

**Half Year Report**

For the six months ended  
30 September 2024

Investing in Fintech.

# About Augmentum Fintech plc

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

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

We have invested in many great businesses and have secured seven exits since IPO, the most significant of which, Dext, interactive investor and Cushon, were strongly accretive.

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, Chair of the Audit Committee, William Reeve, Chairman of the Board and Nominations Committee, Conny Dorrestijn, Director.

Back, from left to right: David Haysey, Chairman of the Management Engagement & Remuneration Committee and Valuations Committee, Sir William Russell, Director.

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# Chairman's Statement



## Introduction

This report covers your Company's progress in the six months to 30 September 2024 and its financial position at that date.

## Investment Strategy

Your Company occupies a unique position amongst publicly listed funds, investing solely in early stage European fintech businesses – a growth sector that the UK/Europe have particular strengths in. Our portfolio businesses are disruptive to and/or help to digitalise the traditional financial services sector. A typical investment will offer the prospect of high growth and the potential to scale.

Our objective is to provide long-term capital growth to shareholders by offering them exposure to a diversified portfolio of private fintech companies during their period of rapid growth and value creation. Our Manager aims, before costs, to generate a long term Internal Rate of Return ("IRR") of 20% on invested capital and for cash invested to return on average 3x at exit. In practice, successful venture capital portfolios can expect to see a wide range of exit multiples, and rely for their strong returns on the outsized winners – which are usually rare.

## Performance in the period

The top 10 holdings, which represent 77.5% of net assets after performance fee, have total annual revenue of £1.25 billion, and grew total revenue by 52% year-on-year. Four of these positions are cash generative and the other six have an average of 16 months of cash runway.

At 30 September 2024, our NAV per share\* stood at 164.3p, a drop of 1.9% from the 31 March 2024 figure, 167.4p.

The half year saw a wide range of valuation movements. The majority of the portfolio's positions made gains, the strongest being **Tide**, continuing its strong growth, **XYB** (which was spun out from **Monese** in May 2024), **BullionVault**, **FullCircI**, **Iwoca**, **Tesseract** and **Anyfin**. However, we wrote down several holdings, the effect of which, together with adverse foreign exchange movements, offset the gains elsewhere. The most significant write downs were **Grover** and **Farewill**.

Your Board considers its governance role in the valuations process to be of utmost importance. Together with our advisers we consider and challenge all of the investment valuations used for the full and half year financial statements. We have carefully reviewed both the status and the forecasts for all of the portfolio companies. The valuations have been arrived at using appropriate and consistent methodologies, and we sense check and debate our conclusions on the assets themselves

and their market context. Also, we benefit from some of our investments occupying a senior position in the capital structures of these companies, providing some protection against downside risk.

Our share price rose 1.5% to 102.0p at 30 September 2024. However, this still significantly under-represents the NAV per share, with the discount to the NAV per share after performance fee at 37.9%. As at 30 September 2024, the valuation of our top four positions in **Tide**, **Zopa Bank**, **Volt**, and **Grover**, plus cash, was above our market capitalisation, attributing no value to our £119 million of other investments.

## Portfolio and Transactions

We have built a balanced portfolio diversified across different fintech sectors, European markets and maturity stages. As at 30 September 2024, the portfolio stood at 26 companies.

We are committed to a responsible investment approach, believing that the integration of environmental, social and governance factors helps to mitigate risk.

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.

In the period, the Company received proceeds of £9.9 million from the sale of **Onfido** to Entrust, one of the leading global providers of online identity verification, delivering an IRR of 5.8% and a multiple on capital invested of 1.3x.

Since 30 September, nCino, the NASDAQ listed US digital banking platform, agreed to acquire **FullCircI**. This transaction implied an enhanced valuation of the Company's investment in **FullCircI**, of £6.2 million, which represents an 80% increase on the valuation as at 31 March 2024.

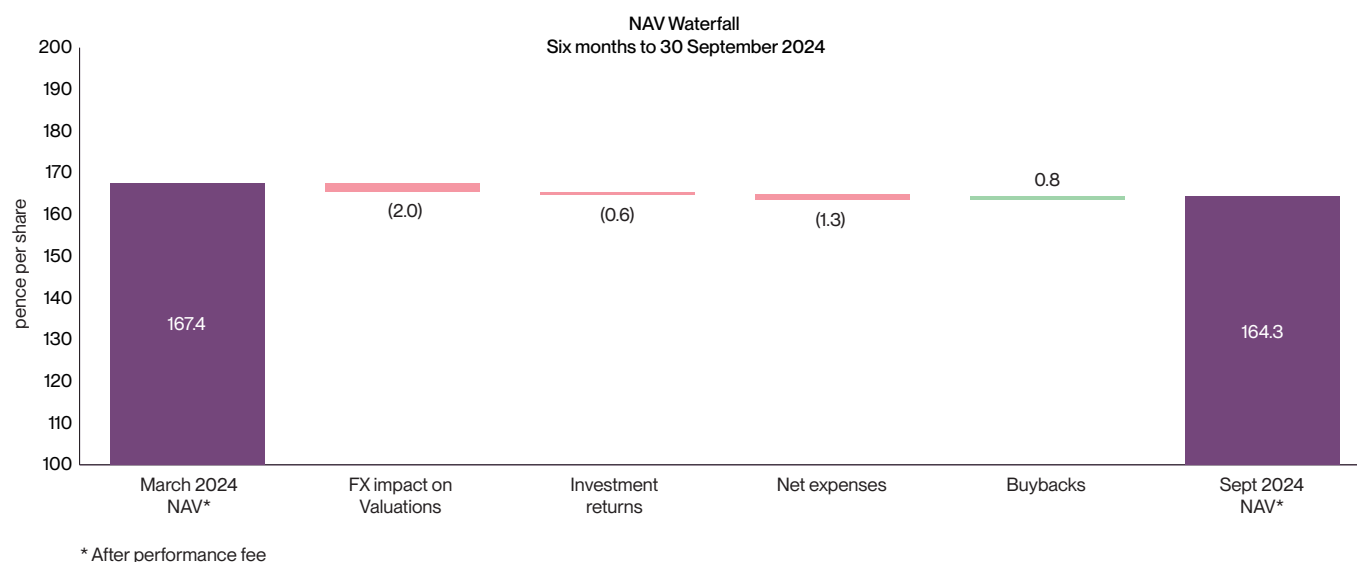
These realisations continue the Company's record for investment exits all being at or above the last reported holding value, which should provide investors with further comfort that our valuations process is rigorous and corroborates the discipline our Portfolio Manager has exercised when evaluating new investments and their reporting on the portfolio.

Also since the year end funerals group Dignity (in which Castelnau Group has a controlling stake) agreed (subject to regulatory approval) to acquire **Farewill** in exchange for shares in Castelnau Group plc. Accordingly the Company's investment in **Farewill** will continue, for a time, via the Castelnau Group shares. Completion of this transaction is not expected to occur before 1 January 2025. Additionally, **Monese** has been acquired by Pockit, a financial services business for the "unbanked" (subject to FCA approval), with the Company retaining a shareholding in the newly merged entity.

There was one new investment in the period. In June the Company made a £2.6 million investment in **LoopFX**, a new independent venue for large spot FX trades with a unique matching solution for market participants. **LoopFX** enables traders to match, in real-time, with other asset managers and banks without information leakage and at a

\* NAV per share after performance fee

## Chairman's Statement continued



mid-market rate, reducing trading costs and improving best execution processes.

Since 30 September 2024 the Company has made another new investment, with a US\$4 million investment in UAE-based **Pemo**, which provides corporate expense card management.

During the period under review the Company also made follow-on investments to support several companies in the portfolio, including **Tide** (£2.0 million), **Grover** (£1.5 million), **Anyfin** (£0.8 million), **Artificial** (£0.8 million) and **Baobab** (£0.6 million). The Company also helped to fund (with £2.5 million) the spin out from **Monese** of **XYB**, the banking-as-a-service ("BaaS") platform, and subsequently increased its stake in **XYB** with a £1.0 million secondary transaction.

The Portfolio Manager's report, beginning on page 7, includes a detailed review of the portfolio, individual company performance and investment transactions in the period.

### Investment Policy

The **Farewill** transaction mentioned above highlighted that the Company's investment policy did not make specific provision for the circumstance of a portfolio company being acquired in a share for share transaction with a lock-in on the shares taken as consideration. Accordingly, the Board has made a non-material update to the investment policy to cover such events, which do happen from time to time in the world of private technology investing (see underlining on page 4).

### Cash reserves

The use of our cash reserves is a matter of regular Board review. We aim to balance the benefits of highly accretive buybacks when discounts are high against ensuring that we hold appropriate reserves to fund follow on investments and capture the best of the new investment opportunities that we continue to see.

As reported above, the Company's shares continued to trade at a discount to NAV during the period under review and up to the date of this report. Buybacks are one of several mechanisms your Board actively considers to help to reduce this discount.

We continued to buy back shares in the period under review. All shares purchased by the Company are being held in treasury and will potentially be reissued when the share price returns to a premium.

2,076,814 shares were bought back into treasury during the six months to 30 September 2024, at an average price of 105.8p per share, representing an average discount to the 31 March 2024 NAV after performance fee of 36.8% and accreting 0.8p per share. A further 378,543 shares have been bought back since September, at an average price of 100.5p per share, representing an average discount to the updated NAV after performance fee as at 30 September 2024 of 38.8%.

### Outlook

Although early stage growth portfolios have been out of favour since 2022, the need to digitalise and transform last century's infrastructure remains, as nearly all financial services sectors continue to be dominated by traditional businesses whose operations cannot ignore the rapid development of less costly, and in many cases more secure, business models and technology.

Augmentum has proved its model through the successful realisations to date, which have generated (before costs) an IRR of 38% and 2.6x capital invested, and we believe our portfolio, our people and the opportunities in front of us position us well for future growth in Net Asset Value.

**William Reeve**  
Chairman

25 November 2024

# 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 also hold securities in publicly traded companies, including non-fintech companies, that have been received as consideration for the Company's holding in a portfolio company ("Listed Consideration Securities").

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 at 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, save that one investment in the portfolio may represent up to 20% of NAV;
- the aggregate value of seed stage investments will represent no more than 1% of NAV;
- 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; and
- the aggregate value of holdings of Listed Consideration Securities may not exceed 2.5% of NAV.

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.

For the purposes of the investment policy, "NAV" means the consolidated assets of the Company and its consolidated subsidiaries (together "the Group") less their consolidated liabilities, determined in accordance with the accounting principles adopted by the Group from time to time.

## 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, but 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.

\* Please refer to the Glossary on page 34.

## Investment Objective and Policy continued

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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 2024

	Fair value of holding at 31 March 2024 £'000	Net investments/ (realisations) £'000	Impact of foreign currency rate changes £'000	Investment return £'000	Fair value of holding at 30 September 2024 £'000	% of Net assets after performance fee
Tide	51,293	2,000	–	6,422	59,715	21.7%
Zopa Bank^	39,291	–	–	55	39,346	14.3%
Volt	25,458	–	–	(164)	25,294	9.2%
Grover	35,893	1,519	(1,026)	(16,759)	19,627	7.1%
BullionVault^	13,119	–	–	1,805	14,924	5.4%
XYB	7,135	3,500	–	3,994	14,629	5.3%
Anyfin	9,415	843	(273)	1,081	11,066	4.0%
Intellis	10,074	–	(280)	219	10,013	3.6%
Iwoca	7,926	–	–	1,690	9,616	3.5%
Gemini	10,924	–	(610)	(1,022)	9,292	3.4%
<b>Top 10 Investments</b>	<b>210,528</b>	<b>7,862</b>	<b>(2,189)</b>	<b>(2,679)</b>	<b>213,522</b>	<b>77.5%</b>
Other Investments*	44,407	4,728	(1,175)	1,748	49,708	18.0%
Onfido	10,148	(9,930)	–	–	218	0.1%
<b>Total Investments</b>	<b>265,083</b>	<b>2,660</b>	<b>(3,364)</b>	<b>(931)</b>	<b>263,448</b>	<b>95.6%</b>
Cash & cash equivalents	38,505				31,775	11.5%
Net other current liabilities	(271)				(588)	(0.2%)
<b>Net Assets</b>	<b>303,317</b>				<b>294,635</b>	<b>106.9%</b>
Performance Fee accrual	(18,980)				(19,000)	(6.9%)
<b>Net Assets after performance fee</b>	<b>284,337</b>				<b>275,635</b>	<b>100.0%</b>
<b>NAV per share (pence)</b>	<b>178.6</b>				<b>175.6</b>	
<b>NAV per share after performance fee (pence)</b>	<b>167.4</b>				<b>164.3</b>	

^ Held via Augmentum I LP.

\* There are sixteen other investments (31 March 2024: fourteen). See from page 17 for further details.



# Portfolio Manager's Review



## Overview

In June, we shared an upbeat market outlook with the expectation that central banks were preparing to embark on a series of rate cuts. The first rate reductions made by the BoE and FED in Q3, and the earlier actions of the ECB in Q2, did provide a welcome boost to equity markets. However, expectations around the timing and depth of further cuts has since adjusted. At the time of writing, the FED and BoE have each delivered a further cut but also restated forward looking caution, with the potential impacts of US and UK policy changes on inflation as yet unclear.

While the second half of the year has been more subdued than anticipated, we remain optimistic. Greater clarity following election and budget outcomes has already helped to restore some investor confidence, particularly in US markets, and while central banks have signalled caution, the macroeconomic backdrop has markedly improved since this time last year. Assuming inflation can continue to be managed, we should see further cuts in 2025 and with this a fuller return of market confidence and demand.

Despite ongoing inertia in public markets, listed fintechs have navigated valuation recovery and stabilisation in 2024, although these are yet to be fully reflected across the sector. In response to market conditions, listed firms have prioritised profitability over growth, and a flight to quality dynamic has rewarded exceptional companies whose capital efficiency has seen them continue to deliver both. Listed fintech approaches 2025 on a surer footing than it did in 2024, with positive spillover effects in private markets, where investment activity has returned to the long-term trend. Across Europe, healthy levels of dry powder and strong local ecosystems continue to support high-potential fintechs from idea through growth stages.

Many exceptional European fintechs have completed long journeys to scale and profitability, but still today remain private, including a growing number of the Company's portfolio companies. These firms collectively form a mature cohort with exciting exit prospects in the near to mid-term. Such cases have required patience from early investors but hold the promise of ample reward upon realisation. The focus now is on ensuring that exits are delivered at deserved market premiums. Many of these firms have taken 2024 as an opportunity to prepare for listing in 2025 and beyond. However, M&A remains the dominant exit route for fintech firms with 98% of all fintech exits since 2020 completed through this approach, of which 85% during 2023 and Q1 2024 were strategic acquisitions from incumbent financial services firms (source: FT Partners). With access to the right portfolio and an experienced manager, a private market strategy will reward investors for progress made while private, and ensure value is maximised in exit scenarios.

While companies continue to perform, and market conditions are improving, continued patience in these late stage positions is the rational approach.

For policy makers across our key markets of focus, growth agendas are the order of the day. This bodes well for the fintech sector as a leading recipient of investment capital, and a driver of productivity growth and job creation. In the UK, fintech continues to be regarded as a jewel in the crown and recently surpassed a valuation of US\$1 trillion, to join only the US and China at this scale (source: Dealroom). Productive engagement, and the supportive policy and regulatory environments in the UK have continued under a new Labour government. Despite the additional costs for businesses introduced in the budget, the UK remains a highly attractive location for starting and scaling fintech firms.

We have adapted to the higher rate environment by focusing our investment strategy on high potential early stage prospects, while the Company's existing portfolio continues to demonstrate underlying growth. The investment pipeline we have cultivated with a technology-led approach is of high quality, and our ability to win deals in competitive processes - supported by our reputation as one of Europe's leading fintech investors - has only improved. With our recent exit of **FullCircI** we continue to deliver realisations to investors, and aim to secure market premiums when we do. Coupled with improving market conditions, albeit at a slower pace than we would like, the maturity in the portfolio today makes us confident that late 2025 and beyond will bring significant rewards for patient investors who have stayed with us through the course.

## Portfolio Overview

The Company's portfolio continues to demonstrate encouraging growth with our 26 companies advancing across a diverse mix of financial services verticals. Growth over the past 12 months across our Top 10 positions (which represents nearly 80% of NAV) has been 52%, while four of this group have reached profitability. At the time of writing, we again find ourselves in the position of having the asset value of the Top 4 positions, plus cash, exceeding the portfolio value implied by the Company's market capitalisation. This underscores the untapped option value of 22 additional assets.

The portfolio approach continues to be important; within the Top 10 the robust performance of many companies balances the emergence of headwinds for a minority. It is a hallmark of high-growth assets, that the path to success is rarely linear. The likes of **Zopa** and **iwoca**, have experienced turbulent times in the past but have successfully navigated their way through to become scaled and profitable businesses today. The next generation of our portfolio also continues to develop, including through new investments and exit events. Outside of the Top 10, several earlier stage companies have the potential to reach scale independently, or to realise value at an earlier stage through acquisition. The latter was the case for two of the portfolio's earlier-stage companies, **Farewill** and **FullCircI**, which have entered agreements to be acquired just after the reporting period. These acquisition events complement our major exits, releasing capital and team time towards propositions with higher growth potential in our pipeline and the existing portfolio. These outcomes should reinforce investor confidence in the opportunity offered by the unpriced option value beyond the Top 10, even for those assets that ultimately do not deliver a venture style return.



## Portfolio Manager's Review continued

### Investment Activity

We have maintained a high bar for new investment and during the period, from a pipeline of over 740 companies, we reviewed over 240, conducted significant due diligence on 20 and made one new investment of £2.6 million into **LoopFX**, representing a 0.13% conversion rate. **LoopFX** is an independent venue for large spot FX trades with a unique matching solution for market participants. **LoopFX** enables traders to match, in real-time, with other asset managers and banks without information leakage and at a mid-market rate, reducing trading costs and improving best execution processes. Augmentum is the first institutional investor in **LoopFX**.

Post period end, in November 2024, the Company announced that it led a US\$7 million funding round with a US\$4 million investment into UAE-based **Pemo**. The company provides an expense management and business payments solution, via corporate cards, to SME businesses in the UAE, where SMEs spend US\$122 billion annually and where currently only 1.7% of payments are on corporate cards (source: Mastercard). Headquartered in Dubai, **Pemo** also has offices in Saudi Arabia and Egypt, making it well positioned to expand into key high-growth markets across the Gulf Cooperation Council where corporate card-based solutions are underdeveloped compared to Europe and where SMEs are expected to contribute to significant economic growth.

### Portfolio Update

Augmentum invested a further £2 million into **Tide** in May 2024 following strong growth which saw the company exceed 1 million customers to reach 11% market share of small business accounts in the UK. With the UK business now profitable, **Tide** continues to invest in geographical expansion, launching in Germany in May 2024 following successful entry into the Indian market in late 2022, where member numbers have now surpassed 400,000. **Tide** is planning further launches in Europe over the coming 12 months. Following the successful acquisition of Funding Options, post-period end, **Tide** announced its acquisition of HMRC-recognised payroll solution Onfolk.

**Zopa Bank's** exceptional technology and strong balance sheet have continued to drive profitable growth, building upon the announced full year profit of £15.8 million in 2023 and now reaching over £300 million in annualised run-rate revenue. **Zopa Bank** offers a range of borrowing and savings products to UK consumers with a market leading Net Promoter Score. It has lent out over £10 billion and recently surpassed £5 billion in deposits, driven by savings products such as the **Zopa Bank Smart ISA**. In May 2024, Zopa Bank entered a partnership with Octopus Energy to offer financing for solar panel installations, and in October, post period end, **Zopa Bank** announced a personal loan partnership with John Lewis Money, expanding the company's reach to more than 23 million John Lewis customers.

Merchants of all sizes are using **Volt** to accept real-time payments, initiate payouts and manage funds, across 31 markets globally. In September 2024 **Volt** announced a partnership with Farfetch, a leading global marketplace for the luxury fashion industry with items from more than 50 countries and over 1,400 of the world's best brands, boutiques, and department stores, enabling customers to make instant payments directly from their bank accounts.

We have materially reduced our valuation of **Grover** to reflect the period of adjustment that the business is currently going through, alongside our and the **Grover** board's desire to see significant operational improvements. The company remains focused on navigating a path to profitability while it continues to redefine the way customers consume technology products through their part payment, part-financing subscription model. The company has undergone a leadership change, with the promotion of former COO Linda Rubin to CEO. During the period, **Grover** announced an additional €50 million of funding in which Augmentum participated. The company is currently undertaking a strategic review with a view to establishing a plan that will enable capital efficiency and profitability going forward.

**BullionVault** has continued to thrive in this volatile economic environment. Customer demand for a trusted platform that delivers low-cost access to vaulted gold and other precious metals shows little sign of slowing down, and client holdings have reached unprecedented levels of US\$5.2 billion, helped by record gold prices. With their financial year closing in October, we expect another record year of profitability following on from last year's impressive numbers. While **BullionVault** remains a mature position in the portfolio, we remain a patient holder while we see continued growth in the bottom line and increased dividends.

**XYB**, a Coreless Banking platform-as-a-service ("BaaS") launched by **Monese** in May 2023, spun out as a separate business in May 2024. Augmentum invested a further £1 million into **XYB** via a secondary transaction in September 2024 and now owns around 20% of this fast growing business. The strategy is clear following the separation earlier in the year, with a strong focus on delivery. The team, led by the seasoned tech leader, Derek Joyce, are currently building out the organisation and operation with strong commercial traction. During the period, **XYB** collaborated with IBM to leverage advanced technology and consulting expertise for industry solutions, beginning with an operational resilience proposition for the UK's largest banks.

Stockholm based **Anyfin** made significant progress in strengthening its operational foundation and positioning itself for future growth. Key milestones include reaching 1 million refinanced loans, reflecting the company's expanding customer base and commitment to financial well-being. Performance has been in line with budget, with **Anyfin** now approaching break-even.

Switzerland headquartered AI trading platform **Intellis** continues to invest in developing new IP by not only improving their AI driven models in the spot FX market but are also planning to deploy their neural network into new asset classes in 2025. Having achieved early profitability, the company is well-positioned for significant growth in the year ahead.

**iwoca** announced £270 million of new funding lines from Barclays, Vårde Partners, Citibank, and Insight Investment in May 2024. The company has now provided £3.5 billion in loans to 100,000 SMEs across the UK and Germany. **iwoca** has demonstrated consistent growth and profitability, ranking among the UK's top ten fintechs alongside Monzo, Starling, and Revolut. 2024 has so far been a record year for revenues, profit and originations. The company first achieved net profitability back in Q4 2022 and has since maintained strong financial performance with an annualised revenue rate of £251 million in

## Portfolio Manager's Review continued

Q3 2024, representing 62% year-over-year growth. With £1.5 billion in investment across equity and debt, **iwoca** now stands as one of Europe's best funded fintech success stories and lenders and continues to prove the profit potential of fintech lending businesses by harnessing machine learning and digital technologies.

The portfolio has 8% exposure to digital assets, with a strategic focus on companies providing 'institutional-grade' infrastructure to the crypto market. Following the outcome of the US election post period end, digital asset prices achieved new highs in anticipation of a more progressive regulatory regime. Regulatory clarity and renewed confidence in digital asset markets will provide opportunities for institutional propositions, including those in our portfolio; **Gemini**, **ParaFi** and **Tesseract**.

Since announcing our investment in **Artificial**, the company has continued to highlight its pivotal role in transforming the underwriting landscape. The London-based insurtech has seen strong adoption of its products, with over 15,000 submissions and £6 billion of premium processed through its contract builder. By leveraging advanced machine learning and AI, **Artificial** has emerged as one of the UK's most promising insurtechs and its inclusion in CB Insights' 2024 list of the 100 most innovative fintech startups globally underscores the transformative potential of its AI-driven insurance solutions.

Post period end, **Farewill** and **Monese** were acquired (subject to regulatory approval). **Farewill** entered into an agreement to be acquired by funeral provider Dignity. Under the terms of the proposed acquisition, Augmentum will receive shares in Castelnau Group plc as consideration. The acquisition has resulted in a downward valuation of the company, although we expect there to be meaningful future upside from the current mark.

In October 2024 it was also announced that **Monese** had been acquired by Pockit, a financial services business for the "unbanked". Augmentum will hold a small interest in the new entity, but has written down its interest to £0 while a period of integration and strategic reorientation takes place.

### Exits

2024 has been regarded by many as a difficult year for exits, with a limited number of IPOs in Europe and North America across all tech sectors, and particularly fintech. As market confidence returns we expect to see a backlog of scaled fintech companies come to market in 2025 and 2026, and a corresponding increase in M&A activity. Despite the market conditions, we announced a further exit during the period from **Onfido** and **FullCircul** post-period end. This takes our realisations since IPO to £99 million, and our total number of exits to seven. Our portfolio assets carry strategic value and this includes assets yet to reach scale as well as those which have moved away from the "venture return" path we seek when initially investing. On average, our exits have taken place at a valuation uplift of 33% compared to the latest audited valuation of our positions.

**Onfido**, the AI-powered digital identity verification business, was acquired by US payments firm Entrust in April 2024. The transaction valued the Company's investment at £10.1 million. The Company initially invested in **Onfido** in March 2018 with a £4.0 million investment as part of a US\$50 million funding round, with a further £3.7 million in December

2019. This exit represented a multiple of 1.3x cost and an IRR of 6%. The resulting IRR is well below our long-term target and the product of investment terms that were introduced to the capital structure of the company during a funding round that completed during the height of the Covid pandemic.

Post-period end we announced the sale of **FullCircul**. We first invested in what was then DueDil in 2018, before supporting the business to restructure and complete a successful merger with Artesian to establish the more substantial and profitable **FullCircul** entity. Post period end **FullCircul** was acquired by nCino, the NASDAQ listed digital banking platform. The transaction valued the Company's investment at £6.1 million subject to final adjustments, which represents an 80% increase on the valuation of £3.4 million as at 31 March 2024. This return is an example of a modestly valued asset in the tail of the portfolio that has been actively managed to maximise the return.

### Performance

As at 30 September 2024, our NAV per share after performance fee stands at 164.3p (31 March 2024: 167.4p). Since IPO the Company has generated a Gross IRR (before expenses) on capital deployed of 14%.

Each position is valued objectively using the most appropriate methodology and 87% of the portfolio is valued using public market comparables. Robust governance is integral to the process, with all valuations signed off by the Board and Valuations Committee.

As outlined in previous reports, downside protections, such as liquidation preference and anti-dilution provisions, are integral structures in our typical venture investments. These terms protect the value of Augmentum's position in the event of a reduction in the equity value of a company.

Our seven exits to date demonstrate external validation of our valuations approach. All of these were realised at or above our last reported valuation.

### Outlook

We often reference the ecosystem flywheel dynamic when explaining our confidence in the future of European fintech. This phenomenon of talent recycling, funding availability, and supportive policy environment is increasingly reflected in company formations statistics and a recent report coined the term 'founder factories' to describe the role of scaled fintechs in supporting the next generation of firms (source: Accel / Dealroom). It found that alumni from the 98 venture-backed European fintech companies with valuations above \$1 billion have gone on to establish 625 new companies, of which more than a third are also fintechs. As new companies emerge, our relationships across the ecosystem and reputation as a leading investor in fintech leave us optimally positioned to invest in outstanding founders and ventures.

European fintech activity is concentrated within a number of key hubs, led by London, and supported by Berlin, Paris and Stockholm. Local flywheels support activity within each, with 61% of companies emerging from successful fintechs founded in the same city as the original company (source: Accel/Dealroom). We continue to build our presence in these locations whilst also proactively expanding our footprint to new hubs, taking advantage of our multi-geography strategy to seek the best opportunities. New hubs can emerge following a major local success, or when an experienced team brings an established idea to the

## Portfolio Manager's Review continued

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greenspace of a new market or region. When a flywheel is newly established, they will often deliver periods of exceptional 'catch-up' growth, which we believe we are now seeing in the CEE and notably the GCC, where we have announced our first investment in **Pemo**.

The UK retains the title of Europe's leading market for fintech, with 9% of total global fintech investment in 2024 year-to-date (source: FT Partners), but does face increasing competition from other hubs. Policy makers must continue to take a long-term view to protect the powerful flywheel that has been generated by UK fintech over the last 20 years. Attracting and retaining top founders and their growing teams, and ensuring that growth capital is available to support them through late stages and public listing should be seen as priorities by the new Labour government. Timely delivery of initiatives, such as the Mansion House Compact, designed to unlock pension fund capital to address demand issues in domestic markets and support retail investor returns, must continue to be pursued. European and UK fintechs, and their backers, are ready to play their part in achieving UK economic growth, but the clock is ticking. The timely and successful deployment of pension capital is key if the Chancellor wants to achieve her ambitious growth agenda, which we applaud.

Along with the flywheel dynamic, emerging technologies, led by AI, further expand the opportunity set in fintech. Along with generalised operational productivity improvements, AI creates opportunities for novel products and operating models in financial services. The power of this technology is in its breadth of applications, and this is why we have the confidence to call it a paradigm shift for fintech and financial services. Across businesses from all sectors, the adoption of AI in at least one business function has already surpassed 70% (source: McKinsey) and bold investment is being rewarded, with 'AI leaders' - i.e. those placing AI at the centre of their technology strategy - the first to be recognising real returns on investments (source: BCG).

As we have seen before with innovations such as digital banking and digital identity verification, it is technology-forward fintech firms who are best positioned to bring emerging technologies to market, both in competition with incumbent financial services firms and as their technology partners. Digital capabilities are a top priority of every incumbent financial services firm and close collaboration with fintech firms - through buy, build and partnership strategies - has become a competitive imperative. Fintech's market share of financial services remains just 3% but, with growth at close to four times the rate of incumbent financial services firms, the sector continues to make inroads into huge addressable headroom (source: BCG). Fintech's market share is projected to more than double in the next decade, positioning Augmentum as a distinctive gateway for investors to capitalise on this growth.

Our own operations are increasingly technology and data driven, having continuously developed our proprietary deal origination engine "ADA" over the last six years. ADA leverages technology and data to drive competitive advantage at every stage of the origination and investment process. This includes AI automations connecting internal and external data streams with our unrivalled fintech network which now extends to more than 8,000 organisations. ADA also integrates learnings from the combined 75 years of fintech investment experience in our investment committee to deliver a streamlined due diligence process without compromising on quality; our bar for progression from pipeline to investment remains just 0.1%. We have already seen quantifiable benefits in the breadth, depth and clarity of our investment activity with ADA and this technology-driven approach was instrumental in securing our three latest investments in **Artificial**, **LoopFX** and **Pemo**.

Building on multiple generations of start-up success, and bolstered by new technologies such as AI, the investment opportunity in European fintech remains highly compelling. Since IPO, we have built a diversified portfolio which has consistently delivered growth despite the challenging market conditions of the last two years. Building on our seven exits to date the portfolio is positioned to deliver realisations in the years ahead. Outside of its mature positions the portfolio contains value that is unpriced by the market today, with earlier-stage companies having the potential to scale or to realise their strategic value at earlier stages. As our sector has developed so too has our multinational team and today we combine our established reputation as a leading fintech investor with an increasingly technology driven approach. We believe this is the best strategy to continue to deliver access to a strong and diversified portfolio of private fintech companies which can deliver exceptional returns.

**Tim Levene**

CEO

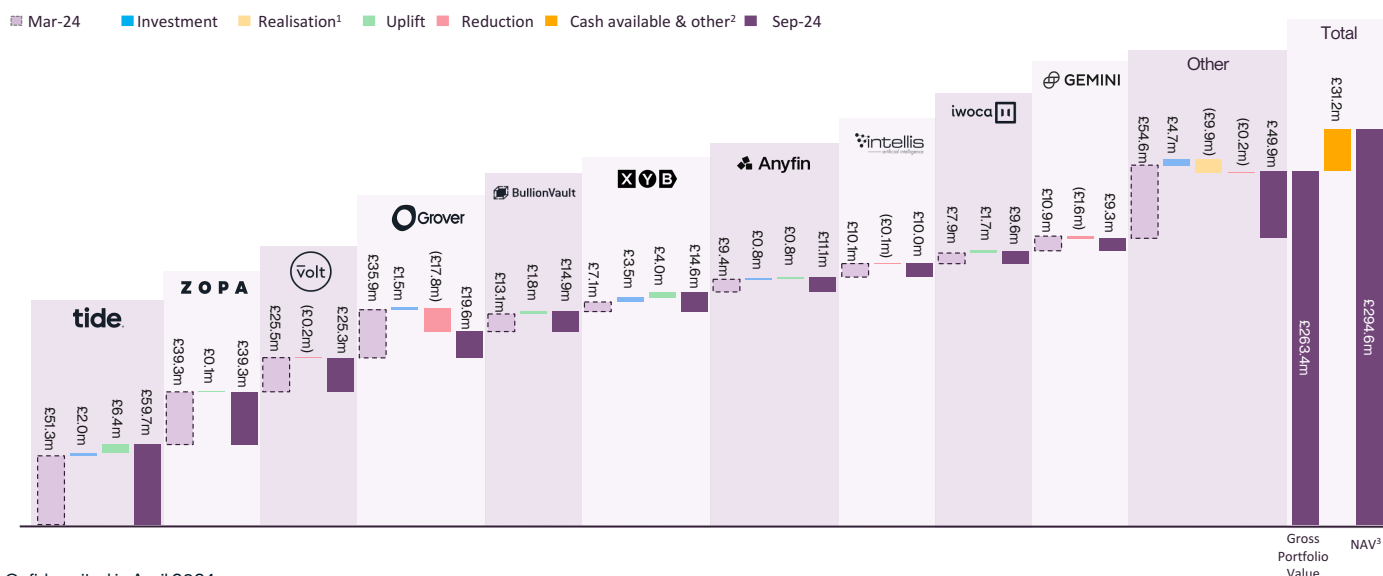
Augmentum Fintech Management Limited

25 November 2024

# Investments

## Portfolio valuation changes

6 months ended 30 September 2024



1. Onfido exited in April 2024

2. Consolidated cash position of £31.8m less net liabilities

3. NAV is shown before performance fee, NAV after performance fee is £275.6m

## The Augmentum portfolio is well diversified across the fintech ecosystem

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

Cash and other net assets:

Proptech

WAYHOME Habito

Insurtech

artificial. baobab

Circular Economy

Grover

Digital Asset Infrastructure

GEMINI PARAFI Tesseract Sfermion

Infrastructure

XYB wematch.live loopfx

FullCirc 2%

Wealth & Asset Management

BullionVault iintellis epsor Farewill WHISKY INVEST DIRECT

SME Digital Banking & Lending Services

tide iwoca

Consumer Digital Banking & Lending

ZOPA Anyfin monese

Payments

Volt kipp prewise

Augmentum Investing in Fintech

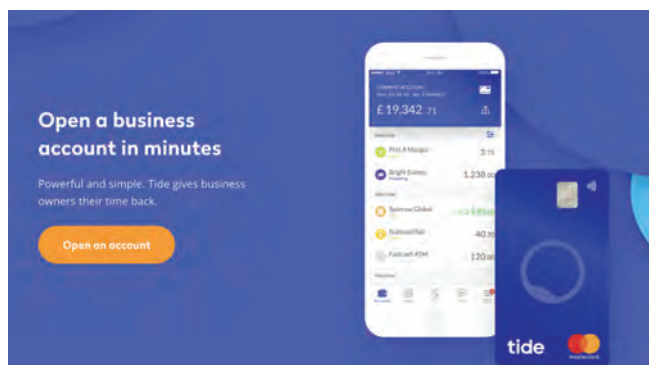
Acquired post-year end

1. NAV before performance fee, as at 30 September 2024, NAV after performance fee is £275.6m

2. £31.8m cash reserves as at 30 September 2024



## Investments continued



**tide.**

Tide's ([www.tide.co](http://www.tide.co)) mission is to help small and mid-sized businesses ("SMEs") save time and money in the running of their businesses. Customers can be set up with an account number and sort code in less than 10 minutes, and the company is building a comprehensive suite of digital banking services for businesses, including automated accounting, instant access to credit, card control, instant card freezing and quick, mobile invoicing. Tide has continued to expand its product offering with the launch of Tide Accounting and Tide Acquiring in 2023 and also completed its acquisition of Funding Options in 2023, a leading UK marketplace for SMEs seeking business finance. Post period end, in October 2024, Tide announced their acquisition of HMRC-recognised payroll solution Onfolk. Tide is also expanding geographically. Tide launched in India in December 2022 and also in Germany in May 2024. Tide has 11% market share of small business accounts in the UK, where it has more than 650,000 customers, and more than 350,000 customers in India.

Augmentum led Tide's £44.1 million first round of Series B funding in September 2019, alongside Japanese investment firm The SBI Group. In July 2021 Tide completed an £80 million Series C funding round led by Apax Digital, in which Augmentum invested an additional £2.2 million and into which the £2.5 million loan note converted. Augmentum invested a further £4.2 million in October 2023 and £2.0 million in May 2024 through a combination of primary and secondary transactions.

Source: Tide

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	19,376	17,376
Value	59,715	51,293
Valuation Methodology <sup>^</sup>	Rev. Multiple	Rev. Multiple

As per last filed audited accounts of the investee company for the year to 31 December 2023:

	2023 £'000	2022 £'000
Turnover	119,351	59,176
Pre tax loss	(43,714)	(39,795)
Net assets	19,372	32,444

<sup>^</sup> See note 7 on pages 25 to 28.



**Z O P A**

Having been founded in 2005 as the world's first peer-to-peer ("P2P") lending company, Zopa ([www.zopa.com](http://www.zopa.com)) launched Zopa Bank following a funding round in 2020. It was granted a full UK banking licence, allowing it to offer a wider product range to its customers. After 17 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 Bank is regulated by both the PRA and the FCA.

Zopa Bank has continued to drive profitable growth, with over £300 million in annualised run-rate revenue. The company has lent over £10 billion and recently surpassed £5 billion in deposits. Zopa Bank is a multiple awards winner. In 2024, Zopa won three more awards from MoneyNet; Best Savings App, Best Fixed Rate Cash ISA Provider and Personal Savings Provider of the Year. These follow a string of previous awards, including being named the British Bank Awards' Best Personal Loan Provider for the sixth year in a row in 2023.

Augmentum participated in a £20 million funding round led by Silverstripe in March 2021, added £10 million in a £220 million round led by SoftBank in October 2021, and in February 2023 invested a further £4 million as part of a £75 million equity funding round alongside other existing investors. In September 2023 Zopa Bank raised £75 million in Tier 2 Capital to support further scaling.

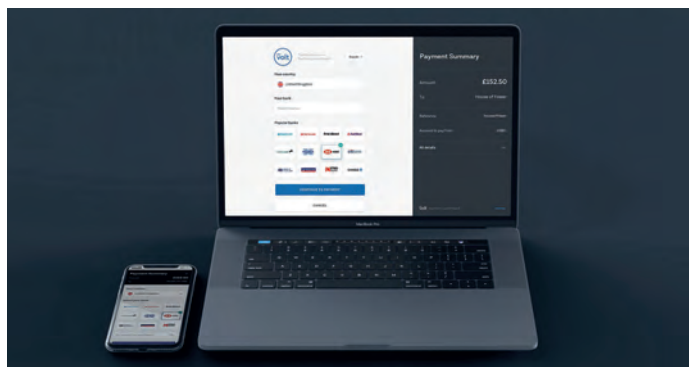
Source: Zopa Bank

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	33,670	33,670
Value	39,346	39,291
Valuation Methodology	Rev. Multiple	Rev. Multiple

As per last filed audited accounts of the investee company for the year to 31 December 2023:

	2023 £'000	2022 £'000
Operating income	223,544	153,737
Pre tax profit/(loss)	10,828	(23,783)
Net assets	413,174	299,674

## Investments continued



Volt ([www.volt.io](http://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 – delivering benefits to both consumers and merchants. This helps merchants shorten their cash cycle, increase conversion and lower their costs. Volt offers coverage in 31 markets and counting, including UK, Europe, Brazil and Australia. In June 2023 Volt announced their partnership with Worldpay and Shopify. In February 2024, Volt was granted a UK EMI licence by the FCA, enabling Volt to evolve its cash management product 'Connect' for virtual accounts. In September 2024 Volt announced a partnership with Farfetch, a leading global marketplace for the luxury fashion industry with items from more than 50 countries and over 1,400 of the world's best brands, boutiques, and department stores.

Augmentum invested £0.5 million in Volt in December 2020, £4 million in its June 2021 US\$23.5 million Series A funding round and £5.3 million in its US\$60 million Series B funding round in June 2023.

Source: Volt

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	9,800	9,800
Value	25,294	25,459
Valuation Methodology	Rev. Multiple	Rev. Multiple

Volt is not required to publicly file audited accounts.



Berlin-based Grover ([www.grover.com](http://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 8,000 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 and Spain. Grover is at the forefront of the circular economy, with products being returned, refurbished and recirculated until the end of their usable life. Grover has circulated over 1.2 million devices.

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 €30 million debt facility with Varengold Bank, one of Germany's major fintech banking partners. In March 2021 Grover completed a €60 million Series B equity and debt funding round, with Augmentum participating and converting its CLN, and Grover's Series C funding round in April 2022 raised US\$330 million in equity and debt funding. In September 2023 Augmentum invested £1.4 million as part of a €23 million transaction and in July 2024 contributed €1.8 million to €50 million of bridge financing.

Source: Grover

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	10,813	9,295
Value	19,627	35,893
Valuation Methodology	Rev. Multiple	Rev. Multiple

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



## Investments continued



BullionVault ([www.bullionvault.co.uk](http://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 competitive prices online, with £5.2 billion of assets under administration, over £75 million worth of gold and silver traded monthly, and over 100,000 clients.

Each user's property is stored 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.

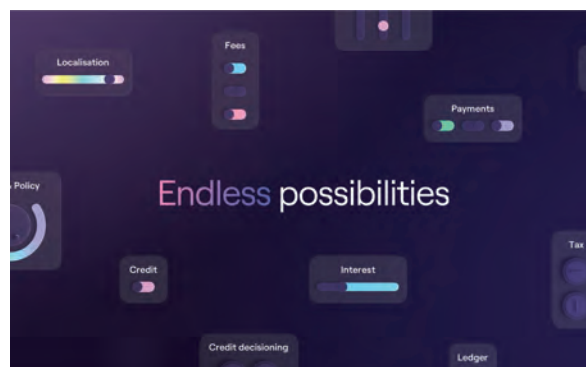
The company generates monthly profits from trading, commission and interest. It is cash generative, dividend paying, and well-placed for any cracks in the wider financial markets.

Source: BullionVault

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	8,424	8,424
Value	14,924	13,119
Valuation Methodology	Earnings Multiple	Earnings Multiple
Dividends paid	–	799

As per last filed audited accounts of the investee company for the year to 31 October 2023:

	2023 £'000	2022 £'000
Gross profit	13,311	13,071
Pre tax profit	13,023	8,364
Net assets	46,323	41,294



XYB ([www.xyb.co](http://www.xyb.co)) is a banking-as-a-service ("BaaS") platform that was launched by Monese in May 2023 and spun out as a separate business in May 2024. XYB enables financial institutions to build digital products using technology developed by Monese and counts HSBC and Investec amongst its client base. The BaaS market shows strong growth as established banks and fintech companies continue to bring innovative digital products to market.

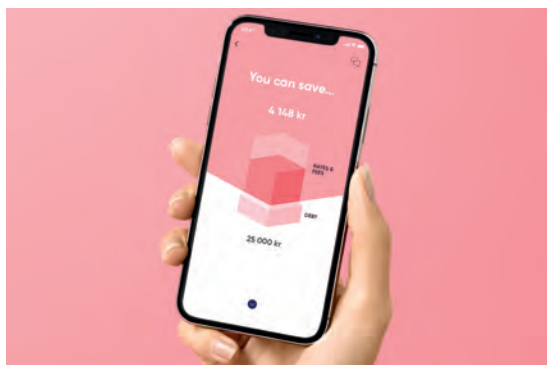
Augmentum invested £1 million specifically into the spun-out business via a secondary transaction in September 2024.

Source: XYB

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	14,967	n/a
Value	14,629	n/a
Valuation Methodology	Rev. Multiple	n/a

XYB is a new company and no accounts have been filed.

## Investments continued



Anyfin ([www.anyfin.com](http://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, Norway and Germany, with plans to expand across Europe as well as strengthen its product suite in existing markets, and over 1 million people have downloaded the app. In July, Anyfin announced UC-kollen, a new service in the Anyfin app providing daily credit rating updates and tips to improve scores.

Augmentum invested £7.2 million in Anyfin in September 2021 as part of a US\$52 million funding round, a further £2.7 million as part of a US\$30 million funding round in November 2022 and £0.8 million in July 2024.

Source: Anyfin

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	10,768	9,924
Value	11,066	9,416
Valuation Methodology	<b>Earnings Multiple</b>	Earnings Multiple

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



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.

Following an initial investment of €1 million in 2019, 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 2024 £'000	31 March 2024 £'000
Cost	2,696	2,696
Value	10,013	10,074
Valuation Methodology	<b>P/E Multiple</b>	P/E Multiple

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

## Investments continued



Founded in 2011, iwoca ([www.iwoca.co.uk](http://www.iwoca.co.uk)) uses award-winning technology to disrupt small business lending across Europe. They offer short-term 'flexi-loans' of up to £500,000 to SMEs across the UK and Germany. 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 and approve a credit facility within hours. In addition to its flexi-loans, 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 and also launched a revenue-based loan with eBay in 2022 where repayments are a percentage of a business's monthly sales. The company has lent over £3.5 billion in the UK and Germany since its launch across more than 130,000 business loans.

Augmentum originally invested £7.5 million in Iwoca in 2018 and has since added £0.35 million. Iwoca has raised over £1 billion in debt funding from partners including Barclays, Pollen Street Capital, Vårde Citibank and Insight Investment.

Source: Iwoca

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	7,852	7,852
Value	9,616	7,926
Valuation Methodology	Earnings Multiple	Earnings Multiple

As per last filed audited accounts of the investee company for the year to 31 December 2023:

	2023 £'000	2022 £'000
Turnover	142,584	78,260
Pre tax profit/(loss)	21,784	(11,177)
Net assets	54,976	28,224



Gemini ([www.gemini.com](http://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, becoming one of only ten companies to have achieved FCA Cryptoasset Firm Registration at that time.

Gemini announced acquisitions of portfolio management services company BITRIA and trading platform Omniex in January 2022. Gemini expanded into the UAE and Asia in 2023, and in 2024 was selected as custodian for Path Crypto's Managed Portfolios, the first and only bitcoin ETF in Australia launched by Monochrome Asset Management, and a landmark ether staking ETF fund launched by Purpose Investments.

Augmentum participated in Gemini's first ever funding round in November 2021 with an investment of £10.2 million.

Source: Gemini

	30 Sept 2024 £'000	31 March 2024 £'000
Cost	10,150	10,150
Value	9,292	8,306
Valuation Methodology	Rev. Multiple	Rev. Multiple

Gemini is not required to publicly file audited accounts.

## Investments continued



FullCirc ([www.fullcirc.com](http://www.fullcirc.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 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.

In August 2023 FullCirc announced the acquisition of W2 Global Data Solutions, a provider of real-time digital solutions for global regulatory compliance. The acquisition strengthens FullCirc's compliance suite and accelerates the company's ambition to become the market leader in smart customer onboarding solutions for regulated businesses. The combined company now provides coverage on entities located in 160 countries.

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. Post period end, in October 2024, nCino, the NASDAQ listed US digital banking platform, agreed to acquire FullCirc.

## artificial.

Artificial ([www.artificial.io](http://www.artificial.io)) is an established underwriting technology provider for the London Insurance Market. This London-based insurtech partners with global insurers and brokers to facilitate algorithmic placement of commercial and specialty risk, backed by their powerful contract builder and underwriting platform.

Augmentum led Artificial's £8 million Series A+ round in January 2024 with a £4 million investment, alongside existing investors MS&AD Ventures and FOMCAP IV. The round was aimed at allowing Artificial to accelerate their growth, to continue to build out its product range and further consolidate its position as a leader in algorithmic underwriting software as the insurance market migrates towards digital solutions. In July 2024 Augmentum added to its investment with a £0.8 million secondary share purchase.



Wematch ([www.wematch.live](http://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.

Created in 2017, Wematch is headquartered in Tel Aviv and has offices in London and Paris. In March 2023 it announced a collaboration with MTS Markets, owned by Euronext, creating MTS Swaps by Wematch.live, which aims to bridge the gap between legacy voice trading and pure electronic trading in the interdealer IRS market. In August 2023 Wematch passed a milestone of US\$200 billion in ongoing notional value of trades on their platform and also reached an average daily matched volume (ADMV) of US\$11 billion in Europe, the Middle East, and Africa.

Augmentum invested £3.7 million in September 2021 and £0.4 million in August 2024.



Wayhome ([www.wayhome.co.uk](http://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. The first fund has now closed having helped over 650 people buy a new home. Wayhome are currently working on their second fund.

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 £2.5 million in 2019, £1 million in 2021, a further £0.9 million in the Company's financial year to 31 March 2023 and £0.3 million in July 2024.

## Investments continued



Tesseract ([www.tesseractinvestment.com](http://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".

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.



Kipp ([www.letskipp.com](http://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 incentivise issuing banks to approve more transactions.

Augmentum invested £4 million in May 2022.



Berlin based Baobab ([www.baobab.io](http://www.baobab.io)) is a pioneer in the provision of European cyber insurance for SMEs. With capacity provision from Zurich, Baobab uses a novel approach to underwriting, pricing and risk mitigation, and works with leading SME cyber security providers to prevent breaches for its insured customers.

Augmentum invested £2.6 million in January 2023 and £0.6 million in July 2024.



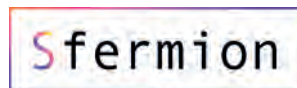
ParaFi Capital ([www.parafi.com](http://www.parafi.com)) is an investor in decentralised finance protocols that address tangible use cases of the technology and demonstrate signs of product-market fit. ParaFi investment has drawn on their domain expertise developed in both traditional finance and crypto 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.



LoopFX ([www.theloopfx.com](http://www.theloopfx.com)) is an independent venue for large spot FX trades with a unique matching solution for market participants. LoopFX enables traders to match, in real-time, with other asset managers and banks without information leakage and at a mid-market rate, reducing trading costs and improving best execution processes. LoopFX's 'Peer-To-Bank' matching technology has been integrated into leading forex platforms - State Street's FX Connect and FactSet's Portware.

Augmentum invested £2.6 million in June 2024.



Sfermion ([www.sfermion.io](http://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.



Epsor ([www.epsor.fr](http://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 over 1,200 clients including Santander, Louis Vuitton and Sotheby's, and their 150,000+ employees.

Augmentum invested £2.2 million in Epsor in June 2021.



## Investments continued



In the next 10 years, £1 trillion of inheritance will pass between generations in the UK. Farewill ([www.farewill.com](http://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, augmented with funeral plans in 2024. Farewill has won numerous awards, including being named Wills & Probate Firm of the Year 2024 and winning the UK Enterprise Customer Care Excellence Award 2024. The organisation has also been rated excellent on Trustpilot, scoring an average customer approval rating of 4.9/5 from over 17,000 reviews. It is now the largest will writer in the UK.

Since its launch in 2015 Farewill's customers have pledged over £1.03 billion to charities through their wills.

Augmentum led Farewill's £7.5 million Series A fundraising in January 2019, with a £4 million investment, participated in its £20 million Series B, led by Highland Europe in July 2020, with £2.6 million, and in its further £4.8 million fundraising in March 2023, with £0.8 million. The proposed acquisition of Farewill by Dignity (in which Castelnau Group plc has a controlling stake) was also announced in October, through which Augmentum will receive shares in Castelnau Group plc as consideration for the transaction.



Founded in 2015, WhiskyInvestDirect ([www.whiskyinvestdirect.com](http://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 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. At its October 2022 financial year end the company's clients held 12 million LPA (Litres of Pure Alcohol) of spirit.

Augmentum's holding derives from WhiskyInvestDirect being spun out of BullionVault in 2020.



Previse ([www.previ.se](http://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. 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. In May 2022 Previse closed the first phase of its series B financing round, which was led by Tencent, with US\$18 million raised, including £2 million from Augmentum.



Habito ([www.habito.com](http://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 had brokered £7 billion of mortgages by July 2021. Habito launched its 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 and added £1.3 million in the Company's financial year ended 31 March 2023.



# Condensed Consolidated Statement of Comprehensive Income

## For the six months ended 30 September 2024

	Note	Six months ended 30 September 2024			Six months ended 30 September 2023		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
(Losses)/gains on investments held at fair value		–	(4,295)	(4,295)	–	2,952	2,952
Investment income		894	–	894	702	–	702
AIFM and Performance Fees	2	(303)	–	(303)	(292)	–	(292)
Other expenses		(2,630)	(138)	(2,768)	(2,453)	(16)	(2,469)
<b>(Loss)/return before taxation</b>		<b>(2,039)</b>	<b>(4,433)</b>	<b>(6,472)</b>	<b>(2,043)</b>	<b>2,936</b>	<b>893</b>
Taxation		–	–	–	–	–	–
<b>(Loss)/return attributable to equity shareholders of the parent company</b>		<b>(2,039)</b>	<b>(4,433)</b>	<b>(6,472)</b>	<b>(2,043)</b>	<b>2,936</b>	<b>893</b>
<b>(Loss)/return per share (pence)</b>	3	<b>(1.2)</b>	<b>(2.6)</b>	<b>(3.8)</b>	<b>(1.2)</b>	<b>1.7</b>	<b>0.5</b>

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

The revenue 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 2024

Group	Six months ended 30 September 2024					Total £'000
	Ordinary share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserve £'000	Revenue reserve £'000	
Opening shareholders' funds	1,810	105,383	80,609	135,293	(19,778)	303,317
Purchase of own shares into treasury	–	–	(2,210)	–	–	(2,210)
(Loss)/return for the period	–	–	–	(4,433)	(2,039)	(6,472)
<b>At 30 September 2024</b>	<b>1,810</b>	<b>105,383</b>	<b>78,399</b>	<b>130,860</b>	<b>(21,817)</b>	<b>294,635</b>

Group	Six months ended 30 September 2023					Total £'000
	Ordinary share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserve £'000	Revenue reserve £'000	
Opening shareholders' funds	1,810	105,383	85,218	117,740	(16,027)	294,124
Purchase of own shares into treasury	–	–	(3,888)	–	–	(3,888)
Return/(loss) for the period	–	–	–	2,936	(2,043)	893
<b>At 30 September 2023</b>	<b>1,810</b>	<b>105,383</b>	<b>81,330</b>	<b>120,676</b>	<b>(18,070)</b>	<b>291,129</b>

# Condensed Consolidated Statement of Financial Position

as at 30 September 2024

	Note	30 September 2024 £'000	31 March 2024 £'000
<b>Non current assets</b>			
Investments held at fair value	7	263,448	265,083
Property, plant & equipment		187	219
<b>Current assets</b>			
Right of use asset		363	438
Other receivables		166	245
Cash and cash equivalents		31,775	38,505
<b>Total assets</b>		<b>295,939</b>	<b>304,490</b>
<b>Current liabilities</b>			
Other payables		(936)	(699)
Lease liability		(368)	(474)
<b>Total assets less current liabilities</b>		<b>294,635</b>	<b>303,317</b>
<b>Net assets</b>		<b>294,635</b>	<b>303,317</b>
<b>Capital and reserves</b>			
Called up share capital	4	1,810	1,810
Share premium account	4	105,383	105,383
Special reserve		78,399	80,609
Retained earnings:			
Capital reserves		130,860	135,293
Revenue reserve		(21,817)	(19,778)
<b>Total equity</b>		<b>294,635</b>	<b>303,317</b>
<b>NAV per share (pence)</b>	5	<b>175.6</b>	<b>178.6</b>
<b>NAV per share after performance fee (pence)</b>	5	<b>164.3</b>	<b>167.4</b>

# Condensed Consolidated Statement of Cash Flows

## For the six months ended 30 September 2024

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
<b>Cash flows from operating activities</b>		
Purchases of investments	(12,590)	(5,511)
Sales of investments	9,930	22,790
Acquisition of property, plant and equipment	(7)	(4)
Interest received	945	680
Operating expenses paid	(2,681)	(1,769)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(4,403)</b>	<b>16,186</b>
<b>Cash flow from financing activities</b>		
Purchase of own shares into Treasury	(2,327)	(4,429)
<b>Net cash (outflow) from financing</b>	<b>(2,327)</b>	<b>(4,429)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(6,730)</b>	<b>11,757</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>38,505</b>	<b>40,015</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>31,775</b>	<b>51,772</b>

# Notes to the Financial Statements

## For the six months ended 30 September 2024

### 1.a General information

Augmentum Fintech plc is a company limited by shares, incorporated and domiciled in the UK. Its registered office is 25 Southampton Buildings, London WC2A 1AL, UK and its principal place of business is at 4 Chiswell Street, London EC1Y 4UP. Its shares are listed on the London Stock Exchange.

These condensed interim financial statements were approved for issue on 25 November 2024. 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 2024 were approved by the board of directors on 24 June 2024 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 2024 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and International 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 financial resources to continue in operation for at least the next 12 months from the date of signing of these financial statements.

### 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, the Middle East 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 2024.

### 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 2024 £'000	Revenue £'000	Capital £'000	Six months ended 30 September 2023 £'000
AIFM fees	303	–	303	292	–	292
Performance fee	–	–	–	–	–	–
	<b>303</b>	<b>–</b>	<b>303</b>	<b>292</b>	<b>–</b>	<b>292</b>

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 2024 the hurdle has been met, on an unrealised basis, and as such a performance fee of £19,000,000 has been accrued by the Company, equivalent to 9.9 pence per share (31 March 2024: 18,980,000; 11.2 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 25 and Note 19.9 of the 2024 Annual Report for further details. 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 2024 £'000	Six months ended 30 September 2023 £'000
Net revenue loss	(2,039)	(2,043)
Net capital (loss)/return	(4,433)	2,936
<b>Net total (loss)/return</b>	<b>(6,472)</b>	<b>893</b>
Weighted average number of ordinary shares in issue	169,352,855	171,507,993
	Pence	Pence
Revenue loss per share	(1.2)	(1.2)
Capital (loss)/return per share	(2.6)	1.7
<b>Total (loss)/return per share</b>	<b>(3.8)</b>	<b>0.5</b>

### 4 Share capital

As at 30 September 2024 there were 167,754,471 (31 March 2024: 169,831,285) ordinary shares in issue, excluding shares held in treasury, and 13,258,596 (31 March 2024: 11,182,412) shares held in treasury.

During the year to 31 March 2024 4,687,567 shares were bought back into treasury at an average price of 98.3p per share.

From 1 April 2024 to 30 September 2024 2,076,814 of the Company's ordinary shares were bought back into treasury at an average price of 105.8p 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 £294,635,000 (31 March 2024: £303,317,000) and 167,754,471 (31 March 2024: 169,831,285) 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 £19,000,000 (31 March 2024: £18,980,000), 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 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 2024 Annual Report.

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



## 7 Financial Instruments (continued)

### 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.

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).

All investments were classified as Level 3 investments as at, and throughout the period to, 30 September 2024. Page 28 presents the movements on investments measured at fair value. 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.

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, AuM, and P/E multiples (based on the most recent revenue, EBITDA, AuM, or earnings achieved and equivalent corresponding revenue, EBITDA, AuM, 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.

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

The fair valuation of private company investments is influenced by the estimates, assumptions and judgements made in the fair valuation process. A sensitivity analysis is provided below which recognises that the valuation methodologies employed involve subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs. The inputs have been flexed with the exception of the Sales Price valuation approach as it does not involve significant subjectivity. The table also provides the range of values for the key unobservable inputs.

As at 30 September 2024							
Valuation approach	Fair value of investments £'000	Key unobservable inputs	Significant unobservable inputs*	Applied input range	Weighted average input applied#	Sensitivity +/- %	Change in Valuation +/- £'000
Market approach using comparable traded multiples	229,686	Revenue Multiple	a, b, c, g	1.0x - 35.4x	6.9	10%	16,883/(16,209)
		Earnings Multiple	a, b, c, g	8.3x - 15.0x	12.0	10%	3,319/(3,319)
		AUM Multiple	a, b, c, g	0.1x	0.1	10%	264/-
		Illiquidity discount	d, g	0% - 80%	25.6%	30%	26,080/(22,988)
		Transaction implied premiums	e, g	33% - 738%	142.2%	30%	7,209/(8,393)
Net Asset Value**	8,150	Discount to NAV	a	n/a	n/a	10%	(762)
PWERM	8,695	Probability of conversion	a	n/a	n/a	25%	315/(315)
CPORT^	9,167	Transaction Price	a, e, g	n/a	n/a	10%	802/(802)
Sales Price	7,749	n/a	n/a	n/a	n/a	n/a	n/a

# Weighted average is calculated by reference to the fair value of holdings as at the respective year-end. This therefore gives a clearer indication of the typical multiple or adjustment being applied across the portfolio.

\*\* LP ('Limited Partnership') investments are held at net asset values provided by the relevant LP fund administrators. These are adjusted by benchmark movements as appropriate.

^ Whilst a recent or expected transaction price may be the most appropriate basis for a valuation, it will be corroborated by other techniques which factor in the unobservable inputs noted below.

## 7 Financial Instruments (continued)

Valuation approach	As at 31 March 2024						
	Fair value of investments £'000	Key unobservable inputs	Significant unobservable inputs*	Applied input range	Weighted average input applied#	Sensitivity +/- %	Change in Valuation +/- £'000
Market approach using comparable traded multiples	217,054	Revenue Multiple	a, b, c, g	2.3x - 28.0x	6.0x	10%	17,564/(17,554)
		Earnings Multiple	a, b, c, g	6.3x - 18.6x	11.0x	10%	3,146/(2,423)
		AUM Multiple	a, b, c, g	0.1x	0.1x	10%	264/-
		Illiquidity discount	d, g	0% - 50%	32.3%	30%	12,558/(10,920)
		Transaction implied premiums	e, g	0% - 630%	109.3%	30%	17,063/(18,023)
Net Asset Value**	8,264	Discount to NAV	a	n/a	n/a	10%	(826)
PWERM	6,068	Probability of conversion	a	n/a	n/a	25%	248/(248)
Expected transaction price	7,135	Execution risk discount	a, f	n/a	n/a	10%	713/(713)
CPORT^	16,414	Transaction Price	a, e, g	n/a	n/a	10%	1,641/(1,641)
Sales Price	10,148	n/a	n/a	n/a	n/a	n/a	n/a

### \*Significant unobservable inputs

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each private company valuation. An explanation of each of the key variable inputs is provided below. The assumptions and decisions process in relation to the inputs is described in note 19.12 within the Annual Report.

#### (a) Application of valuation basis

Each investment is assessed independently, and the valuation basis applied will vary depending on the circumstances of each investment. When an investment is pre-revenue, the focus of the valuation will be on assessing the recent transaction and the achievement of key milestones since investment. Adjustments may also be made depending on the performance of comparable benchmarks and companies. For those investments where a trading multiples approach can be taken, the methodology will factor in revenue, earnings or assets under management as appropriate for the investment.

#### (b) Selection of comparable companies

The selection of comparable companies is assessed individually for each investment and the relevance of the comparable companies is continually evaluated at each valuation date. Key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates, operating margins, company size and development stage. Typically, between 4 and 10 comparable companies will be selected for each investment, but this can vary depending on how many relevant comparable companies are identified. The resultant revenue or earnings multiples or share price movements derived will vary depending on the companies selected and the industries they operate in. Given the nature of the investments the Company makes there are not always directly comparable listed companies, in such cases comparables will be selected whose businesses bear similarity to the relevant investment, in such cases the need for an additional discount / premium to the comparables will be assessed at each valuation date.

#### (c) Estimated sustainable revenue or earnings

The selection of sustainable revenue or earnings will depend on whether the company is sustainably profitable or not, and where it is not then revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a business has volatile earnings on a year-on-year basis, revenue or earnings may be assessed over a longer period. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

#### (d) Application of illiquidity discount

An illiquidity discount may be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount. The discount applied where a calibration (see (e) below) is not appropriate is dependent on factors specific to each investment, such as quality of earnings or revenues and potential exit scenarios.

## 7 Financial Instruments (continued)

### (e) Transaction implied premium and discount

Where there is an implied company valuation available as a result of an external arm's length transaction, the ongoing valuation will be calibrated to this by deriving a company valuation with reference to the average multiple from a set of comparable companies and comparing this to a transaction implied valuation. This can result in an implied premium or discount compared to comparable companies at the point of transaction. This discount or premium will be considered in future valuations and may be reduced due to factors such as the time since the transaction and company performance. Where a calibrated approach is not appropriate, a discount for illiquidity may be applied as noted in (d) above.

### (f) Execution risk

An execution risk discount is applied to all investments where an arm's-length transaction is due to take place but hasn't closed prior to the reporting period end. The discount applied is dependent on the progress of the negotiations and outstanding matters that may impact on the expected price. When valuing in line with an expected transaction the arm's-length nature of the deal will be assessed, and term sheets will have been received.

### (g) Liquidity preference

The company's investments are typically venture investments with downside protections such as liquidation preference and anti-dilution provisions. Unlike ordinary share structures typically seen in the public or private markets, these structures protect the value of the Company's position in the event of a reduction in the enterprise value of an investee company from the price paid. Where a valuation indicates the enterprise value of an investment has fallen the enterprise value will be fed into the investee companies' 'waterfall' (which ranks shares by seniority/preference in the event of a liquidation event) to calculate the value of the Company's position.

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 2024 £'000	Year to 31 March 2024 £'000
Opening balance	265,083	254,295
Purchases at cost	12,590	15,976
Realisation proceeds	(9,930)	(22,790)
(Losses)/gains on investments held at fair value	(4,295)	17,602
<b>Closing balance as at 30 September</b>	<b>263,448</b>	<b>265,083</b>

# Independent Review Report to Augmentum Fintech plc

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## 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 2024 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.

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 2024 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Cash Flows and the related notes.

## Basis for conclusion

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

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

## 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 (Revised), 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 statement 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.

## 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

25 November 2024

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

# Interim Management Report

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## 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: 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 2024.

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
- (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

**William Reeve**  
Chairman

25 November 2024

# Directors and Other Information

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## Directors

William Reeve (*Chairman of the Board and Nominations Committee*)  
 Karen Brade (*Chair of the Audit Committee*)  
 David Haysey (*Chairman of the Management Engagement & Remuneration Committee, Valuations Committee and Senior Independent Director*)  
 Conny Dorrestijn  
 Sir William Russell

## Registered Office

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

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

## AIFM, Company Secretary and Administrator

Frostrow Capital LLP  
 25 Southampton Buildings  
 London WC2A 1AL  
 United Kingdom  
 Tel: 0203 008 4910  
 Email: info@frostrow.com

*Authorised and regulated by the Financial Conduct Authority*

## Portfolio Manager

Augmentum Fintech Management Limited  
 4 Chiswell Street  
 London EC1Y 4UP  
 United Kingdom

## Joint Corporate Brokers

Peel Hunt LLP  
 100 Liverpool St  
 London EC2M 2AT  
 United Kingdom

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

## Depository

IQ EQ Depository Company (UK) Limited  
 4th Floor  
 3 More London Riverside  
 London SE1 2AQ  
 United Kingdom

## Legal Adviser to the Company

Stephenson Harwood LLP  
 1 Finsbury Circus  
 London EC2M 7SH  
 United Kingdom

## Independent Auditor

BDO LLP  
 55 Baker Street  
 London W1U 7EU  
 United Kingdom

## PR Consultant

Quill Communications Limited  
 107 Cheapside  
 London EC2V 6DN  
 United Kingdom

## Registrar

Computershare Investor Services PLC  
 The Pavilions  
 Bridgwater Road  
 Bristol BS99 6ZZ  
 United Kingdom

Email: WebCorres@computershare.co.uk  
 Telephone: +44 (0)370 889 3231  
 Website: www.investorcentre.co.uk

## Identification codes

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

## Legal Entity Identifier:

213800OTQ44T55518S71

## Foreign Account Tax Compliance Act ("FATCA")

IRS Registration Number (GIIN): 755CKI.99999.SL.826

**aic**  
 The Association of  
 Investment Companies





# 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 SIPP) 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	<a href="http://www.youinvest.co.uk">www.youinvest.co.uk</a>
Charles Stanley Direct	<a href="http://www.charles-stanley-direct.co.uk">www.charles-stanley-direct.co.uk</a>
EQi	<a href="http://www.eqi.co.uk">www.eqi.co.uk</a>
Halifax Investing	<a href="http://www.halifax.co.uk/investing">www.halifax.co.uk/investing</a>
Hargreaves Lansdown	<a href="http://www.hl.co.uk">www.hl.co.uk</a>
iDealing	<a href="http://www.idealing.com">www.idealing.com</a>
interactive investor	<a href="http://www.ii.co.uk">www.ii.co.uk</a>
Redmayne Bentley	<a href="http://www.redmayne.co.uk">www.redmayne.co.uk</a>
Share Deal Active	<a href="http://www.sharedealactive.co.uk">www.sharedealactive.co.uk</a>
Shareview	<a href="http://www.shareview.co.uk">www.shareview.co.uk</a>
X-O	<a href="http://www.x-o.co.uk">www.x-o.co.uk</a>

### 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](http://www.augmentum.vc).

### Shareholder Enquiries

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

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

Full details of the Company's registrar are provided on page 31.

## 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

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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 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](https://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 31.

# Glossary And Alternative Performance Measures

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## 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.

## Gross IRR on Capital Deployed

Is the annualised return arising on investment related cash flows taking account of the timing of each cash flow, and assuming all investments are realised at their carrying value at the period end. It does not take account of the Group's expenses or transactions with shareholders. It is derived by computing the discount rate at which the present value of all investment related cash flows are equal to the original amounts invested.

## 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.

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.

## Glossary And Alternative Performance Measures continued

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**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.

**Net Asset Value (“NAV”) per share after performance fee total return\***

The Directors regard the Group's NAV per share after performance fee total return as being the critical measure of value delivered to shareholders over the long term. The Board considers that the NAV per share after performance fee better reflects the current value of each share than the consolidated NAV per share figure, the calculation of which eliminates the performance fee.

**Partnership**

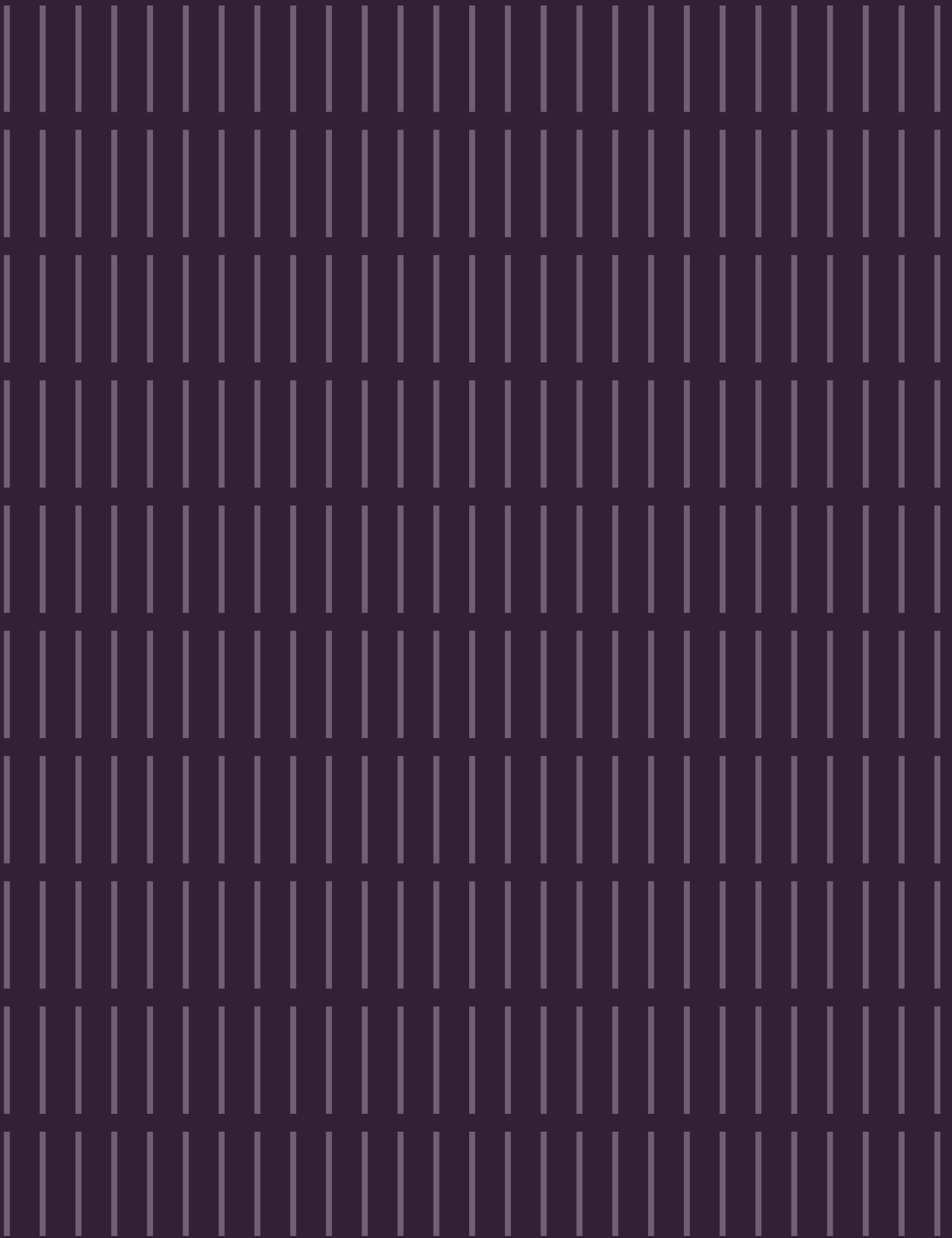
Augmentum I LP, a limited partnership registered in Jersey and a wholly-owned subsidiary of the Company.

**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](http://www.augmentum.vc)

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