Augmentum Fintech plc

Investing in Fintech.

Half Year Report

For the six months ended
30 September 2022

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 and accelerating innovation in 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".

Front, from left to right: Karen Brade, Chairman of the Audit Committee, David Haysey, Chairman of the Management Engagement & Remuneration Committee and Valuations Committee, Neil England, Chairman of the Board and Nominations Committee, Conny Dorrestijn, Director.

Back, from left to right: Richard Matthews and Tim Levene of Augmentum Fintech Management Limited, Sir William Russell, Director.

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Chairman's Statement

Introduction

I am pleased to report on your Group's progress in the six months to 30 September 2022 and its financial position at that date.

Investment Strategy

Your Company invests in early stage fintech businesses which use technology to disrupt traditional financial services and/or support the trend to digitisation. We invest in private companies that 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

In the face of significant market volatility and economic uncertainty, although there were movements in the valuations of individual portfolio companies, the net asset value ("NAV") per share after performance fee held firm over the half year, declining by just 0.2p to 155.0p (the Board considers the NAV per share after performance fee to be the most appropriate metric of NAV to best reflect the value of each share). The negative impact on valuations from the contraction of multiples in comparable businesses was largely offset by strong revenue growth in several of the portfolio companies and an FX benefit from non-sterling holdings. However, due to market sentiment unrelated to investment performance, the price at which the shares traded was disappointing, ending the period at 92p per share, representing a 30.8% reduction from the price at 31 March 2022.

During the period under review the Company received proceeds of £42.8 million from the completion of abrdn's acquisition of interactive investor ("ii"), made a new investment of £4.0 million in Israeli fintech Kipp and made follow-on investments to support Previse (£2.0 million), Habito (£0.7 million) and Wayhome (£0.2 million). Following these transactions and as at the period end, the Company held cash of £57.1 million.

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

Valuations

Together with our advisers, we carefully review both the status and the forecasts of all of the portfolio companies for the purpose of valuing the portfolio at the year end and half year. We use appropriate methodologies to determine the value of each investment and sense check our conclusions. The outcome of this is reflected in the valuations in this report. In addition to the growth of portfolio companies supporting those valuations that have increased, we also benefit from occupying a senior position in the capital structures of a number of them, providing a level of protection against downside risk. These protections mean the overall valuation is somewhat sheltered from market sentiment, although it is appropriately factored in where relevant by reference to the comparables used. During this period the valuations of those holdings not denominated in sterling, or with overseas operations, (approximately 40% of the portfolio by value) benefitted from sterling's weakness.

Chairman's Statement continued

Portfolio Management

Our investment team continues to evaluate a wide range of opportunities, reviewing and challenging financial and commercial metrics in order to identify those most likely to offer strong and sustainable returns. We avoided paying inflated multiples when the market was buoyant, even though that meant doing very few deals during this period. Shareholders will be aware from previous reports that we have been careful not to invest at inflated valuations, so the inevitable correction in revenue multiples has had a correspondingly more modest effect on the NAV per share. The current average forward revenue multiple for the top 10 investments in the portfolio is 4.2 times (top 10 at 31 March 2022: 5.7 times, excluding ii), which compares favourably to high growth listed fintech peers.

We are active investors with a team that works 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 committed to a responsible and sustainable investment approach.

Discount Control

Your shares continued to trade at a discount to NAV for the period under review and up to the date of this report. This is in sharp contrast with the situation that pertained for a prolonged period up to January 2022, during which the shares traded at a substantial premium. For much of this time we enjoyed one of the highest premiums of all London-listed closed-ended funds, reflecting interest in the opportunity that the emerging fintech sector offers and, specifically, the quality of the diverse portfolio that we have built. It is frustrating that our share price has been hit hard by the rotation of market sentiment, notwithstanding the underlying value and prospects of the portfolio. To take advantage of the wide discount to the benefit of our shareholders, we have continued a modest programme of accretive buybacks in the period under review and since, seeking to convey to the market the Board's confidence in the value of the portfolio. Directors and others associated with the Company have also purchased shares, both in the period under review and since. All shares purchased by the Company are being held in treasury and will potentially be reissued when the share price returns to a premium.

1,746,798 shares were bought back into treasury during the six months to 30 September 2022, at an average price of 115.8p per share, representing an average discount to the 31 March 2022 NAV after performance fee of 25.4%. A further 195,000 shares have been bought back since September, at an average price of 89.7p per share, representing an average discount to the updated NAV after performance fee as at 30 September 2022 of 42.1%.

Outlook

With the current economic and market backdrop, it is likely that sentiment towards the technology sector will remain subdued for some time yet, but if history is any indicator we should enjoy a significant rerating when markets recover. The portfolio is well placed to benefit from the increasing digitisation of financial services, which continues despite stock market volatility. We remain Europe's only listed specialist fintech fund,

Chairman's Statement continued

offering shareholders access to some of Europe's most exciting fintech businesses.

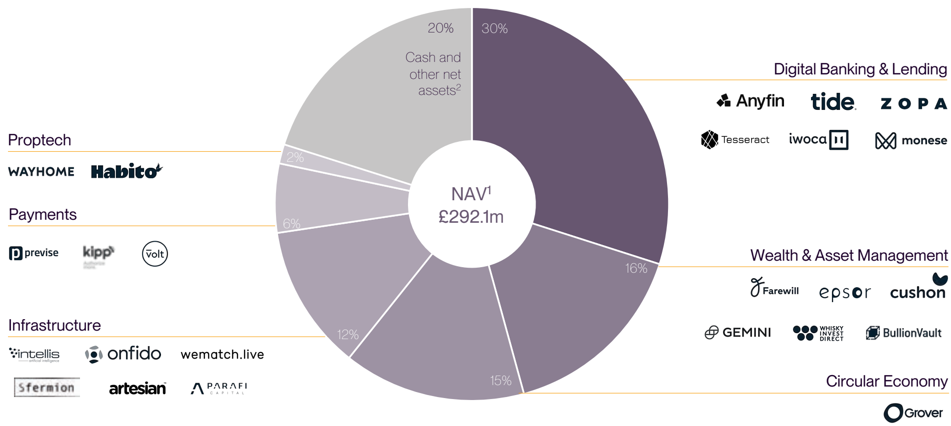
Your Board believes the fintech market offers a substantial opportunity for further growth as technology and business models deployed are now becoming the de facto operating standard across the financial services industry. It is already fast growing but the level of penetration into traditional financial services is still very low in most cases. We remain confident that the long-term investor will be well rewarded.

Neil England
Chairman

23 November 2022

The Augmentum portfolio is diversified across the fintech ecosystem

NAV[1] by sub-sector, %



1. NAV before performance fee, as at 30 Sep 22
2. Includes cash held in the Company of £57.1 million as at 30 Sep 22

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 NAV;
- the aggregate value of seed stage investments will represent no more than 1% of NAV; and
- at least 80% of NAV 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 41.

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 NAV, 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 and the Portfolio Manager to ensure an appropriate risk/return profile is maintained. Cash and cash equivalents are held with approved counterparties.

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 or 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 2022

	Fair value of holding at 31 March 2022 £'000	Net investments/ (realisations) £'000	Impact of FX rate changes £'000	Investment return £'000	Fair value of holding at 30 September 2022 £'000	% of portfolio
Grover	42,415	–	1,763	(448)	43,730	18.7%
Tide	28,221	–	–	(414)	27,807	11.9%
Zopa^	25,577	–	–	476	26,053	11.1%
Cushon	13,584	–	–	1,974	15,558	6.7%
Onfido	15,393	–	2,019	(2,692)	14,720	6.3%
Monese	13,225	–	–	79	13,304	5.7%
Gemini†	10,508	–	1,858	–	12,366	5.3%
Intellis	4,003	–	359	4,544	8,906	3.8%
BullionVault^	10,023	–	–	(1,280)	8,743	3.7%
AnyFin	9,870	–	324	(2,165)	8,029	3.4%
Top 10 Investments	**172,819**	**–**	**6,323**	**74**	**179,216**	**76.6%**
Interactive Investor^	42,797	(42,797)	–	–	–	0.0%
Other Investments*	53,191	6,237	2,614	(7,514)	54,528	23.4%
Total Investments	**268,807**	**(36,560)**	**8,937**	**(7,440)**	**233,744**	**100.0%**

Excludes cash held in the Company of £57.1 million.

^ Held via Augmentum I LP.

† Held through Augmentum Gemini Ltd.

* There are 14 other investments (31 March 2022: 14). See page 19 for further details.

Portfolio Manager's Review

Overview

Market uncertainty has been a constant in my recent reports to shareholders, but so has my view that good quality fintechs will continue to do well even during times of uncertainty. This has been particularly true of this reporting period given the political instability and economic aftermath of the pandemic. Few asset classes have escaped impact from this over the last six months, but the technology sector has been particularly badly hit.

Within these major public market valuation shifts there has been a clear flight to quality. Investors have regrouped around businesses that display strong fundamentals and eschewed those whose high-burn, growth-at-all-cost, strategies are incompatible with current conditions.

The same patterns are reflected in private markets. Overall investment activity is significantly below 2021 levels, magnified by the reduction in 'tourist capital' that flooded the sector in 2020 and 2021. High-quality companies continue to attract capital, albeit at more palatable valuations. Patterns of investment have also changed, with more companies deciding to raise capital with existing investors to extend their runways rather than embrace the challenges of the external market. In general there has been a shift towards early stage investment activity, reflecting both the acceleration of innovation in times of uncertainty and the cooling of later stage and pre-IPO valuation multiples. As a result, the forward pipeline of compelling investment prospects in the fintech sector remains resilient.

Growing momentum in the digital transformation of the financial services sector and the huge scale of the opportunity ahead remains a defining feature of fintech. A drive to modernisation across an industry that still predominantly relies on a legacy technology backbone. The near-term trading environment will benefit some fintech models and challenge others, but we continue to believe that a diversified portfolio offers investors optimal exposure to the fintech opportunity over the longer term.

With levels of venture capital 'dry powder' (funds committed but not yet deployed) for European venture opportunities still at elevated levels, competition for the best fintech opportunities remains high. Our clear sector focus and permanent capital model continues to resonate with founding teams and distinguishes us from our peers. We continue to execute with a thesis driven approach, valuation discipline and active engagement with portfolio companies in order to maximise long-term outcomes for the Company's investors.

Investments

The additional amount invested during the period was £7.7 million, down from £34.0 million in the same period last year, reflective of market conditions.

Following our disciplined approach, within the reporting period we made a single new investment, in Israel based payments innovator Kipp. We continued to be active in supporting portfolio companies and participated in follow-on funding rounds in Previse, Habito and Wayhome.

Portfolio Manager's Review continued

New Investments

Kipp increases our portfolio exposure to payments, one of the largest and most mature verticals in fintech. Based in Tel Aviv and working with global merchants and issuing banks, Kipp's innovative platform enables merchants to achieve higher transaction acceptance rates without increasing transaction risk. Augmentum invested £4.0 million into Kipp in May.

The Existing Portfolio

The companies in the portfolio continue to adjust to the current market conditions with a tight focus on cost control. We continue to use our extensive experience as operators to guide portfolio companies through these challenging times. The stability of the NAV per share reflects the diversified portfolio. The decrease in public market comparables that we use in our valuations have broadly been compensated by the growth in the companies that we apply them to. The majority of the companies in the portfolio are sufficiently funded to navigate the next 18 months. Where core portfolio companies do seek new capital in the months ahead we believe the strong fundamentals that were key to our investment decision will position them as beneficiaries in the flight to quality.

We continue to support the portfolio with follow-on investments. **Previse**, which operates in the embedded lending and payments space, completed a £14.5 million Series B investment round led by the investment arm of Tencent. Augmentum invested £2.0 million in the round alongside existing Singapore based investor Reefknot. **Habito**, the UK's leading digital mortgage broker, underwent a restructuring process as the business refocuses around its core product set and user group. Augmentum invested £0.7 million in this process and now holds a significant equity stake as a result of the recapitalisation. We also continued to support **Wayhome**, which launched its gradual homeownership product earlier this year. Wayhome offers an alternative to mortgage financing and have found strong early traction in the UK market. Their solution becomes relevant to an even wider audience in a raised interest rate environment.

Post-period end we invested a further £2.7 million into **Anyfin**, which continues to make strong progress as the leading European player in consumer credit refinancing, a counter-cyclical product. Anyfin is approaching profitability in their home market of Sweden and growing quickly with strong unit economics in Germany.

Grover is now the portfolio's largest holding and continues to deliver strong growth. Adoption of the company's electronics rental platform is driven by a trend towards utilisation over ownership. It has expanded from its core market in Germany and has now been operating in the US for over a year with growth during this period exceeding forecast. It has strengthened its B2B offering, which now represents 15% of the company's global business, with new senior hires and the launch of its online hardware asset management platform. The company considerably strengthened its balance sheet during the period with a new fully committed €270 million asset backed debt facility from M&G. This, together with the equity round which first closed in March 2022 at $110 million, with subsequent additions during the period, positions the company strongly for profitable growth.

Portfolio Manager's Review continued

One in 12 UK businesses now bank with portfolio company **Tide**. The company continues to grow revenues by over 60% year-on-year, maintaining payments growth whilst diversifying its income base across a range of increasingly non-payment related revenue areas alongside a favourable interest rate environment. Excluding it's investment in growth, Tide is profitable in the UK, while India provides a growing operational base for the company's development team and is expected to scale rapidly as a second market.

Zopa is expected to continue to exploit the advantage it now has with its banking licence, enabling it to perform liquidity transformation across a range of consumer loans and access funds at a lower cost of capital. With over 800,000 customers, revenue growth this year is sustained at over 150%, with the business now cash generative for the first time. The company is well positioned to strengthen its balance sheet and benefit from multiple embedded opportunities in the retail environment.

Onfido has faced a more challenging year, but there are encouraging signs as the digital identity verification business continues to diversify its offering. It continues to grow, albeit at a slower pace than 2021, as a result of the contraction in the crypto market and increased competition. Nevertheless, there are strong signs for next year. Onfido has rolled out its demand engine and diversified into larger identity orchestration, growing the size of its addressable market significantly.

Cushon is well positioned in the workplace savings and pensions market with 500,000 customers and assets under management of around £1.6 billion. Cushon's leading app-first proposition focused on employee financial wellbeing and Net Zero pensions has found strong cut-through and gives it a solid foundation for continued growth. Following three successful acquisitions of pension master trusts Cushon is positioned as the consolidator of choice and regulatory tail winds remain broadly beneficial to the company's mission.

Other notable performers in the portfolio include **Intellis**, whose AI trading algorithms have delivered strong and consistent performance in the foreign exchange market through the volatility of 2022. Intellis takes a conviction based assessment towards trading in the foreign exchange markets, a position uncorrelated to traditional news driven trading firms. They have established a firm base of operations during the year and a regulated fund structure that will enable them to onboard new liquidity partners seamlessly.

In the payments space, **Volt**, which provides account-to-account payments technology to international merchants and payment service providers has consistently grown at a double digit monthly rate since its Series A raise in June 2021. Their aggregator approach to the payments space has found rapid traction with a range of businesses generally taking larger than average cash deposits.

We support innovation in financial services and the adoption of new technologies, but we believe strongly that true progress can only ultimately be made within a clear and robust regulatory framework. Recent events within the digital asset sector exemplify why this is the case, although it is important to separate the alleged malpractice of bad actors from the fundamental disruptive potential of blockchain technology. Our investments in the digital asset sector represented circa 7% of NAV at 30 September 2022. The

Portfolio Manager's Review continued

downside protection we have on our investment in **Gemini** has seen its value hold firm, whereas our investments in **Tesseract** and **Parafi** have been revalued downwards to reflect the trend within the sector over the period.

Exits

At the beginning of the period the portfolio saw its second significant exit with abrdn agreeing the acquisition of **interactive investor** for £1.49 billion. interactive investor was an early investment in the Augmentum portfolio, quite antithetical to most venture capital radars at the point of investment. Under strong leadership and disciplined focus the company grew rapidly to be the clear number two self-directed investment platform in the UK with £55 billion of customer assets under administration. The transaction returned £42.8 million to the Company in May 2022 delivering an 85% IRR and 11 times gross money-on-money ("MoM") multiple.

Performance

For the 6 months to 30 September 2022, we are reporting a stable NAV per share after performance fee of 155.0p (31 March 2022: 155.2p). Since IPO the capital that the Company has deployed has generated an IRR of 19.3%.

Our approach to valuations continues to be a core focus of our team and the Board. We value each position on an individual basis, selecting the methodology (or methodologies) most appropriate to the company's stage and circumstances. Consistency and prudence in our approach have protected our positions from the valuation swings seen in public tech stocks. Where we report valuation increases these are supported by growth in the underlying company.

The downside protection structures we negotiate in our investments also play a role in the stability of our valuations, particularly in our earlier-stage positions. In contrast to the uniform valuation treatment of ordinary shares in publicly traded companies, the value of the preferred shares we hold in a large number of our positions are protected in the eventuality that a company's headline valuation is reduced. The most common downside protections across our portfolio are liquidation preference and anti-dilution provisions; 20 out of 24 of our investments have at least one of these.

Our four exits to date provide an opportunity for external validation of our approach to valuations. In each of the four secured to date, the exit has been realised at either a premium to, or on par with, our last reported valuation.

Outlook

Augmentum Fintech plc will enter 2023 with a strong balance sheet, with £57.1 million of cash as at 30 September 2022 and no debt. As I mentioned at the start of this report, our bar for investment remains extremely high; against the backdrop of continued market uncertainty in the last 6 months our historical conversion rate for new investments of 0.4% has reduced further to 0.1% of companies we look at.

Our key portfolio companies are addressing significant, enduring market opportunities, and performing well, on average growing at over 100% in the first 9 months of this year. Diversification is a critical strength in both the short term, where market conditions favour some models over others, and long term for maximising investor exposure to the sector. We believe our portfolio companies are well placed. We are also seeing a significant positive shift in the availability of talent due to the

Portfolio Manager's Review continued

slowing growth of big tech companies such as Google, Meta and Apple.

Looking ahead we continue to see significant potential in optimisation of the payments technology stack, digitisation of the CFO office and emerging insurance categories such as cyber-insurance in particular.

We are building strong relationships with companies operating in our areas of high conviction well ahead of investment, giving us an ability to track their performance over time and be well positioned to proceed if the right opportunity presents itself. Our brand is now established within the fintech community.

We have welcomed the reset in private fintech valuations and where we do make investments, we will do so with full conviction in the proposition and ongoing discipline on valuation, alongside our standard downside protection structure.

Consolidation is an increasingly important dynamic in the market as valuations have corrected. Notable momentum is building from strategic acquirers, particularly incumbent banks, asset managers and insurers. Our mature portfolio companies may also have opportunities to capitalise on this.

Despite the macroeconomic challenges, we are very positive about fintech's future potential. The industry will continue to eliminate friction, improve user experiences, broaden access and reduce costs. We are only part way through the first phase of the story.

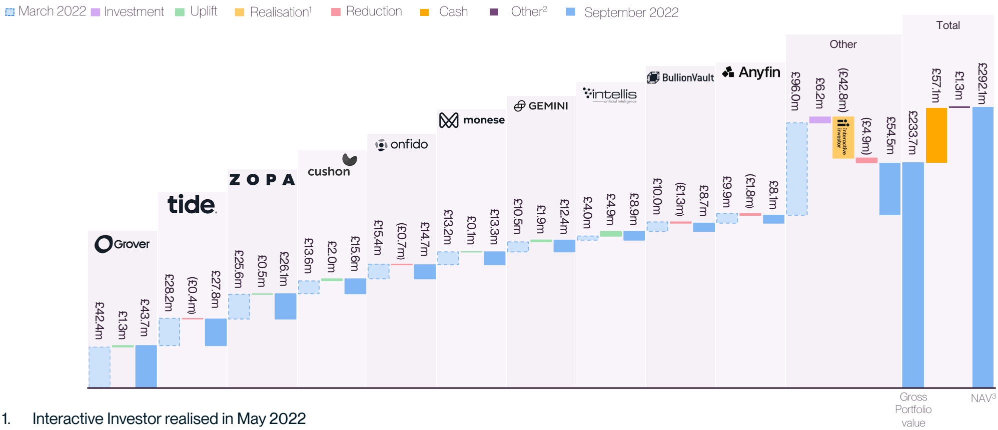
Tim Levene
CEO
Augmentum Fintech Management Limited

23 November 2022

Investments

Portfolio valuation changes

6 months ended 30 September 2022

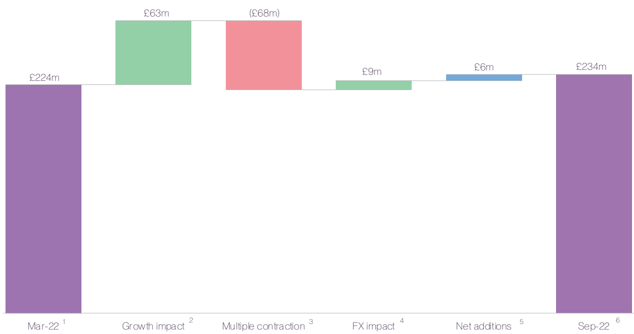


1. Interactive Investor realised in May 2022
2. Other is made up of AFML and AILP cash less net liabilities
3. NAV before performance fees

Gross Portfolio Value – Valuation Change bridge

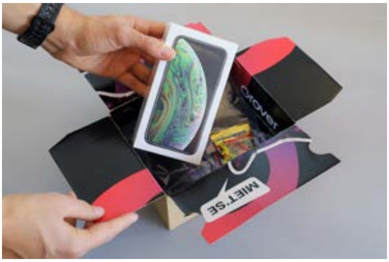
6 months ended 30 September 2022

Multiple contraction has been offset by company performance and diversification in the portfolio



1. Gross portfolio value as at 31 March 2022 excluding ii exited in May 2022 for comparability.
2. Multiple contraction methodology: September 2022 revenue x March 2022 multiples – September 2022 revenue x September 2022 multiples.
3. Growth impact methodology: September 2022 revenue x March 2022 multiples – March 2022 revenue x March 2022 multiples. Includes the net impact of revenue growth, change in Augmentum fully diluted % and change in other adjustments. Excludes FX impact.
4. Uplift due to FX rate only.
5. Net additions represent the investment in Kipp.
6. Gross portfolio value as at 30 September 2022.

Investments continued

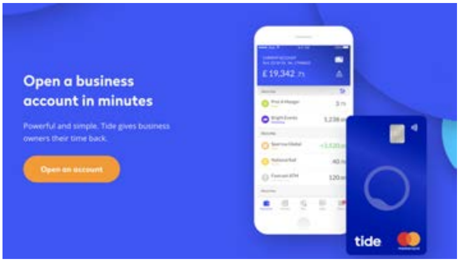


Berlin-based Grover (www.grover.com) is the leading consumer-tech subscription platform, bringing the access economy to the consumer electronics market by offering a simple, monthly subscription model for technology products. Private and business customers have access to over 3,000 products including smartphones, laptops, virtual reality technology, wearables and smart home appliances. The Grover service allows users to keep, switch, buy, or return products depending on their individual needs. Rentals are available in Germany, Austria, the Netherlands, Spain and the US. Grover is a pioneer in the advancement of the circular economy, with products being returned, refurbished and recirculated until the end of their usable life.

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. With its Series C funding round in April 2022 Grover raised US$330 million in equity and debt funding, bringing the company’s valuation to over US$1 billion.

Source: Grover	**30 Sept 2022 £’000**	**31 March 2022 £’000**
Cost	**7,927**	7,927
Value	**43,730**	42,415
Valuation Methodology^	**Rev. Multiple**	CPORT
% ownership (fully diluted)	**6.4%**	8.3%

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



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	**30 Sept 2022 £’000**	**31 March 2022 £’000**
Cost	**13,200**	13,200
Value	**27,807**	28,221
Valuation Methodology^	**Rev. Multiple**	Rev. Multiple
% ownership (fully diluted)	**5.4%**	5.4%

As per last filed audited accounts of the investee company for the year to 31 December 2020 (2021 accounts are expected to be filed shortly):

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

^ See note 7 on pages 30 and 31.

Investments continued

ZOPA

Zopa (www.zopa.com) was founded in 2005 as the world's first peer-to peer (P2P) lending company, aiming to give people access to simpler, better-value loans and investments. Following a funding round in 2020 Zopa launched Zopa Bank and was granted a full UK banking licence, which allowed it to offer a wider product range. It is regulated by both the PRA and the FCA.

After 16 years of delivering positive returns for investors, Zopa closed the P2P lending side of its business in 2021 to fully focus on Zopa Bank.

Current products include fixed term and smart savings, wedding and home improvement loans, debt consolidation loans, a credit card and motor finance.

Zopa is a multiple awards winner. In 2021 Zopa was awarded Best Personal Loan Provider and Best Credit Card Provider by the British Bank Awards, Best Online Savings Provider by Moneynet Personal Finance, Best use of IT in Consumer Finance in the FStech Awards and won the Personal Credit Cards Innovation award in the Finder Lending Innovation Awards. In 2022 it has won Best Short Term Fixed Rate Bond Provider, Best Fixed Rate Bond Provider and Best New Savings Provider in the Savings Champion Awards and been awarded Banking Brand of the Year 2022 in the MoneyNet Awards 2022.

Augmentum participated in a £20 million funding round led by Silverstripe in March 2021 and in October participated with a further £10 million investment in a £220 million round led by SoftBank.

Source: Zopa	**30 Sept 2022 £'000**	**31 March 2022 £'000**
Cost	**29,670**	29,670
Value	**26,053**	25,577
Valuation Methodology	**Rev. Multiple**	CPORT
% ownership fully diluted)	**3.3%**	3.3%

As per last filed audited accounts of the investee company for the year to 31 December 2021:

	2021 £'000	**2020 £'000**
Operating income	**60,501**	21,171
Pre tax loss	**(41,599)**	(41,479)
Net assets	**270,512**	134,074

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. In April 2022 it finalised the acquisition of Creative Benefits, manager of Creative Pension Trust, making it the fifth largest master trust pension provider in the UK and doubling its assets under management to £1.7 billion.

Augmentum invested £5 million in Cushon in June 2021 and followed up with a further £5 million in March 2022.

Source: Cushon	**30 Sept 2022 £'000**	**31 March 2022 £'000**
Cost	**10,000**	10,000
Value	**15,558**	13,584
Valuation Methodology	**AUM Multiple**	CPORT
% ownership (fully diluted)	**13.9%**	13.9%

As per last filed audited accounts of the investee company for the year to 31 March 2021:

	2021 £'000	**2020 £'000**
Turnover	**1,632**	2
Pre tax loss	**(3,742)**	(2,036)
Net assets	**5,407**	1,699

Investments continued

onfido

Onfido (www.onfido.com) 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, Amsterdam, New Delhi and Singapore and helps over 800 companies, including industry leaders such as Revolut, bung and Bitstamp. 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.

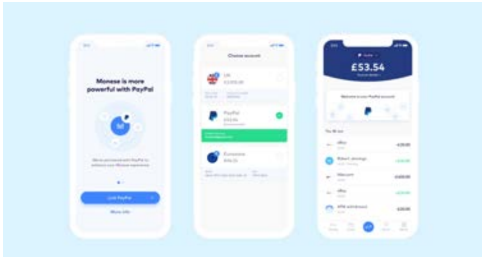
In October 2021 the company announced its acquisition of biometric innovator, EYN, and in November 2021 its partnership with Italian bank Banca Profilo via fintech partner Tinaba.

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	30 Sept 2022 £'000	31 March 2022 £'000
Cost	**7,750**	7,750
Value	**14,720**	15,393
Valuation Methodology	**Rev. Multiple**	Rev. Multiple
% ownership (fully diluted)	**2.3%**	2.3%

As per last filed audited accounts of the investee company for the 13 months to 31 January 2022:

	2022 £'000	2020 £'000
Turnover	**94,513**	45,408
Pre tax loss	**(44,980)**	(34,712)
Net assets	**39,221**	68,508



monese

With Monese (www.monese.com) 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 has more than 2 million registered users. 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 Banking as a Service ("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. In December 2021 the company expanded its credit and lending capabilities through the acquisition of financial services provider Trezeo.

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

Source: Monese	30 Sept 2022 £'000	31 March 2022 £'000
Cost	**11,428**	11,428
Value	**13,304**	13,225
Valuation Methodology	**CPORT**	CPORT
% ownership (fully diluted)*	**7.5%**	7.5%

* 31 March 2022: £0.9 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 (2021 accounts are expected to be filed shortly):

	2020 £'000	2019 £'000
Turnover	**16,282**	10,273
Pre tax loss	**(31,130)**	(38,061)
Net liabilities	**(18,044)**	(17,398)

Investments continued

GEMINI

Gemini (www.gemini.com) 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.

Gemini announced acquisitions of portfolio management services company BITRIA and trading platform Omniex in January 2022.

Augmentum participated in Gemini's first ever funding round in November 2021 with an investment of £10.2 million. This investment has benefitted from being US dollar denominated.

Source: Gemini

	30 Sept 2022 £'000	31 March 2022 £'000
Cost	**10,150**	10,150
Value	**12,366**	10,508
Valuation Methodology	**Rev. Multiple***	CPORT
% ownership (fully diluted)	**0.2%**	0.2%

As an unquoted US company, Gemini is not required to publicly file audited accounts.

* Valuation supported by senior position in capital structure.

intellis
artificial intelligence

Intellis, based in Switzerland, is an algorithmic powered quantitative hedge fund operating in the FX space. Intellis' proprietary approach takes a conviction based assessment towards trading in the FX markets, a position which is uncorrelated to traditional news driven trading firms. They operate across a range of trading venues with a regulated Investment Trust fund structure that enables seamless onboarding of new Liquidity Partners.

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

Source: Intellis

	30 Sept 2022 £'000	31 March 2022 £'000
Cost	**2,696**	2,696
Value	**8,906**	4,003
Valuation Methodology	**P/E Multiple**	CPORT
% ownership (fully diluted)	**23.8%**	23.8%

As an unquoted Swiss company, Intellis is not required to publicly file audited accounts.

Investments continued

BullionVault

BullionVault (www.bullionvault.co.uk) 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 100,000 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.

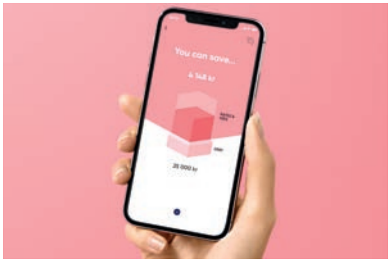
The company generates solid monthly profits from trading, commission and interest. It is cash generative, dividend paying, and well-placed for any cracks in the wider financial markets.

Source: BullionVault

	30 Sept 2022 £'000	**31 March 2022 £'000**
Cost	**8,424**	8,424
Value	**8,743**	10,023
Valuation Methodology	**EBITDA Multiple**	CPORT
% ownership (fully diluted)	**11.1%**	11.1%
Dividends paid	**–**	520

As per last filed audited accounts of the investee company for the year to 31 October 2021:

	2021 £'000	**2020 £'000**
Turnover	**12,086**	15,707
Pre tax profits	**7,741**	10,703
Net assets	**39,148**	34,851



Anyfin

Anyfin (www.anyfin.com) was founded in 2017 by former executives of Klarna, Spotify and iZettle, and leverages technology to allow creditworthy 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 as part of a $52 million funding round.

Source: AnyFin

	30 Sept 2022 £'000	**31 March 2022 £'000**
Cost	**7,248**	7,248
Value	**8,029**	9,870
Valuation Methodology	**CPORT**	Rev. Multiple
% ownership (fully diluted)	**2.7%**	2.7%

As an unquoted Swedish company, Anyfin is not required to publicly file audited accounts.

Investments continued

Farewill

In the next 10 years, £1 trillion of inheritance will pass between generations in the UK. Farewill (www.farewill.com) is a digital, all-in-one financial and legal services platform for dealing with death and after-death services, including wills, probate and cremation. In 2021 Farewill won National Will Writing Firm of the Year for the third year in a row and Probate Provider of the Year for the second consecutive year at the British Wills and Probate Awards. Farewill also won Best Funeral Information Provider and Low-cost Funeral Provider of the Year at the Good Funeral Awards 2021. The organisation has also been voted the UK's best-rated death experts on Trustpilot, scoring an average customer approval rating of 4.9/5 from over 10,000 reviews. It is now the largest will writer in the UK.

Since its launch in 2015 Farewill's customers have pledged over £450 million in legacy gifts written into their wills.

In January 2019 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.

iwoca

Founded in 2011, iwoca (www.iwoca.co.uk) 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 leverages 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.

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 led Tesseract's Series A funding round in June 2021 with an investment of £7.3 million.

Volt

Volt (www.volt.io) 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 – delivers benefits to both consumers and merchants. This helps merchants shorten their cash cycle, increase conversion and lower their costs. In October 2021 Volt announced their partnership with Worldline, the European leader in payments and transactional services, giving over 600 enterprise-level merchants globally access to Volt's open payments infrastructure. It also announced its expansion into Brazil in November to integrate Brazil's domestic instant payments network, Pix, and established its physical presence in São Paolo. More recently, in April 2022, it partnered with Mercuryo to help the crypto payments company offer open banking payments to their two million global customers. The real-time account-to-account payments (A2A) will provide Mercuryo wallet users, alongside their business partners, with single-click payment solutions via fiat currency.

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

kipp

Kipp (www.letskipp.com) is an Israeli fintech that has developed an AI platform that transforms the traditional payment model to increase credit card transaction approvals, revenue, and customer satisfaction. Its core solution relies heavily on data enrichment and risk management to help merchants and banks split the cost of risk to incentivize issuing banks to approve more transactions.

Augmentum invested £4 million in May 2022.

PARAFI CAPITAL

ParaFi Capital (www.parafi.com) 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), Synthetix (synthetic asset trading) and MakerDAO (stablecoins). ParaFi also supports its protocols as a liquidity provider and governance participant.

Augmentum invested £2.8 million in ParaFi in January 2021. Co-investors include Bain Capital Ventures and Galaxy Digital.

Investments continued

wematch.live

Wematch (www.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. In 2021 Wematch managed more than 12,000 matching and lifecycle events, saving more than 500,000 trader to trader contacts, saved over 5,000 working hours for their premium users with their workflow solutions, launched a new securities lending platform and a new ETF synthetic portfolio management product.

Augmentum invested £3.7 million in September 2021.

WAYHOME

Wayhome (www.wayhome.co.uk) 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. It launched to the public in September 2021, following closure of the initial phase of a £500 million pension fund investment.

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 invested £1 million in 2021, adding to its previous £2.5 million investment from 2019.

HABITO

Habito (www.habito.com) 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.

previse

Previse (www.previ.se) 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. In January 2022 Mastercard unveiled that its next-generation virtual card solution for instant B2B payments would use Previse's machine learning capabilities. The solution combines Previse's machine learning, with Mastercard's core commercial solutions and global payment network, to transform how businesses send and receive payments.

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.

FullCircl

FullCircl (www.fullcircl.com) was formed from the combination of Artesian and Duedil. 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.

Augmentum 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.

epsor

Epsor (www.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.

Investments continued

Sfermion

Sfermion (www.sfermion.io) is an investment fund focused on the non-fungible token (NFT) ecosystem. Their goal is to accelerate the emergence of the open metaverse by investing in the founders, companies, and entities creating the infrastructure and environments forming the foundations of our digital future.

Augmentum committed US$3 million in October 2021, to be drawn down in tranches. US$750,000 of the commitment remains outstanding.

WHISKY INVEST DIRECT

Founded in 2015, WhiskyInvestDirect (www.whiskyinvestdirect.com), 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. Augmentum's holding derives from WhiskeyInvestDirect being spun out of BullionVault.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2022

		Six months ended 30 September 2022			Six months ended 30 September 2021		
	Note	**Revenue return £'000**	**Capital return £'000**	**Total £'000**	**Revenue return £'000**	**Capital return £'000**	**Total £'000**
Gains on investments held at fair value		–	1,497	1,497	–	25,817	25,817
Investment income		38	–	38	–	–	–
AIFM and Performance Fees	2	(301)	–	(301)	(229)	6,508	6,279
Other expenses		(2,256)	(21)	(2,277)	(1,559)	(50)	(1,609)
(Loss)/return before taxation		**(2,519)**	**1,476**	**(1,043)**	**(1,788)**	**32,275**	**30,487**
Taxation		–	–	–	–	–	–
(Loss)/return attributable to equity shareholders of the parent company		**(2,519)**	**1,476**	**(1,043)**	**(1,788)**	**32,275**	**30,487**
(Loss)/return per share (pence)	3	**(1.4p)**	**0.8p**	**(0.6p)**	**(1.1p)**	**20.3p**	**19.2p**

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 2022

	Six months ended 30 September 2022					
Group	**Ordinary share capital £'000**	**Share premium account £'000**	**Special reserve £'000**	**Other capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Opening shareholders' funds	1,810	105,383	91,191	107,989	(11,169)	295,204
Purchase of own shares into treasury	–	–	(2,036)	–	–	(2,036)
Return/(loss) for the period	–	–	–	1,476	(2,519)	(1,043)
At 30 September 2022	**1,810**	**105,383**	**89,155**	**109,465**	**(13,688)**	**292,125**

	Six months ended 30 September 2021					
Group	**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**

Condensed Consolidated Statement of Financial Position

as at 30 September 2022

	Note	30 September 2022 £'000	31 March 2022 £'000
Non current assets			
Investments held at fair value	7	233,744	268,807
Property, plant & equipment		329	9
Current assets			
Right of use asset		663	750
Other receivables		112	391
Cash and cash equivalents		59,350	31,326
Total assets		**294,198**	**301,283**
Current liabilities			
Other payables		(1,277)	(5,296)
Lease liability		(796)	(783)
Total assets less current liabilities		**292,125**	**295,204**
Net assets		**292,125**	**295,204**
Capital and reserves			
Called up share capital	4	1,810	1,810
Share premium account	4	105,383	105,383
Special reserve		89,155	91,191
Retained earnings:			
Capital reserves		109,465	107,989
Revenue reserve		(13,688)	(11,169)
Total equity		**292,125**	**295,204**
NAV per share (pence)	5	**163.6p**	**163.7p**
NAV per share after performance fee (pence)	5	**155.0p**	**155.2p**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Cash flows from operating activities		
Purchases of investments	(11,994)	(32,276)
Sales of investments	44,226	10,536
Acquisition of property, plant and equipment	(355)	(4)
Interest received	29	–
Operating expenses paid	(1,846)	(1,490)
Net cash outflow from operating activities	**30,060**	**(23,234)**
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	(2,036)	–
Net cash (outflow)/inflow from financing	**(2,036)**	**53,637**
Increase in cash and cash equivalents	**28,024**	**30,403**
Cash and cash equivalents at the beginning of the period	**31,326**	**27,433**
Cash and cash equivalents at the end of the period	**59,350**	**57,836**

Notes to the Financial Statements

For the six months ended 30 September 2022

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 23 November 2022. 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 2022 were approved by the board of directors on 1 July 2022 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 2022 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, continental Europe, Israel and the US.

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 2022.

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 2022 £'000	Revenue £'000	Capital £'000	Six months ended 30 September 2021 £'000
AIFM fees	301	–	301	229	–	229
Performance fee	–	–	–	–	(6,508)	(6,508)^
	301	**–**	**301**	**229**	**(6,508)**	**(6,279)**

^ As set out in the Annual Report the performance fee arrangement was 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.

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 2022 the hurdle has been met, on an unrealised basis, and as such a performance fee of £15,413,000 has been accrued by the Company as at 30 September 2022, equivalent to 8.6 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 23 and Note 19.9 of the 2022 Annual Report for further details. As noted above any allocation of the performance fee by AFML to its employees is made on a discretionary basis.

3 (Loss)/return per share

The (loss)/return per share figures are based on the following figures:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Net revenue loss	(2,519)	(1,788)
Net capital return	1,476	32,275
Net total (loss)/return	**(1,043)**	**30,487**
Weighted average number of ordinary shares in issue	179,413,420	159,054,953

	Pence	Pence
Revenue loss per share	(1.4)	(1.1)
Capital return per share	0.8	20.3
Total (loss)/return per share	**(0.6)**	**19.2**

4 Share capital

As at 30 September 2022 there were 178,578,988 (31 March 2022: 180,325,786) ordinary shares in issue, excluding shares held in treasury, and 2,434,709 (31 March 2022: 687,911) shares held in treasury.

On 8 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 offset against costs of issue, which totalled £1,362,000.

During the year to 31 March 2022 687,911 shares were bought back into treasury at an average price of 131.1p per share.

From 1 April 2022 to 30 September 2022 1,746,798 of the Company's ordinary shares were bought back into treasury at an average price of 115.8p per share. No shares were issued during the six months.

5 Net asset value ("NAV") per share

The NAV per share is based on the Group net assets attributable to the equity shareholders of £292,125,000 (31 March 2022: £295,204,000) and 178,578,988 (31 March 2022: 180,325,786) shares being the number of shares in issue at the period end.

The NAV per share after performance fee* is based on the Group net assets attributable to the equity shareholders, less the performance fee accrual made by the Company of £15,413,000 (31 March 2022: £15,265,000), and 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 2022 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 2022. 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 as set out in note 19.4 of the Company's Annual Report for the year ended 31 March 2022.

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. Due to the nature of the Group's investments there are frequently no directly comparable public companies; in these instances baskets of public companies will be used that share similar characteristics to the investee company.

The multiple is calculated by dividing the enterprise value of the comparable company by its revenue, EBITDA or earnings. The trading multiple is then adjusted for considerations such as illiquidity, premium to public companies implied in an investee's previous financing round, marketability and other

7 Financial Instruments (continued)

differences, advantages and disadvantages between the Group's portfolio company and the comparable public companies based on company specific facts and circumstances.

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 £1,497,000 (period ended 30 September 2021: £25,817,000).

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 reasonably possible alternative assumptions.

Valuation Technique	Fair Value 30 September 2022 £'000	Fair Value 31 March 2022 £'000	Unobservable Inputs	Reasonably possible shift in input +/-	Change in valuation +/(-) £'000
Multiple methodology	187,634	35,888	Multiple	10%	15,870/(15,631)
			Illiquidity adjustment increase/ Premium decrease	30%	(17,493)
			Illiquidity adjustment decrease/ Premium increase	30%	23,871
CPORT*	34,286	180,359	Transaction price	10%	2,834/(3,084)
PWERM**	7,291	2,087	Probability of conversion	25%	376/(376)
NAV	4,533	7,677	Discount to NAV	30%	(1,360)
Sales Price	–	42,796	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 2022 £'000	Year to 31 March 2022 £'000
Opening balance	268,807	164,127
Purchases at cost	7,666	59,262
Realisation proceeds	(44,226)	(11,263)
Gains on investments held at fair value	1,497	56,681
Closing balance as at 30 September	**233,744**	**268,807**

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 2022 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.

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 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). 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.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of 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.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

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 the requirements of 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
23 November 2022

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, valuation risk, operational risk and key person risk. Information on these risks is given in the Annual Report for the year ended 31 March 2022.

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 contained within this Half Year Report has been prepared in accordance with Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted in the UK;

(ii) the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and return of the issuer and the undertakings included in the consolidation; and

Interim Management Report continued

(iii) the Half Year 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

23 November 2022

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 Engagement & Remuneration Committee and Valuations Committee)*
Conny Dorrestijn
Sir William Russell

Registered Office
Augmentum Fintech plc
25 Southampton Buildings
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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

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† 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 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
Halifax Investing	www.halifax.co.uk/investing
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	Annual Results Announced
September	Annual General Meeting
30 September	Half Year End
November/ December	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 36 or please visit www.linkgroup.eu.

Information for Shareholders continued

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 36.

Glossary And Alternative Performance Measures

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 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.

Glossary And Alternative Performance Measures continued

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 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.

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.

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.

To view the report online visit: www.augmentum.vc