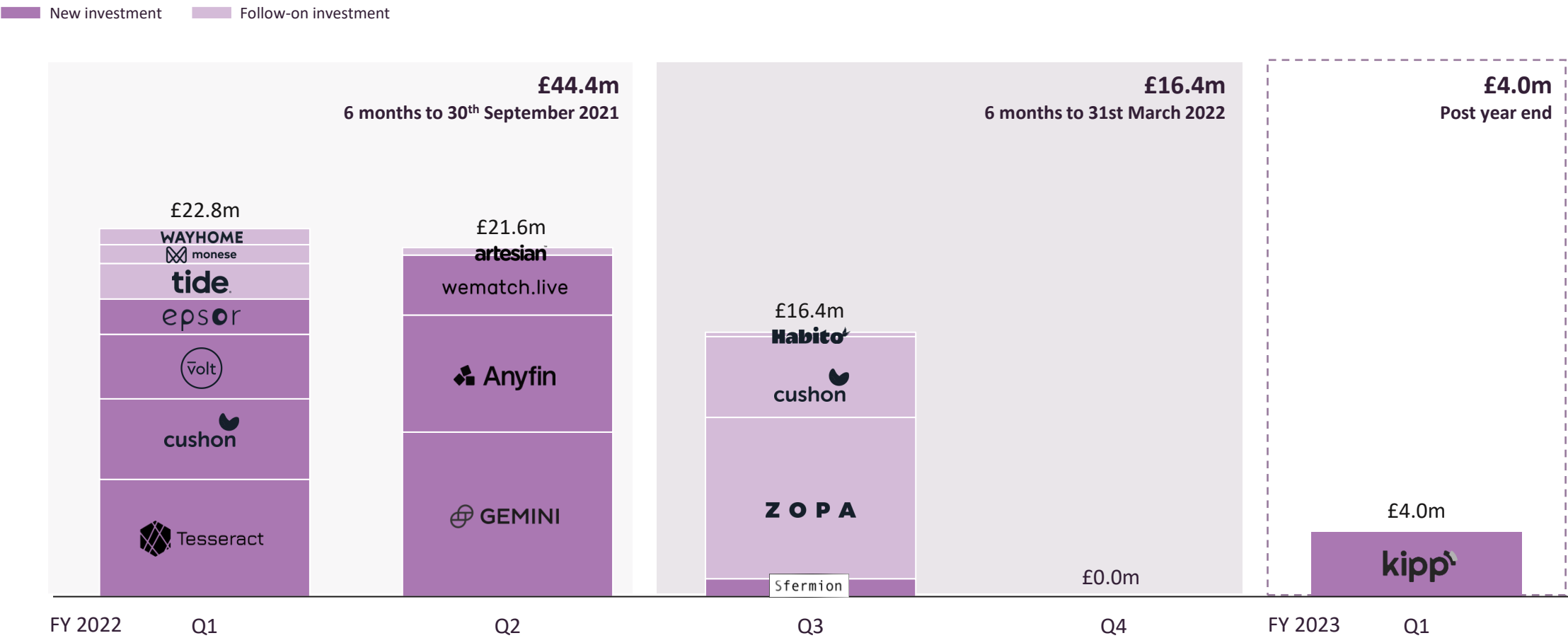
1. NAV before performance fee. Includes net proceeds of £53.6m from capital raise in Q3 2021 (+18% contribution to uplift) and net portfolio fair value increase (+19% contribution to uplift)

2. 163.4p per share before performance fee

3. Cash position at 31st March 2022 £31.3m

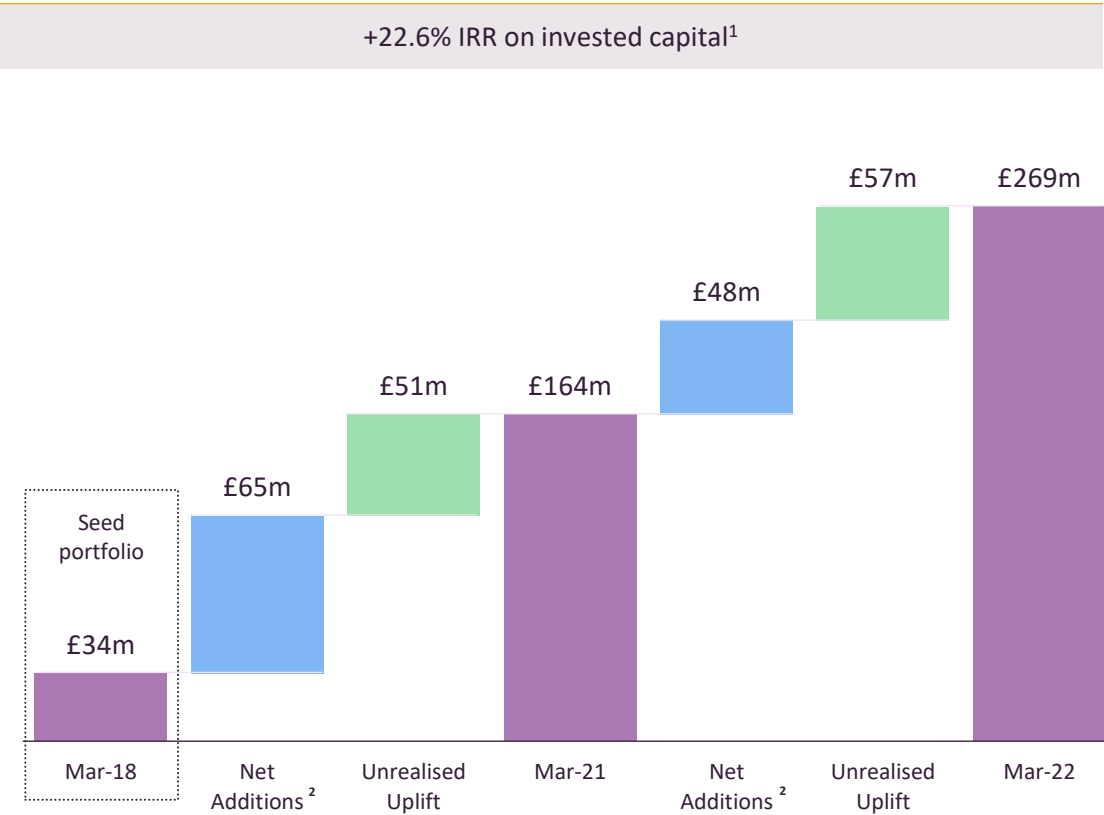
# We deployed £60.8m during the year, slowing our pace of deployment in H2 in response to market conditions

Year ended 31st March 2022

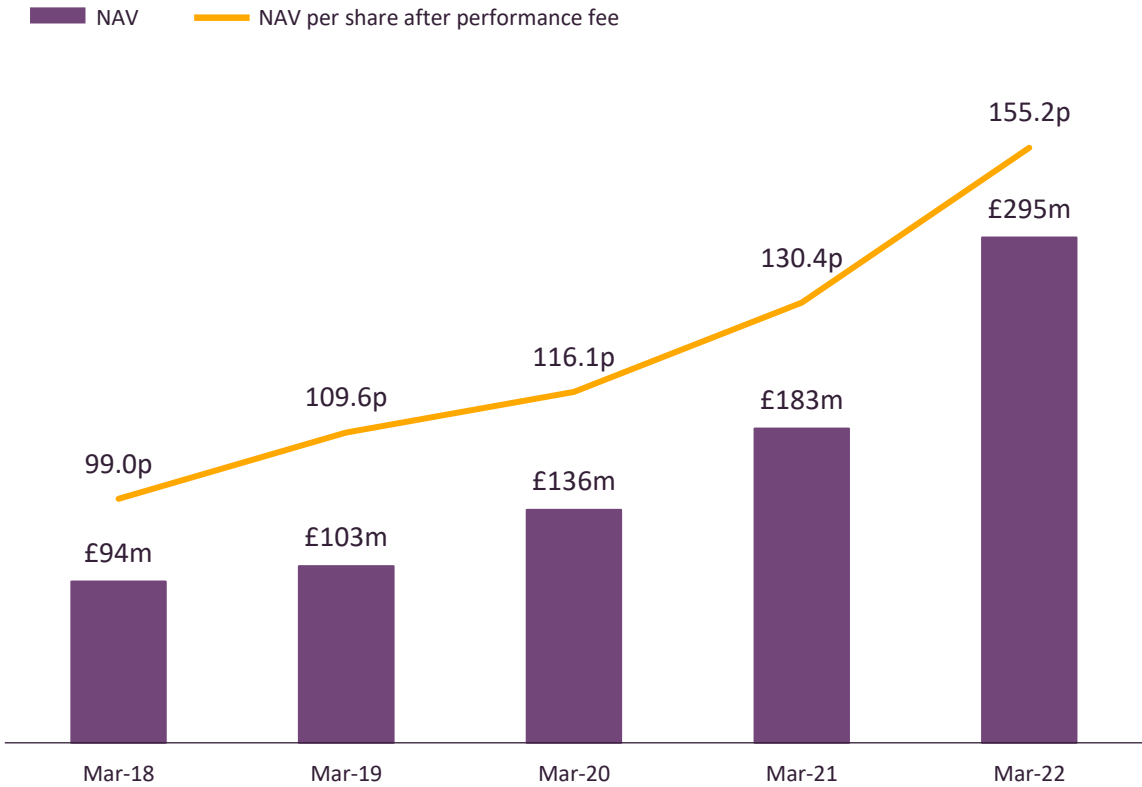


# Gross portfolio value and NAV progression

Gross portfolio value  
March 2018 – March 2022



NAV<sup>3</sup> and NAV per share<sup>4</sup>  
March 2018 – March 2022

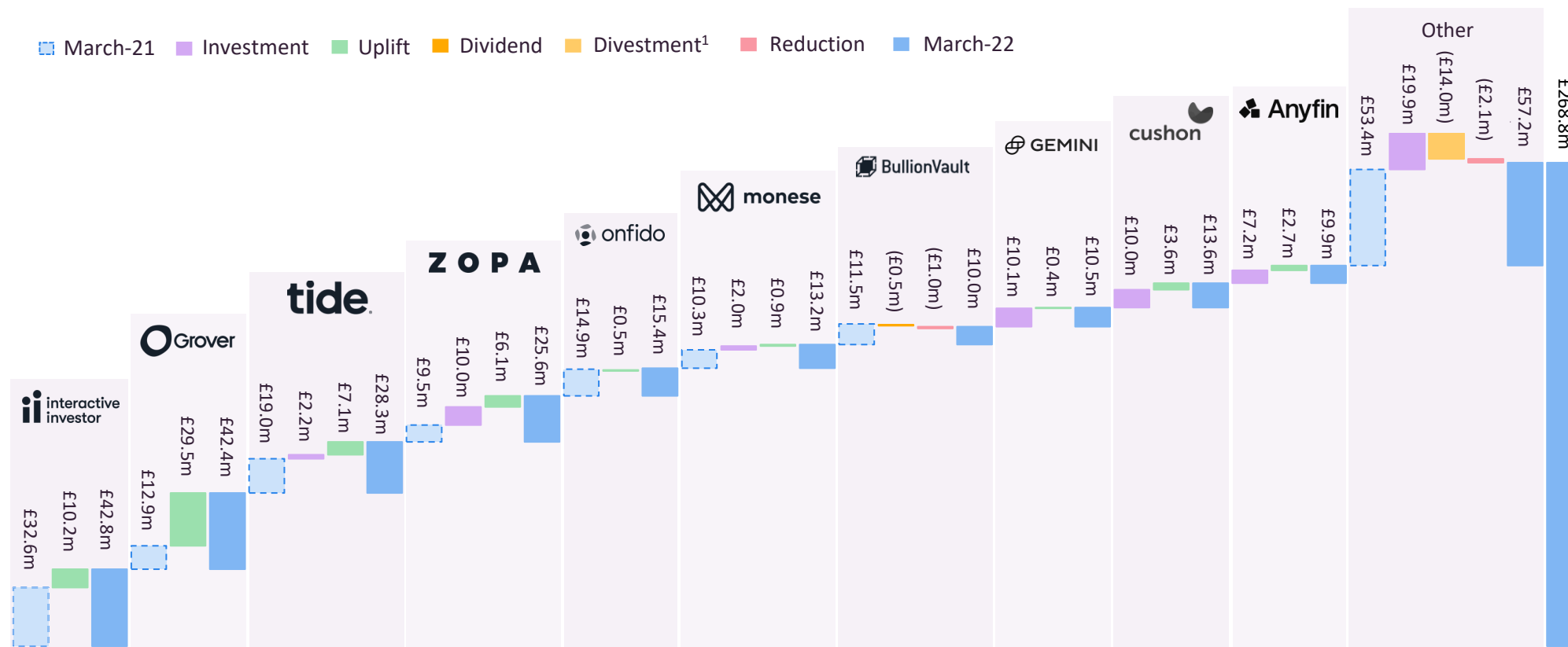


1. Annualised IRR on invested capital since inception using valuations at the last reporting date before performance fee  
2. Net additions = Invested Capital – Dividends and Realisations  
3. March 2018 – March 2021 NAV is after performance fee, March 2022 NAV is shown before performance fee  
4. NAV per share after performance fee. The Board considers NAV per share after performance fee to be the most appropriate measure of NAV per share attributable to shareholders.



# Portfolio valuation changes

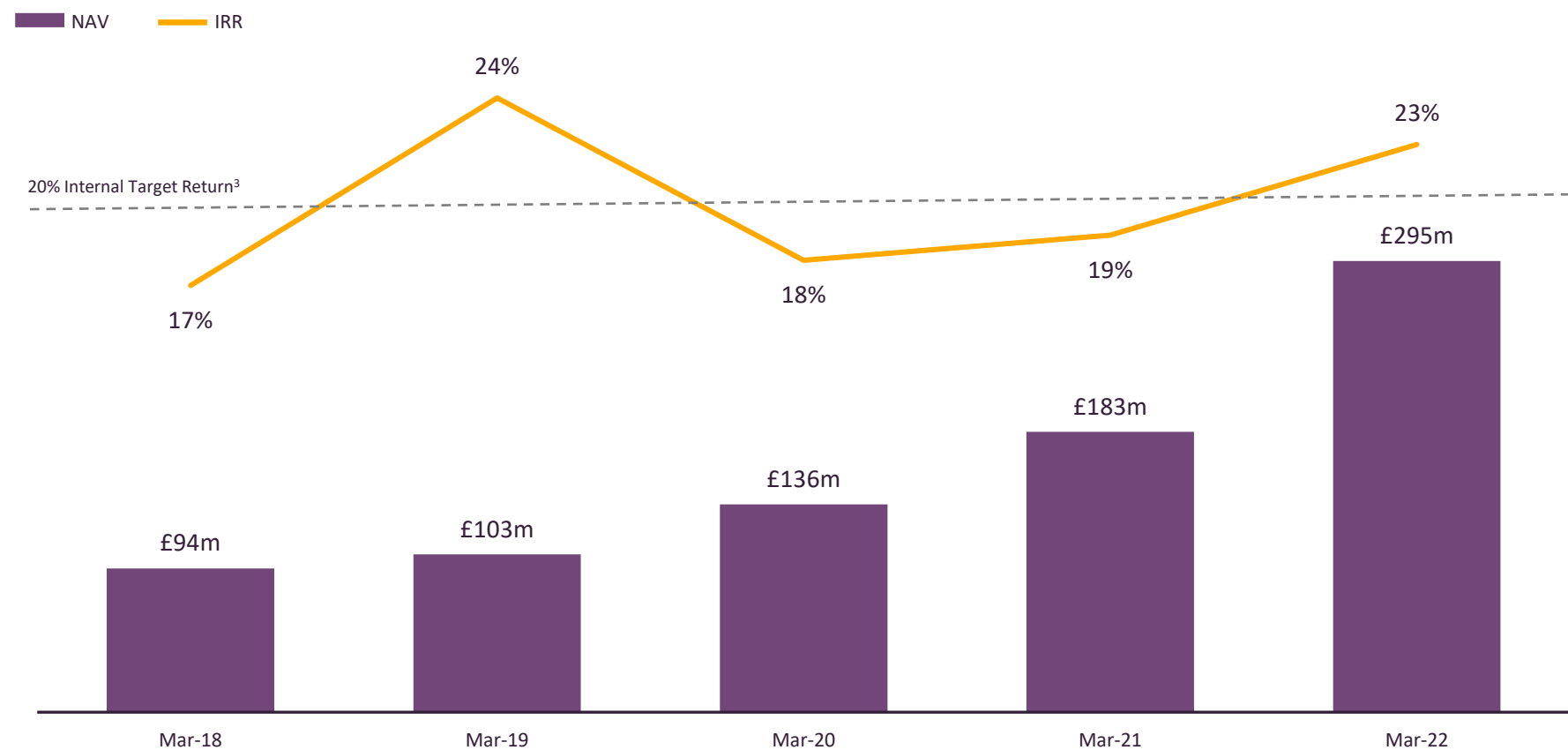
Year ended 31st March 2022



1. Dext, Seedrs, SRL Global were exited during the year

# We continue to track our internal IRR target of 20%

NAV<sup>1</sup> and IRR<sup>2</sup>, March 2018 – March 2022



1. March 2018 – March 2021 NAV is after performance fee, March 2022 shown before performance fee  
2. Annualised IRR on invested capital since inception using valuations at the last reporting date before performance fee  
3. The Portfolio Manager aims to manage the Company's portfolio with a view to achieving an annualised IRR on invested capital of 20 per cent. over the longer term. This is a target only and not a profit forecast and there can be no assurance that it will be met or that any capital growth or distributions will be achieved.

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

## Press coverage highlights

### The Telegraph

Investing in unlisted tech firms may sound risky right now – but this trust is an exception

Questor investment trust bargain: recent share price weakness looks unjustified at this specialist private equity trust

By Danielle Levy

18 August 2022 • 6:00am

Fintech businesses owned by the trust continue to gain market share and to grow their revenues, as consumers and businesses reassess their relationships with banks and other financial services firms.

They offer a fresh perspective, cutting-edge technology and the ability to digitise archaic and time-consuming processes... Questor says: Buy.

### investors CHRONICLE

#### Bargain Shares: Targeting undervalued tech winners

Our award winning small-cap stock-picking expert highlights a lowly rated cash-rich fintech fund that continues to outperform and a below the radar Aim-traded technology investment company that is looking to list two of its portfolio companies.

July 4, 2022

By Simon Thompson

Augmentum is well funded, has an enviable track record of delivering an annualised internal rate of return (IRR) of 22.6 per cent since inception, and has a well-diversified and conservatively valued portfolio... Buy.

### CITYWIRE

#### Augmentum Fintech leaps 12% on cash boost from Interactive

By Gavin Lumsden / 04 Jul, 2022

Augmentum has impressed investors on the state of its 24 investments in digital banking, wealth management and financial services infrastructure.

### The Telegraph

Questor investment trust bargain: hit by the flight from growth stocks, this fund still looks like a good long-term investment

By Danielle Levy

10 March 2022 • 5:00am

Questor believes there is much to feel positive about. Fintech businesses owned by the trust continue to gain market share and to grow their revenues.

## Awards highlights



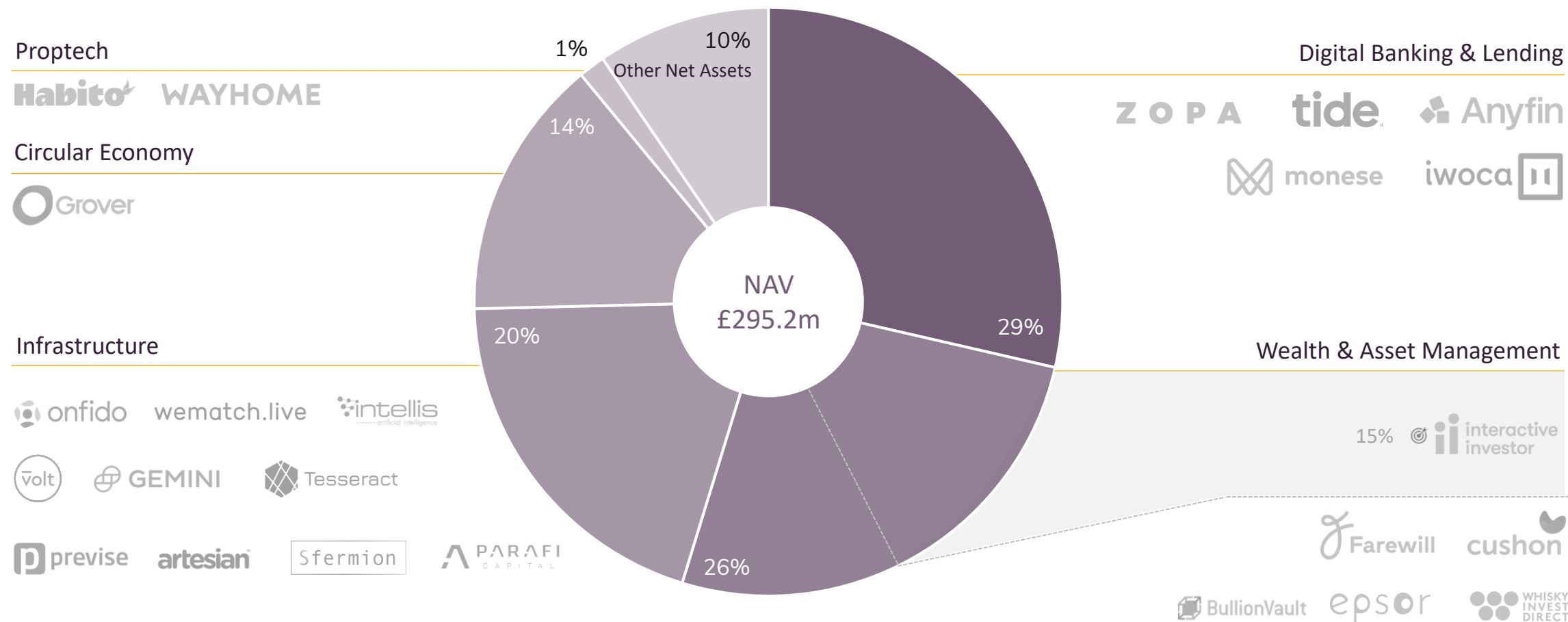
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# The Augmentum portfolio is diversified across the fintech ecosystem

NAV<sup>1</sup> by sub-sector, %

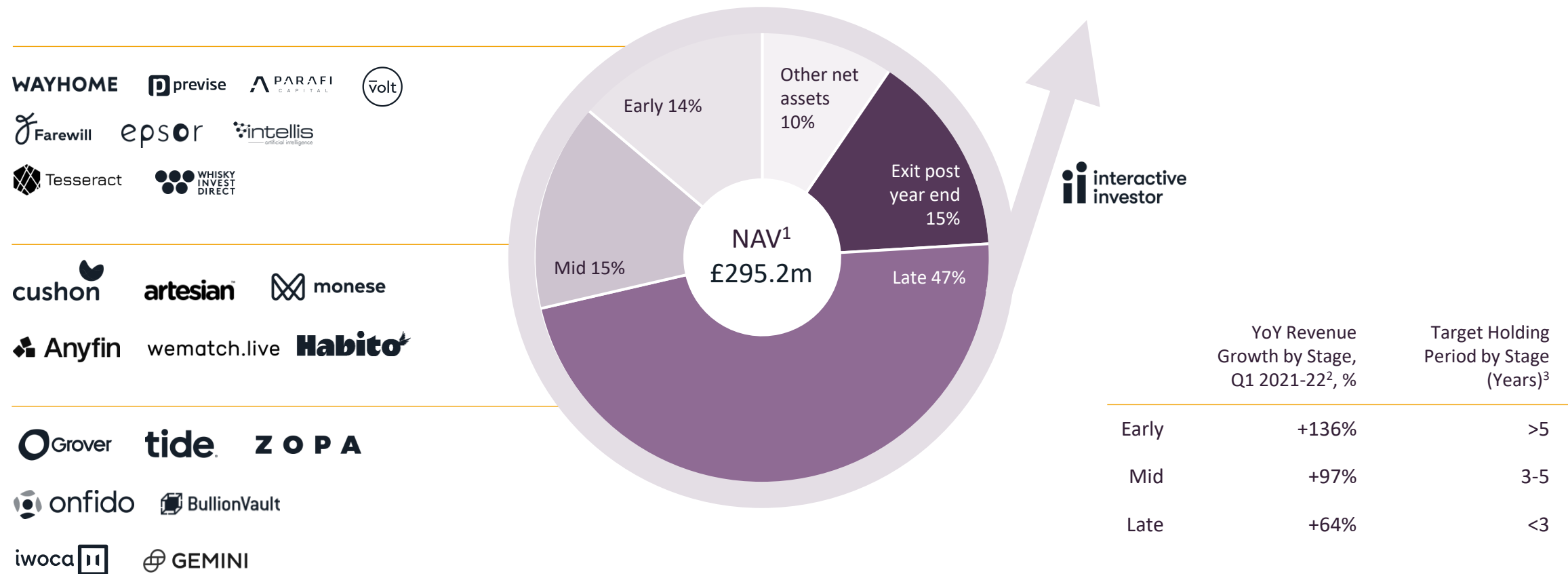


Exit post-period end

1. NAV before performance fee, as at 31st Mar 22

# Our portfolio is balanced across stages of maturity

NAV<sup>1</sup> by company stage, %




1. NAV before performance fee, as at 31st- Mar-22  
2. YoY revenue comparison period is Q1 2022 vs Q1 2021. Excludes Wayhome and Volt which were pre-product launch in Q1 2021 preventing YoY revenue comparison. ParaFi Capital and Sfermion are also excluded due to being investment funds and therefore non-revenue generative.  
3. Target holding period by stage of maturity is based on internal Augmentum targets

# Following our exit of interactive investor our Top 5 positions represent 42% of NAV

Year ended 31st March 2022


Mar-21 Investment Fair Value Movement Mar-22



Exit post-period end

- interactive investor is the No.1 UK direct-to-consumer fixed fee investment platform with 400k customers across its general trading, ISA and SIPP accounts and £59bn AUM
- abrdn acquired ii for £1.5bn post-period end returning £42.8m to Augmentum<sup>1</sup>

Highlights

Acquired by  


Key Stat

15.5%  
Market share of DIY investing market


FV Movement

Mar-21	£32.6m
FV Δ	£10.2m
Mar-22	£42.8m

Overview

Invested	Value
£3.8m	£42.8m
NAV/ Cost	IRR
11.3x	89%

Methodology: Sale price



- Grover brings the access economy to the consumer electronics market by offering a monthly subscription model for products including smartphones, laptops, VR technology and wearables

Highlights

Launched in US, Austria, Netherlands, Spain

Key Stat

€140m  
Subscription revenue in 2021


FV Movement

Mar-21	£12.9m
FV Δ	£29.5m
Mar-22	£42.4m

Overview

Invested	Value
£7.9m	£42.4m
NAV/ Cost	IRR
5.4x	111%

Methodology: Calibrated price of recent transaction and sales multiple



- Tide's mission is to help SMEs save time and money in the running of their businesses, with 7% market share of business accounts in the UK, serving 400,000 SMEs.

Highlights

>400K  
Business Accounts

Key Stat

7%  
Market share of UK SME banking

FV Movement

Mar-21	£19.0m
Investment	£2.2m
FV Δ	£7.0m
Mar-22	£28.2m

Overview

Invested	Value
£13.2m	£28.2m
NAV/ Cost	IRR
2.1x	34%

Methodology: Public market multiple comparison

1. Proceeds received the 31st of May 2022

# Top 5 positions continued

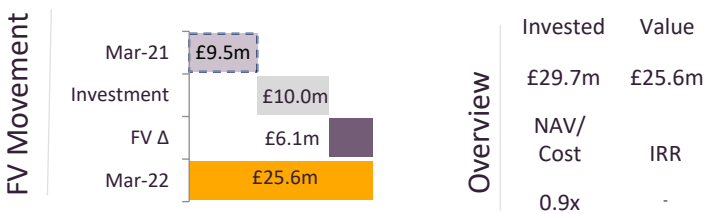
Year ended 31st March 2022

Mar-21 Investment Fair Value Movement Mar-22

## Z O P A

- Zopa offers a wide range of consumer loan products (including personal loans, credit cards, auto loans), as well as fixed-term savings products as a licensed UK bank

Highlights	<b>£1bn</b> Customer deposits	Key Stat	<b>&gt;£7bn</b> Lifetime originations
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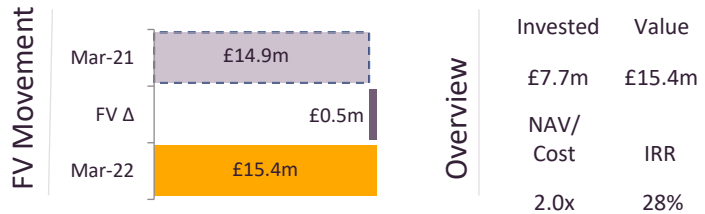


Methodology: Calibrated price of recent transaction

## onfido

- Onfido is building the new identity standard. Onfido's AI-based technology assesses over 2,500 different types of identity documents, determining whether they are genuine or fraudulent

Highlights	<b>134%</b> US market YoY growth	Key Stat	<b>100m+</b> Revenue in 2021
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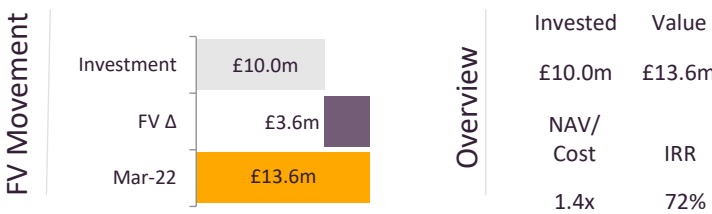


Methodology: Public market multiple comparison

## cushon

- Cushon provides workplace pensions and payroll-linked ISAs to more than 400k members across 23k UK employers. In January 2021, Cushon became the first UK pension provider to launch a fully carbon neutral 'Net Zero Now' pension product.

Highlights	<b>£1.7bn</b> Assets under Management	Key Stat	<b>400K+</b> Scheme members
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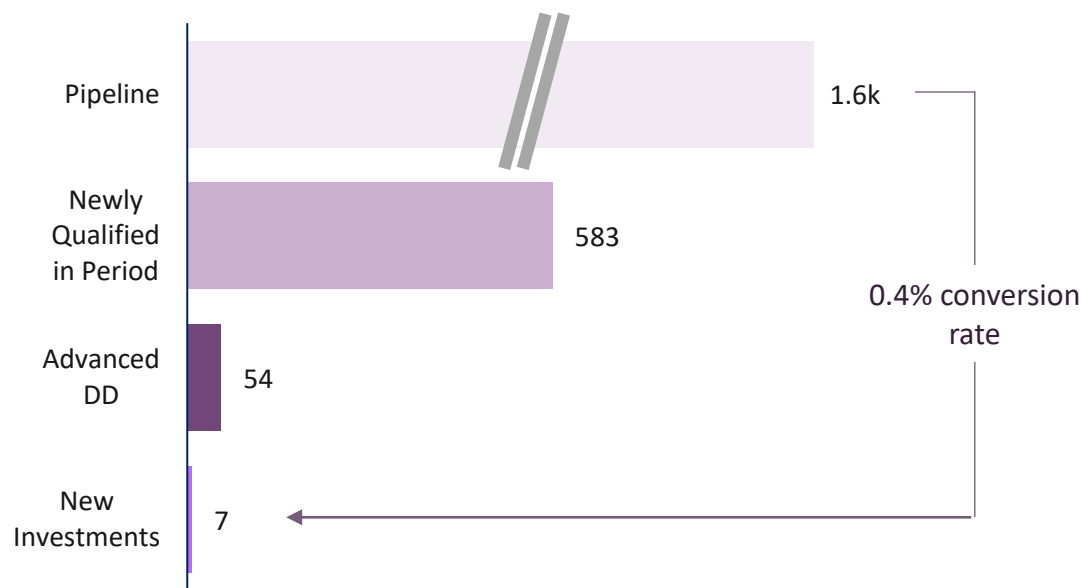
Methodology: Calibrated price of recent transaction



# Fintech specialism delivers advantaged access to dealflow but we remain highly selective and disciplined on valuation

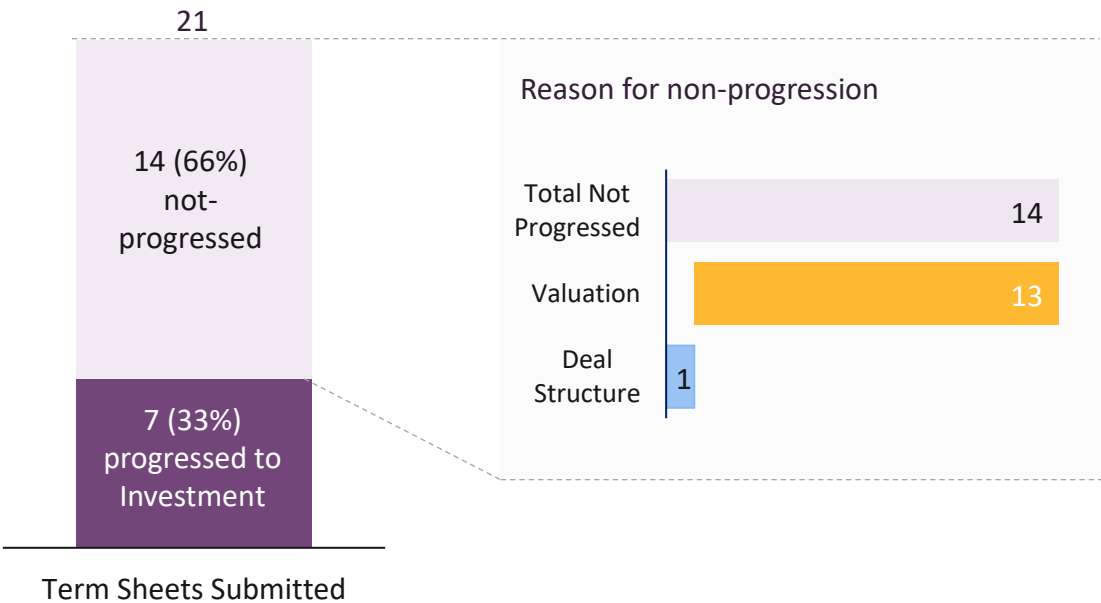
Our bar for investment is high

Funnel progression, # of opportunities by stage, YE 31-Mar-22



We are prepared to walk away when we believe valuation has departed from business fundamentals

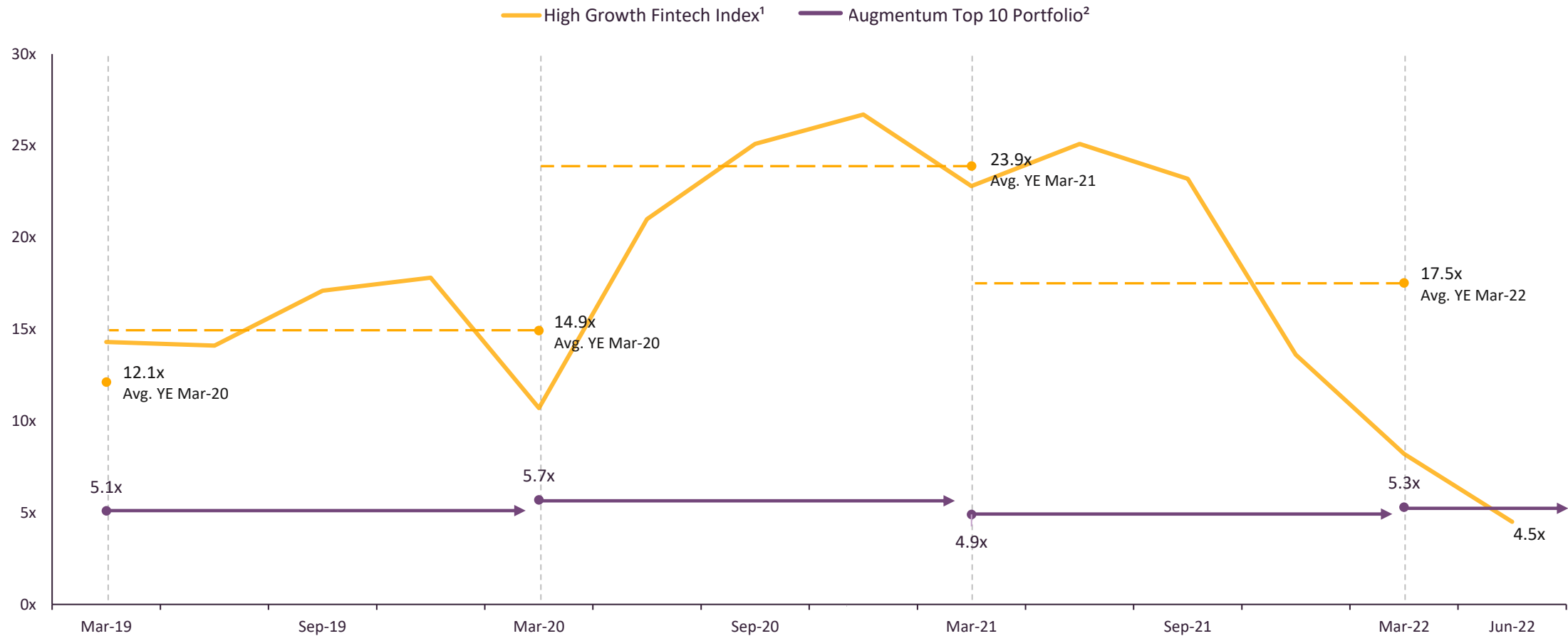
Term sheet activity, YE 31-Mar-22



Source: Augmentum pipeline CRM

# Our approach to valuation has remained consistent while the market has seen a sharp rise and correction in valuation multiples since March 2020

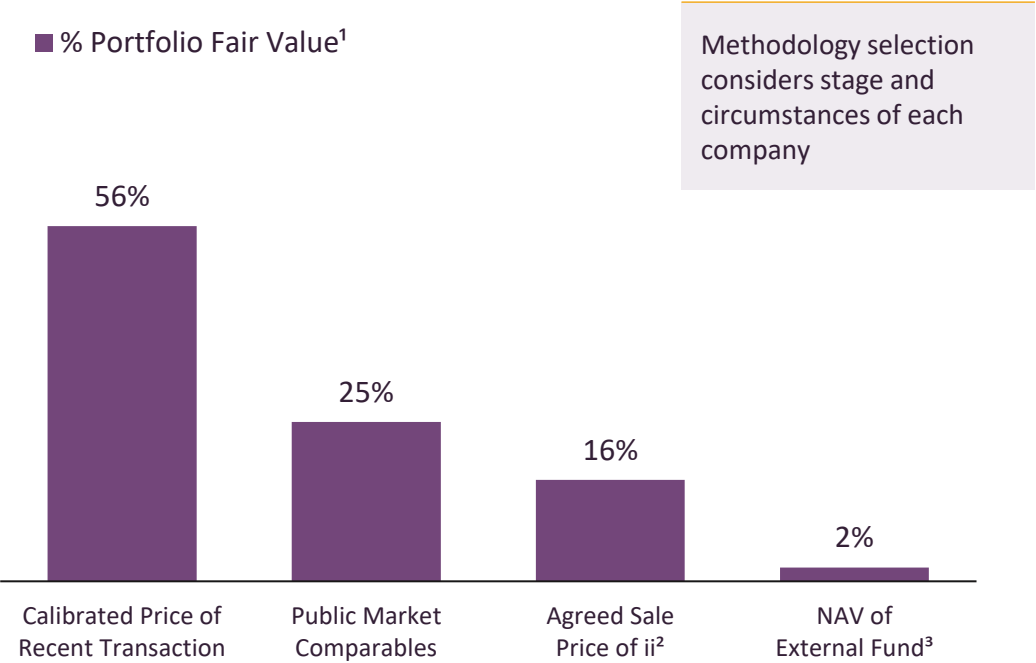
EV/NTM Revenue Multiple<sup>3</sup>, March 2019 – June 2022



1. High growth fintech index comprised of basket of 60 high growth (YoY Revenue Growth >40%) publicly traded fintech companies  
2. Top 10 taken as the 10 assets by fair value as at each year end date, excluding interactive investor at 31-Mar-22 given the valuation was based on agreed sales price. Where a company was pre-revenue or no view was taken on EV as part of valuations they have been excluded from the relevant population. Interactive Investor has been excluded from the Mar-22 multiple population given the sale process with abrdn.  
3. EV / NTM revenue calculated as Enterprise Value as at year end (31<sup>st</sup> March) divided by the latest available 12-month forward revenue forecast for each Augmentum company. For the High Growth Fintech Index EV is taken as market capitalization as at each month end point divided by the consensus next twelve months revenue.  
Source: F-Prime Capital, Augmentum Fintech Analysis

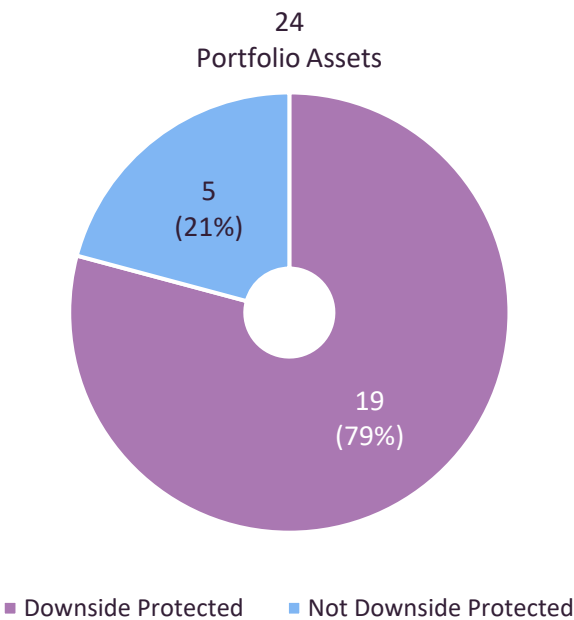
# We use a variety of valuation methodologies to value each business, tailoring the approach to the stage and circumstances of the company

Portfolio Fair Value by Valuation Methodology, YE 31-Mar-22



BDO audit or review our valuations twice yearly  
See appendix for further detail on methodologies

Share of Portfolio Assets with Downside Protection



While rarely employed, downside protections such as liquidation preference and anti-dilution protections provide additional security to the value of our holdings

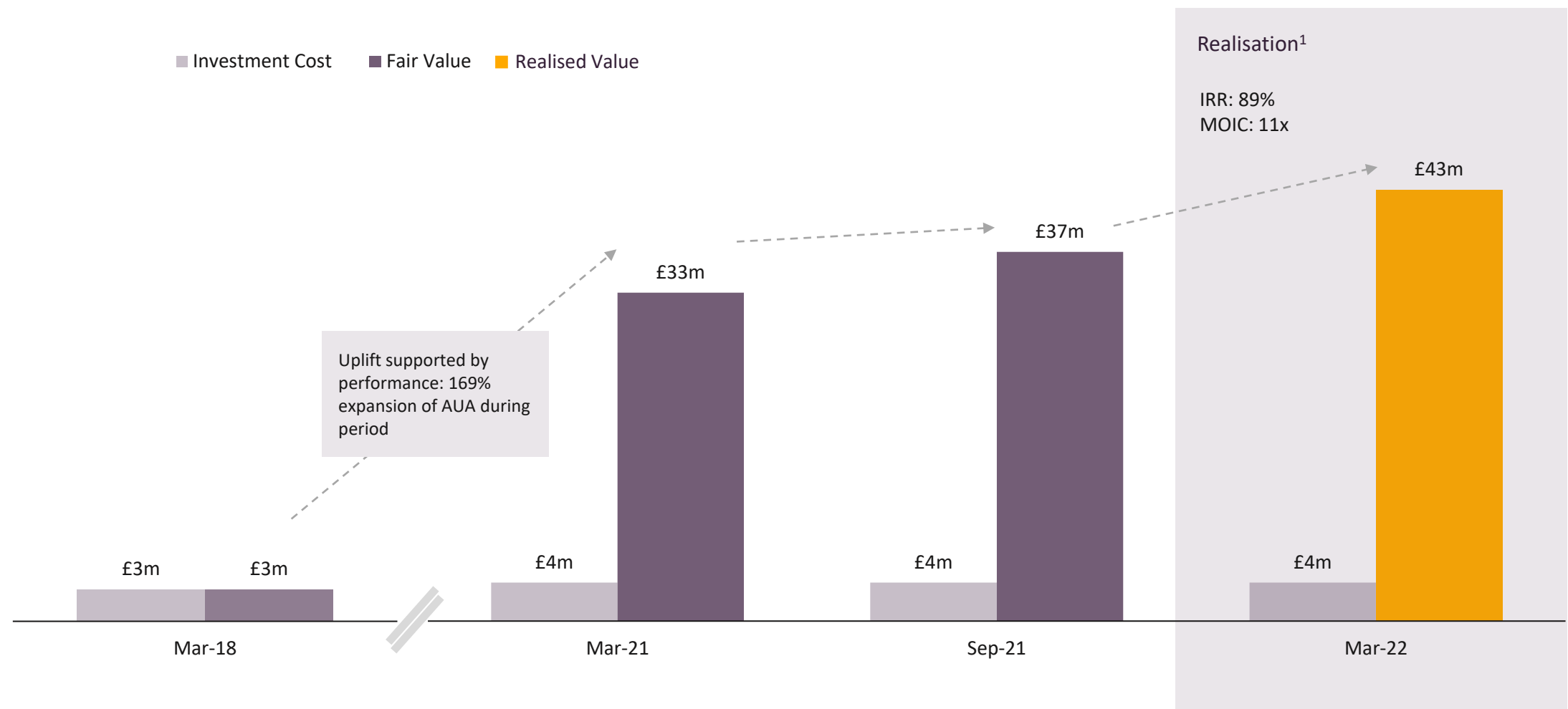
100% of early-stage assets<sup>4</sup> are protected by at least 1.0x liquidation preference and anti-dilution protection

Of the 5 investments without downside protection, 3 are profitable and 2 are positions in other funds

1. % of total NAV as at 31 March 22 excluding cash  
2. Interactive Investor is valued at the sale price agreed with abrdn, cash has been received post year end  
3. Relates to holdings in Parafi and Sfermion where Augmentum holds a Limited Partner interest  
4. Early-stage assets are those with last round at Series A and B

# Our journey to exit with interactive investor demonstrates the potential of our thesis-led approach to drive compelling returns without creating overoptimistic valuation expectations

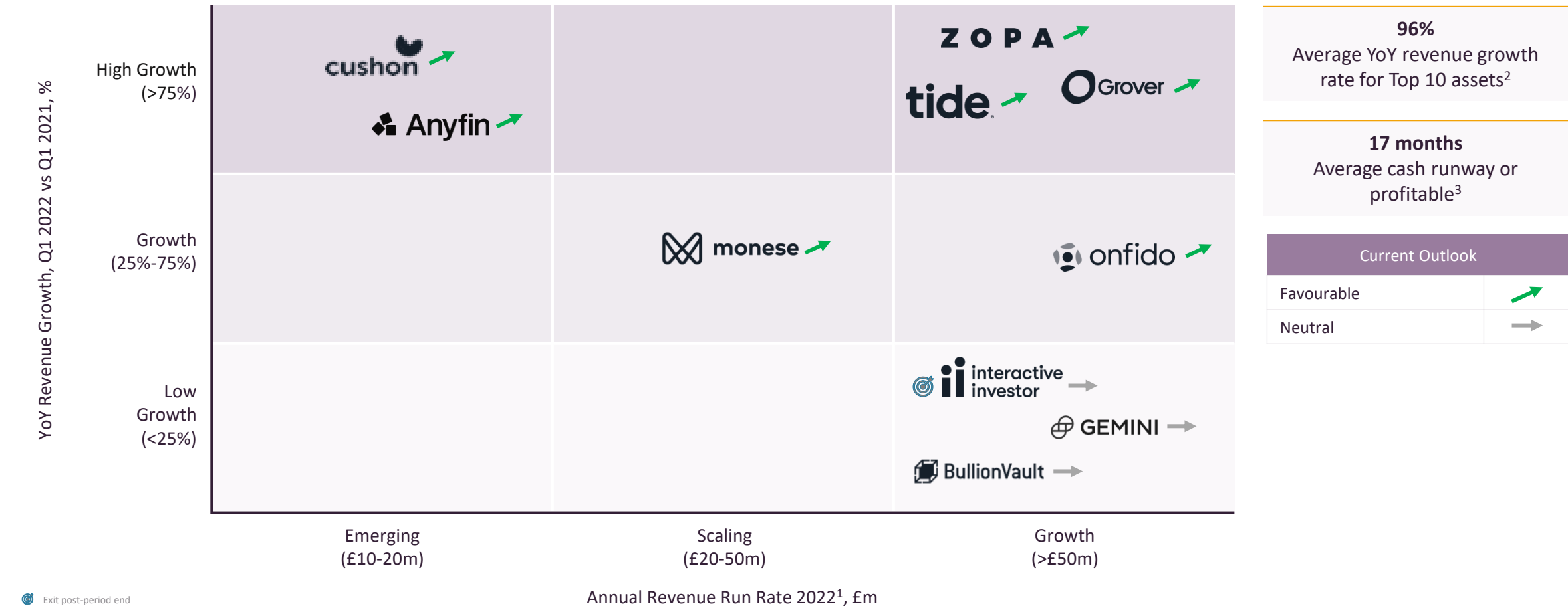
Investment Cost and Fair Value Progression, March 2018 – March 2022



1. Interactive Investor was acquired by abrdn for a headline EV of £1.5bn, this returned £42.8m to Augmentum at a MOIC of 11.3x and an IRR of 89%

# Our key portfolio companies continue to perform strongly and are well-positioned for further growth

Year-on-Year Growth of Top 10 Portfolio Companies by Annual Revenue

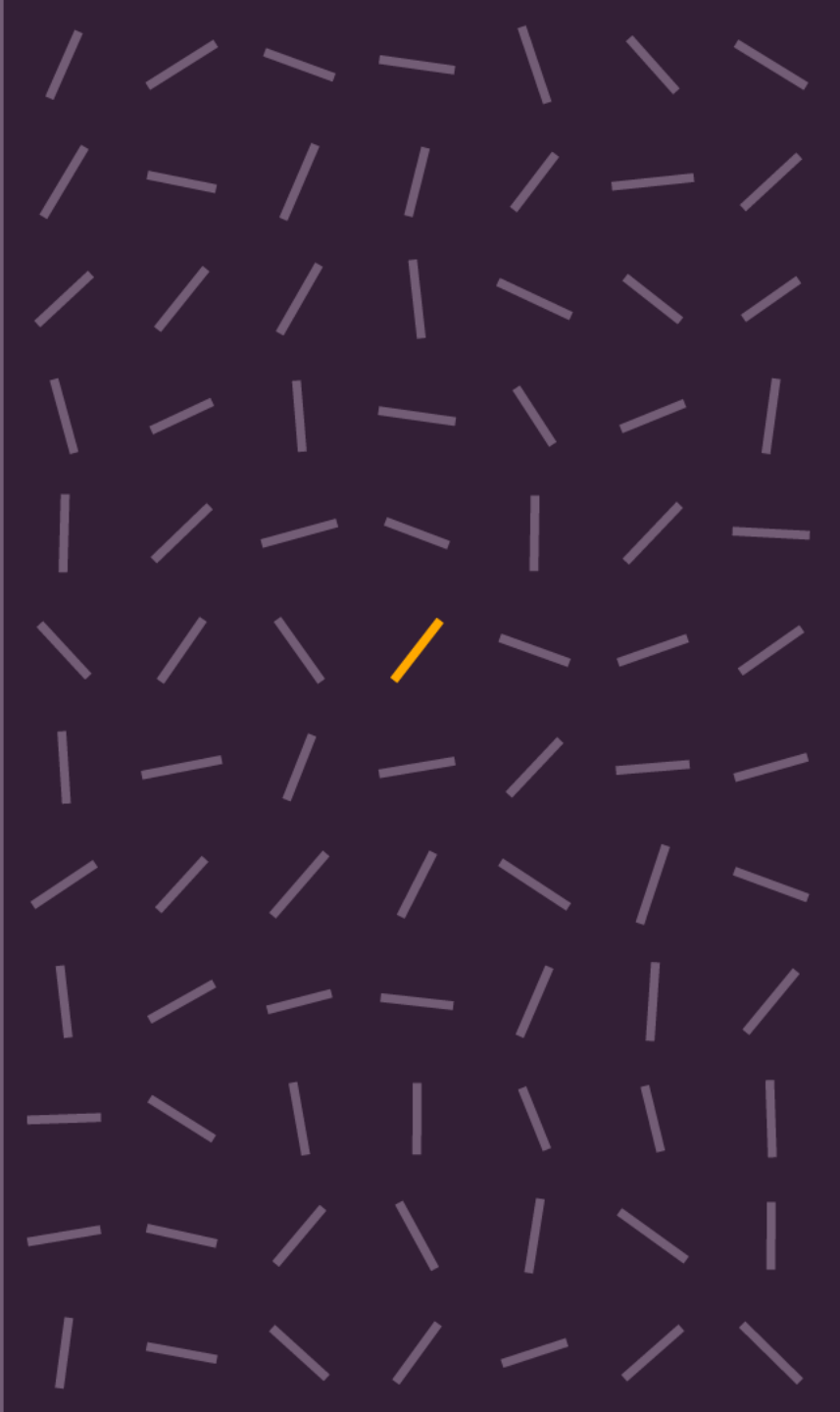


Exit post-period end

1. Annual revenue run rate annualised Q1 2022 revenue  
 2. Revenue growth based on the average YoY growth of Q1 2021 vs Q1 2022 for the Top 10 companies by NAV  
 3. Average months of cash runway on current burn rate for non-profitable companies in Top 10

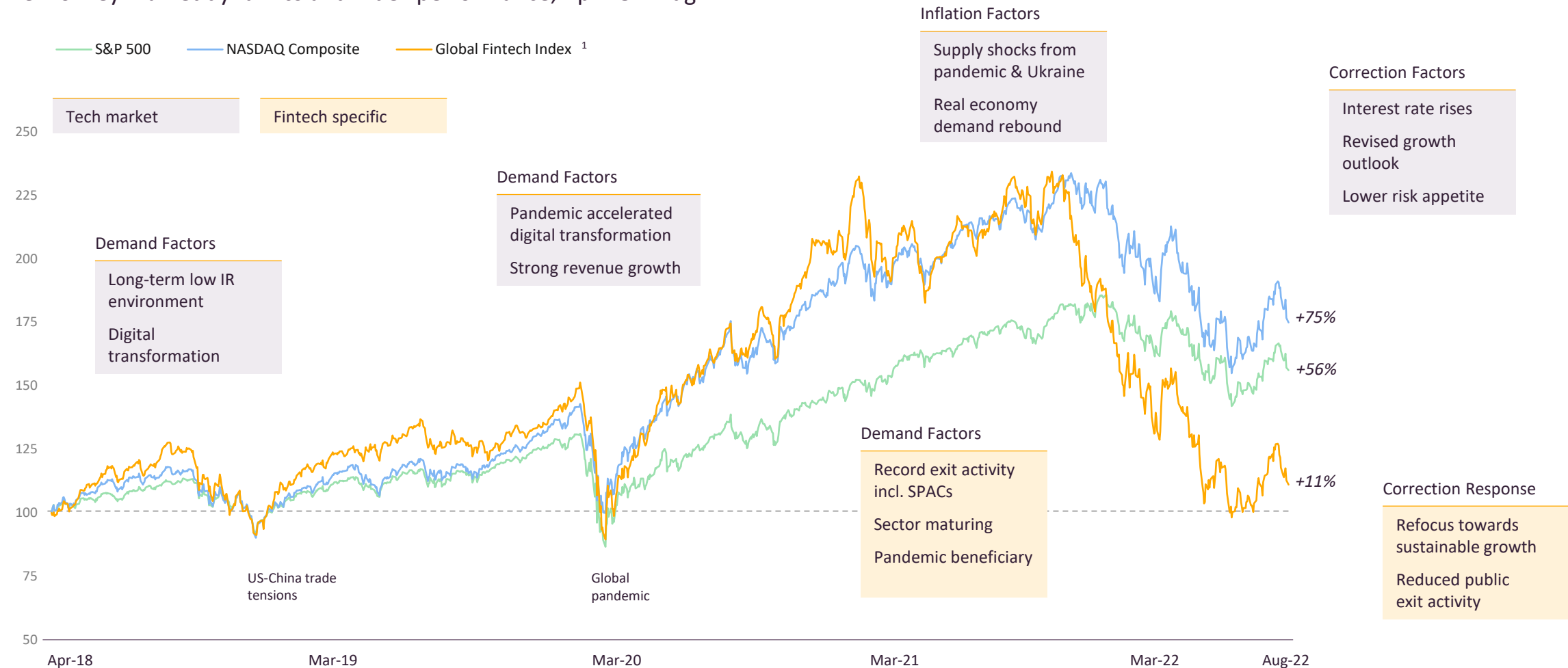
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# The interaction of a unique set of macro factors has driven market dynamics, (fin)tech stocks have corrected from valuation peaks reached in 2021

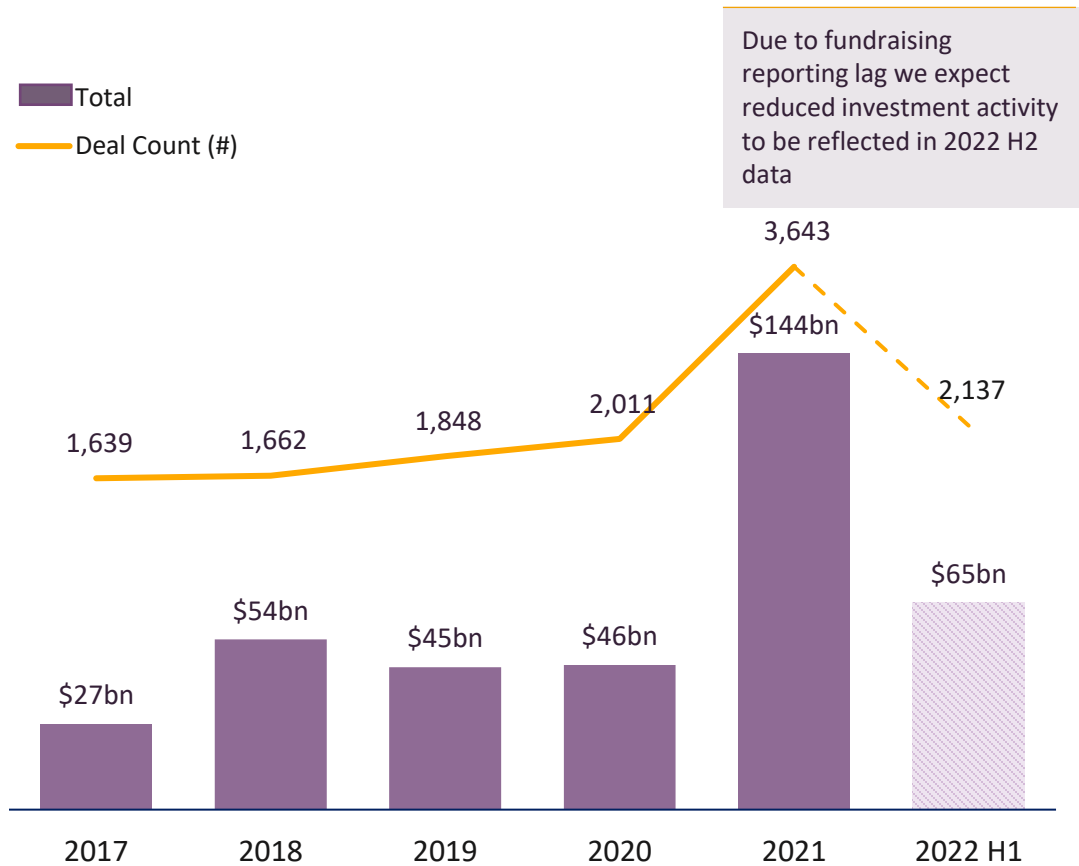
Overview of key market dynamics and index performance, Apr 18 – Aug 22



1. INDXX Global Fintech Thematic Index tracks the performance of 100 fintech companies listed in developed markets  
Source: Market data, Reuters

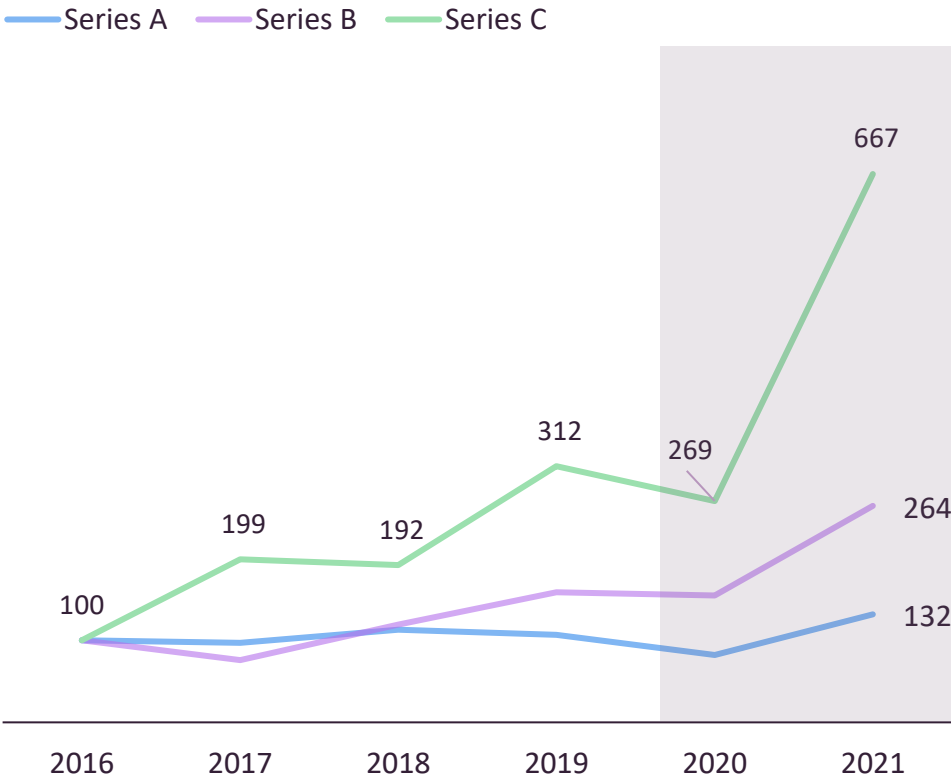
# Deal dynamics were impacted by record levels of private market funding in 2021 but we expect to see reduced investment activity reflected in 2022 H2 data

Global fintech financing volume and deal count  
2017-2022 H1



Source: FT Partners

Median fintech pre-money valuation by stage  
Indexed to 2016, Global

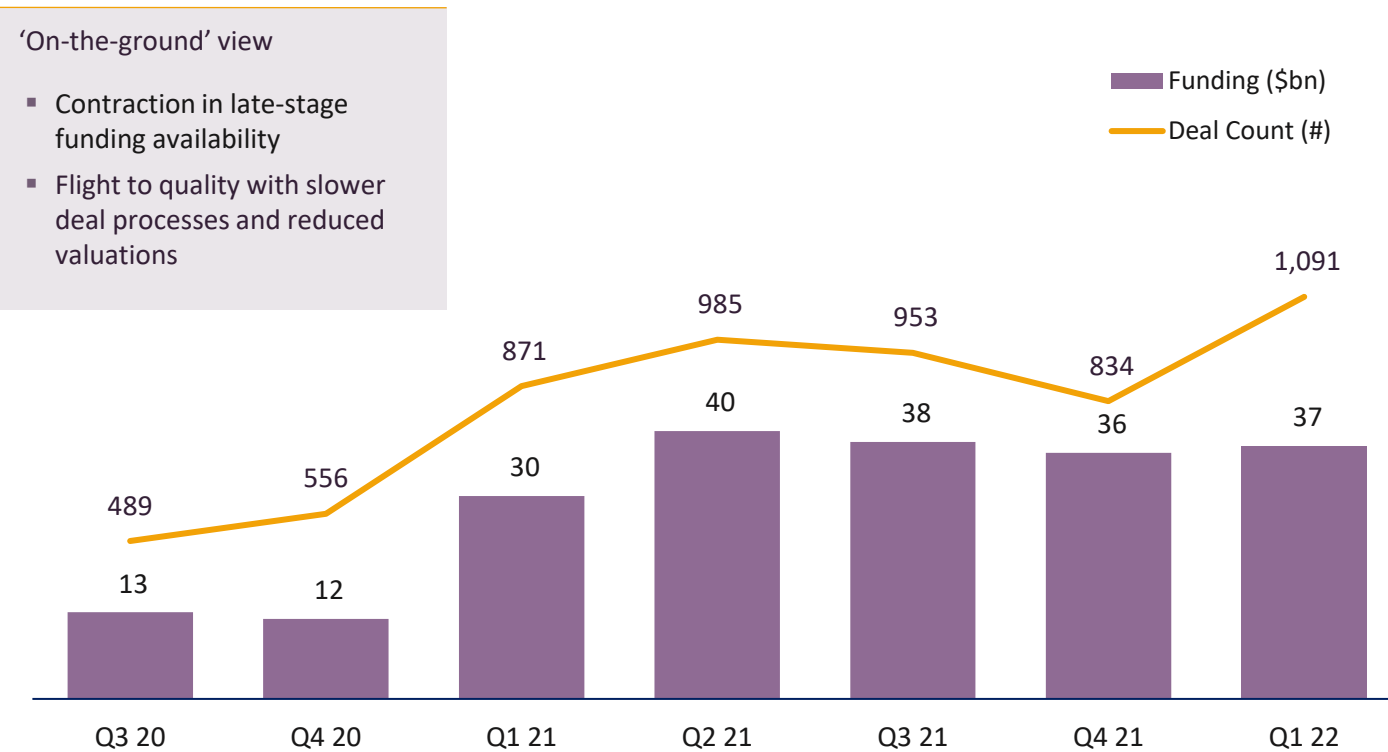


Source: Pitchbook



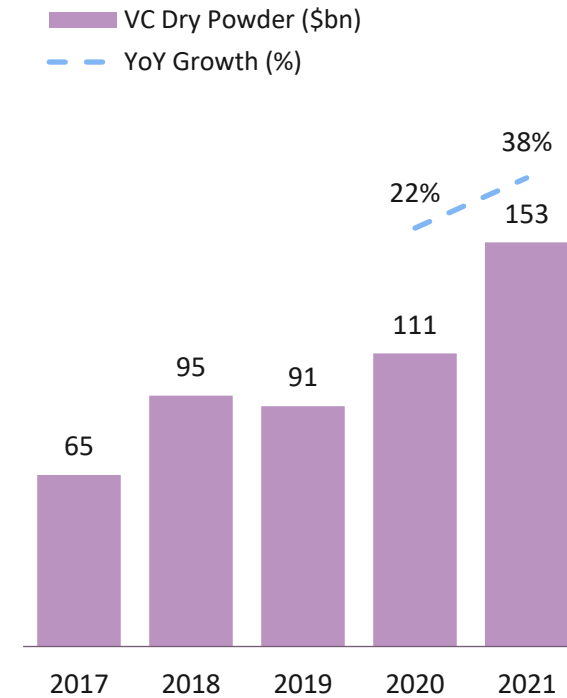
# We expect reduced investment levels to be reflected in H2 2022 data, with growth capital currently most impacted

Global Fintech Financing Volume and Deal Count  
Q3 2020 - Q1 2022



Source: FT Partners

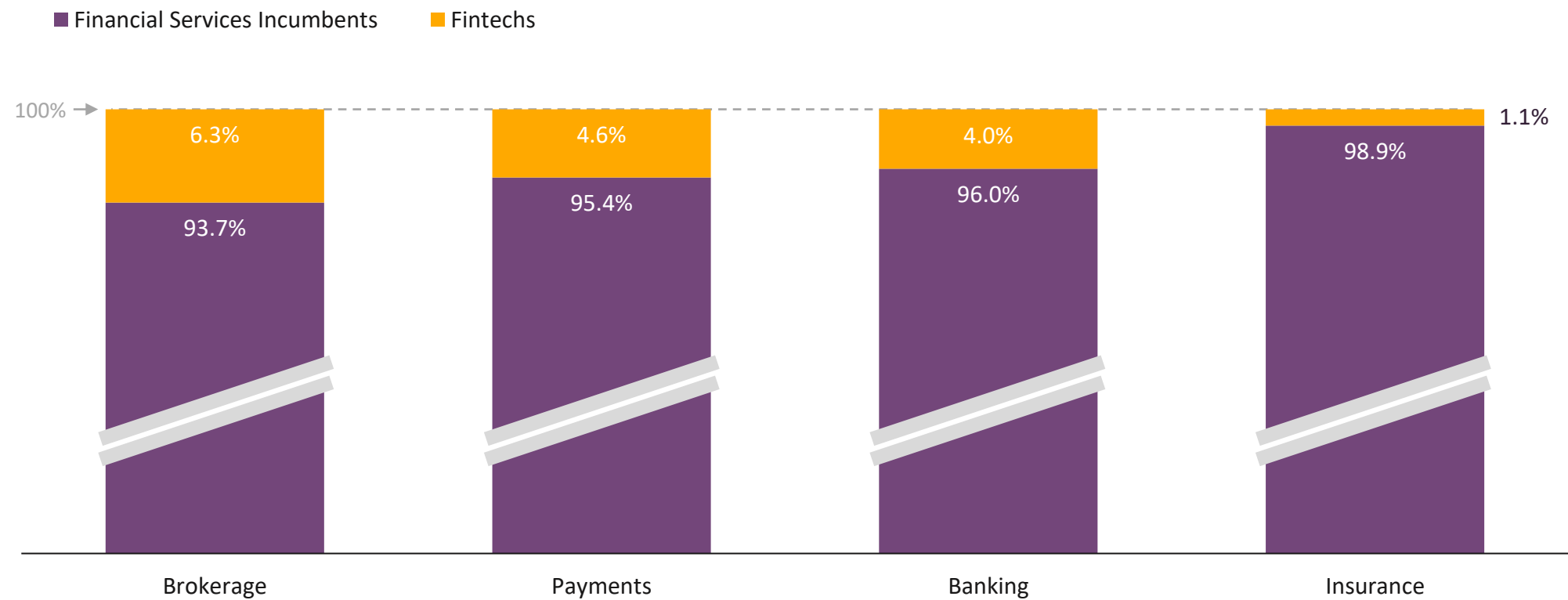
Global VC Dry Powder  
Year-end 2017-2021



Source: Pitchbook

# Fintechs have huge headroom for further disruption and growth with revenue penetration well below 10% across financial services verticals

Estimated Revenue Capture by Venture Backed Fintechs, US, 2021



Source: IBIS World Industry Report, McKinsey Retail Banking Survey, Company 10Ks, Pitchbook

# Despite market challenges there is significant opportunity within our pipeline, we maintain our focus on pricing alongside quality

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

Vertical	Overview of thesis	Opportunities in active development	
		#	Combined ticket value
Wealth management	Democratising access to wealth management services and products, reducing asymmetries for retail investors	6	£50m
Infrastructure	Technology has the potential to transform regulatory processes and their efficacy across regulated industries including financial services	7	£47m
Insurtech	Large, traditional vertical waking up to the power of technology to expand product opportunities, enhance user experiences and deliver significant efficiencies	4	£43m
Payments	Global leaders in payments will be built by leveraging new technologies to deliver better, faster, cheaper solutions to consumers and industry participants	6	£38m
Digital banking	Reimagining banking interfaces and focus on personalisation at scale	4	£33m
Future of work	Tackling the payroll and human capital value chain to cater to modern, distributed workforces with unique pain points	4	£20m
ESG investment data	Developing solutions that embed Environmental, Social & Governance considerations within financial services, using non-financial factors to identify material risks as well as increasing transparency for investors	2	£10m
<b>Total</b>		<b>33</b>	<b>£241m</b>

1. As at 10<sup>th</sup> June 2022

# Outlook

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## The fintech opportunity remains significant

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- Powerful structural trends continue to drive digital transformation in financial services independent of the macro climate and market volatility
- Better adapted to evolving demands and new technologies, fintechs are positioned to take further market share from incumbents

## Our portfolio is developing in line with expectations

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- Our focussed fintech strategy is delivering results with NAV<sup>1</sup> of £295.2m and IRR<sup>2</sup> of 22.6%
- The Top 10 companies in our portfolio are well funded or profitable, with average YoY growth of 96%<sup>3</sup>
- abrdn's acquisition of ii delivers realisation of £42.8m to the fund<sup>4</sup>

## Sector specialism and experience are key competitive advantages

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- We maintained valuation discipline and focus through a period of heightened market activity
- Our approach to valuation remained consistent and we moderated our pace of deployment in H2
- As at 4th July 2022 our cash position is £60.6m<sup>5</sup>
- Advantaged access to deal flow and our thesis driven approach continues to drive our differentiation

1. NAV as at 31<sup>st</sup> March 2022

2. IRR on invested capital since inception using valuations at the last reporting date

3. Revenue growth based on the average YoY growth of Q1 2021 vs Q1 2022 for the Top 10 companies by NAV

4. Interactive Investor was acquired by abrdn for a headline EV of £1.5bn, this returned £42.8m to Augmentum at a MOIC of 11.3x and an IRR of 89%

5. Cash position at 31st March 2022 £31.3m

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# Augmentum remains committed to a responsible investment approach through the lifecycle of investments and fund operations

## ESG in action across the portfolio in 2022

Advancements continue to be seen in ESG practices across the portfolio, both in business models and operating procedures. Below are some examples.



Cushon created the world’s first Net Zero pension product and launched in-app ESG voting features, enabling savers to vote on governance issues from companies within their saving portfolios.



Grover’s circular economy model allows them to sustainably improve access to technology. They have also participated in several hiring events for refugees over the year.



Onfido is part of the Tech Zero taskforce, aiming to accelerate progress to Net Zero through supporting tech companies in making a climate action plan.

## Encouraging a diverse, inclusive fintech industry

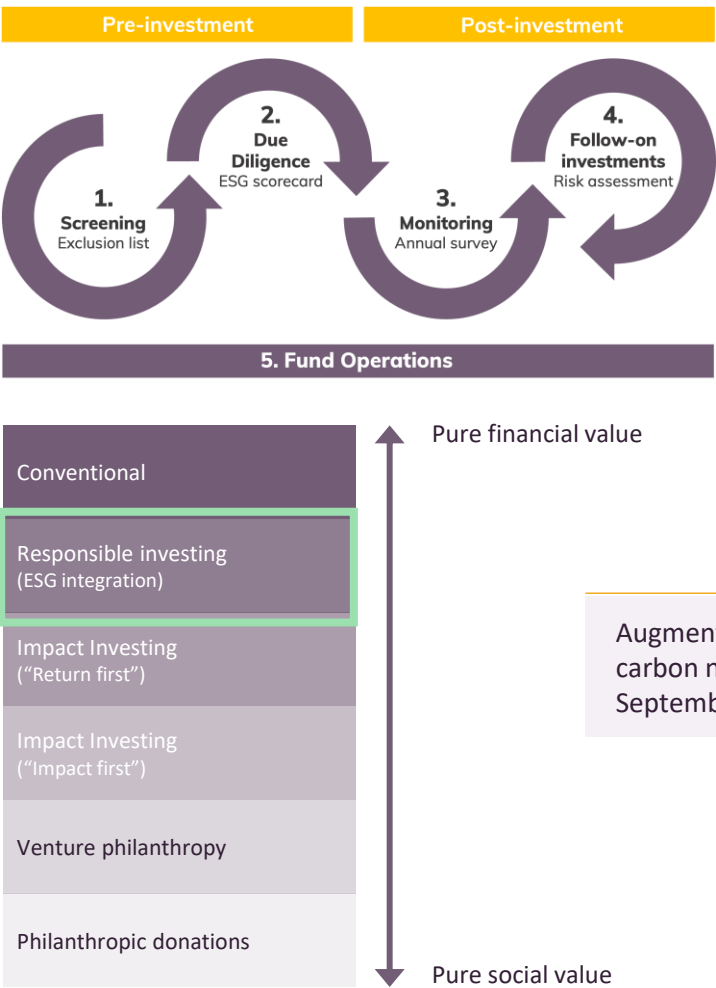
AFML have continued to show their support for a diverse, inclusive fintech industry through involvement in various diversity-focused initiatives and events. These include:

Diverse dealflow and events programme  
Including hosting Female Founder Office Hours and supporting The 200Bn Club.

Crisis Venture Studio partnership  
Supporting the charity through advice, pitch feedback and mentoring fintech founders.

Community development  
Director of Marketing & Operations Georgie Hazell co-leads the highly-engaged UK Women in VC community.

## Augmentum Approach



# Company Summary

<b>Company</b>	Augmentum Fintech plc.	<b>Management fee</b>	1.5% of NAV up to £250m 1.0% of NAV above £250m
<b>Portfolio Manager</b>	Augmentum Fintech Management Limited	<b>Incentive fee</b>	Carried interest scheme of 15% subject to minimum IRR of 10% p.a. with catch-up. Only payable cash on cash
<b>Structure</b>	Internally managed, closed-ended, listed investment trust	<b>Consultation</b>	Should the NAV per share fall below 70pps, adjusted by the Board from time to time, at any point, the Company will suspend new investments and consult with shareholders as to the future of the Company
<b>Exchange</b>	Main Market, London Stock Exchange (Premium Listing)	<b>Board</b>	Independent, non-executive Board of Directors
<b>Fund size</b>	NAV as of 31 <sup>st</sup> March 2022 £295.2m (before performance fee)	<b>Joint Brokers</b>	Peel Hunt and Singer Capital Markets
<b>NAV</b>	163.42 pence per ordinary share (as at 31 <sup>st</sup> March 2022) 155.20 pence after performance fee (as at 31 <sup>st</sup> March 2022) <sup>1</sup>	<b>AIFM</b>	Frostrow Capital
<b>Strategy</b>	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		
<b>Geography</b>	Europe <sup>2</sup>		

1. The Board considers NAV per share after performance fee to be the most appropriate measure of NAV per share attributable to shareholders.

2. 20% of the fund is permitted to be based outside Europe



# Thank you



@AugmentumF



Augmentum Fintech