Augmentum Fintech plc

Investing in Fintech.

Half Year Report

For the six months ended
30 September 2023

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 five 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, Chairman of the Audit Committee, David Haysey, Chairman of the Management Engagement & Remuneration Committee and Valuations Committee, Neil England, Chairman of the Board and Nominations Committee, Conny Dorrestijn, Director.

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

Contents

Chairman's Statement

Introduction

This report covers your Company's progress in the six months to 30 September 2023 and its financial position at that date.

Investment Strategy

Your Company invests in early stage European fintech businesses which have technologies that are disruptive to the traditional financial services sectors and/or support the trend to digitalisation and market efficiency. 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 accretion.

Performance

Your Company's NAV per share after performance fee at 30 September 2023 was 160.2p, a 0.8% gain across the period under review (158.9p as at 31 March 2023). NAV per share has increased in every one of the eleven half year reporting periods since the Company's IPO in 2018, albeit at a much reduced level during the past year. This lower increase is largely due to valuations being affected by lower sales or earnings multiples in the public market comparators that we use in our valuations, together with some sensible provisions that we have made against those businesses that have faced challenges.

The operational performance of the vast majority of our portfolio companies has continued to be strong, with average revenue growth of 74% across the top 10 in the last 12 months. There have been some standout results, in some cases ahead of expectations, and the majority have over 2 years of cash runway. Crucially, our top 5 investments; **Tide**, **Grover**, **Zopa Bank**, **Volt** and **BullionVault**, are all growing strongly.

Shareholders will note that we have not experienced the NAV write-downs that have been a feature from several other investment companies that focus on venture and early stage private equity. This is testament to our rigorous and disciplined approach to investment selection and valuations. As I have reported previously, as a result of this discipline, we did not write up the value of our investments to the levels that others did when we were in a bull market for fintech. It follows that we have not needed to make major corrections now. This approach is best illustrated by our five realisations, all of which have been at or above their pre-disposal valuation.

The world is an uncertain place as I write, and there have been capital flows away from equities into safer havens such as cash and gold. It is expected that equity markets will remain tough in the coming months. High interest rates and uncertainty over future rates have continued to be a major negative factor affecting investment companies that focus on growth. The assumption is that these companies will need cash to fund that growth and that will be expensive and/or difficult to get. Unfortunately, the market is not differentiating between those companies with genuine issues in this regard and those that have no such needs, as is the case with the bulk of our portfolio. The result is that the price at which the shares traded continued to significantly under-represent the NAV

Chairman's Statement continued

throughout the period, ending at 94.0p per share, down 3.0p from the price at 31 March 2023 and representing a discount to the NAV per share after performance fee of 41.3%. When stripping out our cash from the balance sheet, the implied discount on our investment portfolio is around 51%. As at 30 September 2023, the valuation of our top three positions in **Tide**, **Grover**, and **Zopa Bank**, plus cash, was above our market capitalisation, attributing no value to our £125 million of other investments.

Portfolio and Transactions

Our portfolio stands at 24 companies, diversified across the main fintech verticals, European markets, and at the various stages that we told our IPO investors that we would build to. Our Top 10 investments represent 82.3% of the portfolio value.

In the period, the Company received proceeds of £22.8 million from the completion of NatWest Group's acquisition of Cushon, significantly ahead of its prior valuation and representing a 2.1x multiple on invested capital.

The Company made follow-on investments to support **Volt** (£5.3 million) and **Grover** (£1.4 million). No new investments were established during the period, despite the team reviewing many opportunities, illustrating the discipline of our investment model. At the period end, the Company had net free cash of £48 million.

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

Valuations

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 of 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.

Portfolio Management

We are active investors with a team that works closely with the companies we invest in, typically taking either a board or an observer seat and working with management to guide strategy consistent with long-term value creation. We have built a balanced portfolio across different fintech sectors and maturity stages and are committed to a responsible and sustainable investment approach, believing that the integration of environmental, social and governance factors helps to mitigate risk.

Discount Control

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 consider to reduce this discount.

To convey to the market our confidence in the value of the portfolio and take advantage of the accretion to shareholders offered by the wide 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.

3,918,878 shares were bought back into treasury during the six months to 30 September 2023, at an average price of 99.2p per share, representing

Chairman's Statement continued

an average discount to the 31 March 2023 NAV after performance fee of 37.9% and accreting 1.4p per share. A further 366,308 shares have been bought back since September, at an average price of 86.3p per share, representing an average discount to the updated NAV after performance fee as at 30 September 2023 of 46.2%.

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.

Outlook

Inflation and interest rates remain elevated and early stage growth portfolios continue to be out of favour. However, 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.

Augmentum has proved its model through the successful realisations to date and we are confident in the promise that our current investments offer.

Several commentators have highlighted the potential value in the Augmentum portfolio, but as yet, this has not produced the re-rating that your Board believe is deserved. A reduction in interest rates could be the trigger for this. UK inflation appears to have peaked and this may produce a base rate reduction as early as Q2 2024.

The current share price does not reflect the tangible value creation we have seen across our top 10 investments and their potential for further growth. This leads your Board to continue to expect that the patient shareholder will be well rewarded.

Neil England
Chairman

27 November 2023

Investment Objective and Policy

Investment objective

The Company's investment objective is to generate capital growth over the long term through investment in a focused portfolio of fast growing and/or high potential private financial services technology ("fintech") businesses based predominantly in the UK and wider Europe.

Investment policy

In order to achieve its investment objective, the Company invests in early or later stage investments in unquoted fintech businesses. The Company intends to realise value through exiting these investments over time.

The Company seeks exposure to early stage businesses which are high growth, with scalable opportunities, and have disruptive technologies in the banking, insurance and wealth and asset management sectors as well as those that provide services to underpin the financial sector and other cross-industry propositions.

Investments are expected to be mainly in the form of equity and equity-related instruments issued by portfolio companies, although investments may be made by way of convertible debt instruments. The Company intends to invest in unquoted companies and will ensure that the Company has suitable investor protection rights where appropriate. The Company may also invest in partnerships, limited liability partnerships and other legal forms of entity. The Company will not invest in publicly traded companies. However, portfolio companies may seek initial public offerings from time to time, in which case the Company may continue to hold such investments without restriction.

The Company may acquire investments directly or by way of holdings in special purpose vehicles or intermediate holding entities (such as the Partnership*).

The Management Team has historically taken a board or board observer position on investee companies and, where in the best interests of the Company, will do so in relation to future investee companies.

The Company's portfolio is expected to be diversified across a number of geographical areas predominantly within the UK and wider Europe, and the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

The Management Team will actively manage the portfolio to maximise returns, including helping to scale the team, refining and driving key performance indicators, stimulating growth, and positively influencing future financing and exits.

Investment restrictions

The Company will invest and manage its assets with the object of spreading risk through the following investment restrictions:

- the value of no single investment (including related investments in group entities or related parties) will represent more than 15% of NAV, 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; and
- at least 80% of NAV will be invested in businesses which are headquartered in or have their main centre of business in the UK or wider Europe.

* Please refer to the Glossary on page 43.

Investment Objective and Policy continued

In addition, the Company will itself not invest more than 15% of its gross assets in other investment companies or investment trusts which are listed on the Official List of the FCA.

Each of the restrictions above will be calculated at the time of investment and disregard the effect of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. The Company will not be required to dispose of any investment or to rebalance the portfolio as a result of a change in the respective valuations of its assets.

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, but derivatives will not exceed 10% of the Company's NAV, calculated at the time of borrowing.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds and tradeable debt securities.

There is no restriction on the amount of cash or cash equivalent investments that the Company may hold or where it is held. The Board has agreed prudent cash management guidelines with the AIFM and the Portfolio Manager to ensure an appropriate risk/return profile is maintained. Cash and cash equivalents are held with approved counterparties.

It is expected that the Company will hold between 5% and 15% of its Gross Assets in cash or cash equivalent investments, for the purpose of making follow-on investments in accordance with the Company's investment policy and to manage the working capital requirements of the Company.

Changes to the investment policy

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. Non-material changes to the investment policy may be approved by the Board. In the event of a breach of the investment policy set out above or the investment and gearing restrictions set out therein, the Management Team shall inform the AIFM and the Board upon becoming aware of the same and if the AIFM and/or the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

Portfolio

as at 30 September 2023

	Fair value of holding at 31 March 2023 £'000	Net investments/ (realisations) £'000	Impact of FX rate changes £'000	Investment return £'000	Fair value of holding at 30 September 2023 £'000	% of portfolio
Tide	35,692	–	–	5,767	41,459	15.2%
Grover	43,150	1,368	(579)	(2,655)	41,284	15.1%
Zopa Bank^	30,093	–	–	3,810	33,903	12.4%
Volt	14,216	5,300	–	4,223	23,739	8.7%
BullionVault^	11,565	–	–	404	11,969	4.3%
Monese	11,683	–	–	(1,588)	10,095	3.7%
AnyFin	9,304	–	(369)	770	9,705	3.6%
Onfido	10,242	–	(51)	(486)	9,705	3.6%
Intellis	8,412	–	113	352	8,877	3.2%
Iwoca	7,882	–	–	3	7,885	2.9%
Top 10 Investments	**182,239**	**6,668**	**(886)**	**10,600**	**198,621**	**72.7%**
Other Investments*	49,266	211	131	(6,893)	42,715	15.6%
Cushon	22,790	(22,790)	–	–	–	0.0%
Total Investments	**254,295**	**(15,911)**	**(755)**	**3,707**	**241,336**	**88.3%**
Cash & cash equivalents	40,015				51,772	18.9%
Net other current liabilities	(186)				(1,979)	(0.7)%
Net Assets	**294,124**				**291,129**	**106.5%**
Performance Fee accrual	(16,819)				(17,756)	(6.5)%
Net Assets after performance fee	**277,305**				**273,373**	**100.0%**

^ Held via Augmentum I LP.

* There are fourteen other investments (31 March 2023: fifteen). See page 14 for further details.

Portfolio Manager's Review

Overview

As I write, markets are exhibiting the early signs of a shift in sentiment. The Bank of England's decision to hold rates steady since September, followed by the Federal Reserve's similar stance in early November, signals a cautious yet hopeful economic outlook. While the months ahead present likely challenges with persistently high rates, the encouraging performance of growth stocks in response to these developments suggests a return to more positive equity market performance. Patience is required, as confidence and capital gradually reinvigorate the markets. However, reaching the apex of this rate tightening cycle marks a significant turning point, steering us towards a more optimistic future.

Despite these positive shifts, the UK equity market continues to grapple with deep-rooted demand issues, even amidst numerous strategic efforts to enhance its competitiveness. The overwhelming preference for passive investment strategies, coupled with the US market's dominance, remains a formidable challenge for trading volumes. This trend has led to reduced liquidity in domestic European exchanges, with our pension funds and wealth managers disproportionately investing in US markets.

My responsibility extends beyond reporting our progress; it's about charting our future course. Investing in Augmentum today means accessing a portfolio and a pan-European investment platform that has evolved significantly since the Company's IPO. The portfolio's robustness positions us favourably for the promising investment landscape in European fintech.

Each new advance in technology, such as those seen this year with AI, adds momentum to the structural trends driving digitalisation across the economy. Momentum meets opportunity in financial services, penetration of fintech market share remains well below 2% and global fintech revenue is forecast to reach US$1.5 trillion in 2030 (BCG, 2023). The companies that make up our portfolio and current pipeline are at the forefront of this huge opportunity and Augmentum remains a unique way for investors to share in it too.

Combined with clear strategy and a disciplined approach, market conditions are such that returns from 2024-25 private investment vintages have the potential to be exceptional.

Portfolio Overview

The Company's portfolio stands at 24 fintech companies, with diversification across fintech verticals, European markets, and maturity stages, as we told investors we would build during the Company's IPO. Since listing, we have delivered £84 million in realisations, across five exits and from dividends, despite the macroeconomic backdrop. The portfolio's top 10 companies employ over 4,000 people and generate close to £1 billion in annual revenues, with year-on-year growth continuing at an average of 74%. Four of this group are profitable and the remaining six have an average cash runway to their next funding round of 29 months.

The three largest holdings, **Tide**, **Grover** and **Zopa Bank** are category defining digital leaders in

Portfolio Manager's Review continued

large and growing markets. They are growing revenue at an average of 79% year-on-year and are profitable or expected to reach profitability without further funding. Each has built an exceptional team and technology platform. True to our model, we have supported these companies from their early stages with capital and strategic support. Revenue growth since our initial investment has been over 2,000% on average. We will continue to work to optimise the exits of the Company's positions in the years ahead.

The resilience of our portfolio is notable against the macro backdrop of the last 18 months. Whilst in the broader venture and tech landscape, stress is starting to show through in rates of company failure as cash runways come to an end. Meanwhile, the companies in the portfolio continue to attract investment, raising over £200 million in equity funding in the last 12 months. With insight on performance and strategic direction, we have continued to build the positions in the portfolio's top performers through follow-on investments.

Following a period of depressed investment activity in the sector over the course of 2022 and early 2023, we have seen the beginning of a meaningful return in activity and importantly quality in the last quarter. This has been accompanied by the start of a reset in valuations to longer-term accepted stage-appropriate levels. Bolstered by our fifth portfolio exit of Cushon to NatWest Group, the Company's balance sheet position is strong with £48 million of free cash and no debt. We believe that the period ahead will be an opportune time to invest.

Investment Activity

Our deployment into new companies slowed while markets were correcting in 2022 and the first half of 2023. We have continued to assess opportunities, but prospects and deal dynamics, in particular valuations, have not met our bar for investment. We remain committed to a long-term, sector-focussed approach that is built not just on quality companies, but quality investments. Reduced deployment has been the right course in a market absent of the right investment at the right price.

During the period we invested £5.3 million into existing portfolio company **Volt** as part of the company's US$60 million Series B round. **Volt** is addressing a huge opportunity in real-time payments that sits at the intersection of trends in ecommerce, payment behaviours, and increasing focus on payment costs and security. Since Augmentum's first investment in December 2020, **Volt** has consistently delivered double-digit month-on-month revenue growth as a leading provider of real-time payment connectivity to global merchants and payment service providers. The series B round was led by US investor IVP who will support the company's expansion into North American markets, building on their existing presence in the UK, Europe, Brazil and Australia.

We also took up our pro rata shareholder rights to invest a total of £1.6 million in small additional rounds at **Grover** and **Habito**.

Post-period end, we invested £4.2 million in an oversubscribed primary and secondary transaction at **Tide**, which is now our largest holding. As the leading digital banking platform for small businesses in the UK, **Tide** has now achieved 10% share of the UK market with more than 550,000 members. **Tide** is profitable in the UK and moving into a new phase of maturity, delivering strong revenue diversification through product cross-sell across a large and stable base of business customers. To further diversify from a

Portfolio Manager's Review continued

predominantly UK revenue focus, Tide has launched in India, and in less than 12 months has attracted more than 150,000 new members.

The portfolio's second largest holding, **Grover**, continues to define a new category at the intersection of fintech and ecommerce, fundamentally changing how retail and business customers consume technology products. Part payment-method, part-financing, **Grover**'s technology subscriptions offer the flexibility and choice that underpin the secular trend towards an access-rather than ownership-economy. During the period annual recurring revenue reached €266 million (September 2022: €202 million), with 320,000 active customers across 5 core markets. In the last 18 months **Grover** adjusted marketing spend to move towards profitability in 2024. Following the recent €23 million transaction that Augmentum participated in, **Grover** is funded to reach this milestone. The revaluation of our holding by £3.2 million reflects currency impact and the terms of the transaction. The company continues to track its profitability-focused year-on-year revenue growth target of 30% with EBIT and net income margin performing ahead of expectations due to a close focus on costs.

Zopa Bank's performance demonstrates the powerful combination of exceptional technology, a world class team, and a strong balance sheet. The company is profitable, and performing ahead of budget year-to-date and further strengthened its balance sheet raising £75 million in Tier 2 regulatory capital. The upward movement in the valuation of the Company's holding by £3.8 million follows year-on-year revenue growth of 92% and returns the full position above cost of investment for the first time since the write down event that coincided with their securing a banking licence in 2019. The transformation of the business since, and a 17 year lending track record, have seen **Zopa Bank** continue along an ambitious growth trajectory.

BullionVault has enjoyed a strong year of trading and is on track to deliver record profits. Performance follows from investor demand for gold and other precious metals as an inflationary hedge, and net interest income earned on fiat balances held by users on exchange. **BullionVault** is a mature position in the portfolio and serves a hedging function within the Augmentum portfolio during times of heightened market uncertainty. The moderate uplift of the Company's position by £0.4 million reflects this performance, but also the degree of cyclicality we believe is exhibited in these elevated levels of earnings.

Investor interest in the banking-as-a-service market remains high and **Monese**'s business-to-business coreless banking platform 'XYB' has proven competitive amongst a strong peer set. The opportunity is clear; having tried and failed to launch internally-built digital propositions, incumbent financial services firms are seeking partnership with fintech players. **Monese**'s client list, including HSBC and Investec, is reflective of the high quality of the technology platform, originally built and proven out through the consumer business. As **Monese**'s revenue mix is increasingly built on long-term licensing revenues from XYB, the valuation comparables of the company will adjust. Our downward adjustment to the fair value of our holding by £1.6 million reflects the basket of public market comparators we have used.

Founded in Sweden, **Anyfin** supports financial wellbeing for consumers. The core product of credit refinancing is combined with saving

Portfolio Manager's Review continued

accounts, budgeting tools and subscription management services driving high retention across their prime-credit user base. Year-on-year revenue growth has remained strong, although higher costs of capital have impacted at the gross margin level. The experienced management team has demonstrated strong capability while navigating a more challenging macro environment.

Onfido provides identity verification services to enterprise clients in financial services. These clients have proven to be a resilient base, although rates of customer onboarding have reduced since peaks seen in 2021, with some verticals hit harder than others. **Onfido** has a leading position in the US and Europe through diversification across the financial services sector, and entry into new areas including healthcare. The downward adjustment to the fair value of our holding by £0.5 million is reflective of the contraction in valuation multiples amongst **Onfido**'s listed peers. The business is a highly strategic asset which will have strong exit opportunities as the macroeconomic environment improves.

The £0.4 million uplift of the Company's holding in **Intellis** follows a period of profitability for the business, despite falling market volatility. **Intellis** remains a unique proposition in the market and in the portfolio, deploying advanced proprietary AI trading strategies in foreign exchange markets with highly automated execution and a very lean cost base. Operating under a fully licensed fund structure, the road is set to enable the business to scale, both in current focus markets, and potentially in other adjacent asset classes.

iwoca's return to performance, and to the Company's top 10, exemplifies the resilience and capability of the teams that make up our portfolio. In 2020, Covid funding support schemes dislocated **iwoca**'s market overnight. As these schemes have ended, and high-street lenders have once again retreated from small business funding, **iwoca**'s trading performance has progressed from strength-to-strength. Revenue run rate is now above £140 million with year-on-year growth at 141%. Achieving profitability in January 2023 and building this consistently month on month, **iwoca** is another example of the profit potential of lending businesses that harness digital technologies to drive significant operating leverage at scale.

We retain a cautious approach to the digital asset sector, although crypto-asset pricing has seen recovery following positive regulatory news on ETF products approvals in the US. Our combined holdings in this area equate to 4.7% of the portfolio, which we believe to be an appropriate level of exposure to a market opportunity that has the potential to deliver upside value if demand continues to return.

Outside the top 10 there were two notable fair value movements, with both **Gemini** and **Previse** adjusted downwards during the period in light of trading performance at both companies. In the US, **Gemini** continue to act as an agent in the recovery of customer assets lent through a third-party program known as 'Earn'. This case has attracted legal action towards the third-party operator of the program and **Gemini**, and we continue to monitor the situation as it evolves.

Exits

In June, our fifth portfolio exit completed with the sale of Cushon to NatWest Group. Augmentum received £22.8 million, delivering an IRR of 62% and a multiple on capital invested of 2.1 times,

Portfolio Manager's Review continued

representing a 47% uplift on the previously reported fair value of Augmentum's position.

We have delivered five exits to date, all at or above the previously reported holding value. Combined with dividends from elsewhere in the portfolio these have delivered £84 million of cash.

Performance

As at 30 September 2023, we are reporting a NAV per share after performance fee of 160.2p (31 March 2023: 158.9p). Since IPO the Company has generated a Gross IRR (before expenses) on Capital Deployed* of 16.6%.

Each position is valued objectively using the most appropriate methodology. 92% of the portfolio is valued using public market comparables. Wider governance is a key element of the process with each valuation signed off by the Board and Valuations Committee. Over time we have demonstrated consistency and prudence in our approach, protecting the valuations from some of the outsized market swings that were seen in 2021 and 2022.

As mentioned in previous reports, downside protections, such as liquidation preference and anti-dilution provisions, are integral to the way we structure our typical venture investments.. These structures are atypical of ordinary share structures typically seen in the public or private markets as they protect the value of Augmentum's position in the event of a reduction in the equity value of a company.

Outlook

Many commentators expect rates to remain elevated for a sustained period. Our base position is that 2024 is likely to be a year of economic challenge, but we expect that confidence is likely to rebound in 2025.

Acquisitions have traditionally been the primary exit strategy for fintechs, a trend we see persisting into 2024 and beyond. This trajectory is bolstered by growing bank balance sheets in the current fiscal landscape and an increasing synergy between fintechs and incumbent firms. The urgency for digital transformation – to manage operational pressures and stay competitive against fintech challengers – remains paramount. In the banking sector, global leaders like JPMorgan Chase, which faced scrutiny for its projected US$15.3 billion technology spend across acquisitions and partnerships in 2023, are now reaping rewards for their strategic investments through outperformance. This has not gone unnoticed by their smaller counterparts or shareholders.

Our focus aligns with the growing trend towards business-to-business investments, but we also see untapped potential in business-to-consumer fintech ventures. Harnessing cutting-edge technologies like AI, these ventures are poised to offer consumer products far surpassing those of incumbent firms.

For venture capital funds that have weathered the challenges of the past two years, a new cycle of opportunity is unfolding. In Europe, the recalibration of early-stage valuations coincides with a maturing technology infrastructure, evolving start-up ecosystems, and new regulatory frameworks. These elements, coupled with substantial room for digital disruption in financial services, lay the groundwork for the next generation of impactful businesses.

* See glossary on page 42.

Portfolio Manager's Review continued

The announcement of The Mansion House Compact in July 2023 marked a potential paradigm shift for UK pension fund capital, with ten of the UK's largest funds committing to allocate up to 5% of assets to private markets by 2030. This signals a welcome change in allocator mindset; with progression beyond the singular focus on cost-minimisation that has seen UK pensions underperform against international benchmarks. Talk, however, is cheap and the industry needs to move swiftly and decisively to ensure the Compact delivers on its significant potential to address the UK's pension performance gap, and to support the wider investment environment.

European venture capital has demonstrated that private market strategies can offer both value and outstanding returns. We believe that by building diversified private market strategies, capitalising on the UK's venture capital expertise in various sectors and stages, pension fund managers can access some of the highest quality private market opportunities.

During our Capital Markets Day in July, we underscored the importance of sector specialisation. This focus enhances deal sourcing and execution and elevates the support we provide to portfolio companies. Our thesis-led approach, grounded in a deep understanding of technological advancements and regulatory shifts, guides our identification of emerging fintech opportunities.

Looking ahead, our team is cultivating a pipeline centred on expanding retail access to private markets, regulatory and compliance technologies, financial operations including treasury management, and financial market infrastructure for the carbon and energy sectors.

We maintain an uncompromising standard for new investments. Our meticulous approach has been instrumental in building our resilient, diverse, and rapidly growing portfolio, which continues to scale even in uncertain economic times. We believe that the coming years will offer exceptional opportunities for top-tier venture investors to deliver a standout vintage.

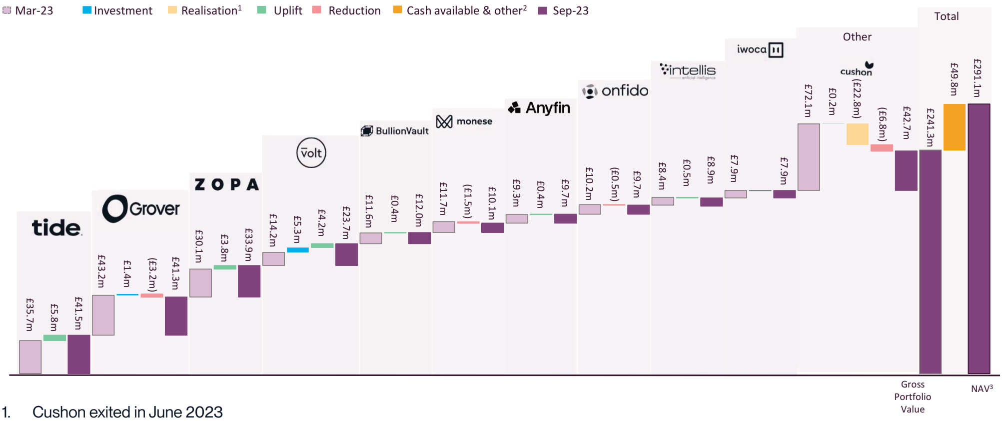
Tim Levene
CEO
Augmentum Fintech Management Limited

27 November 2023

Investments

Portfolio valuation changes

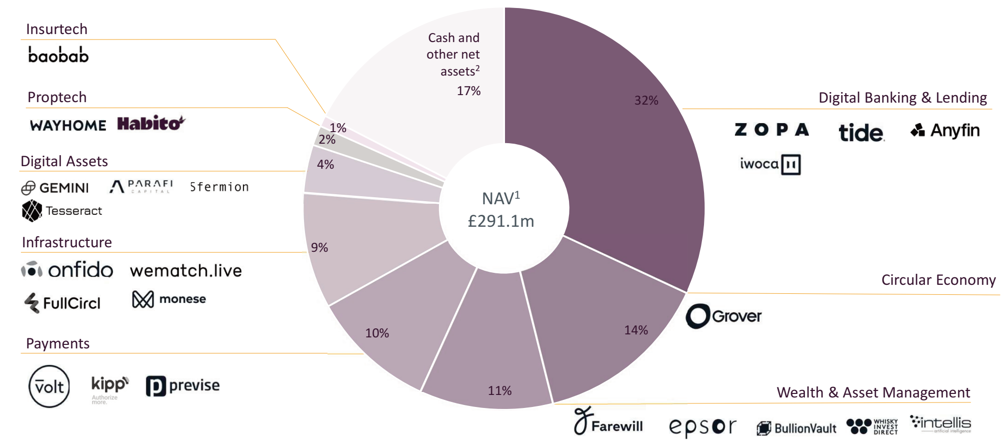
6 months ended 30 September 2023



1. Cushon exited in June 2023
2. Consolidated cash position of £51.8m
3. NAV is shown before performance fee , NAV after performance fee is £273.4m

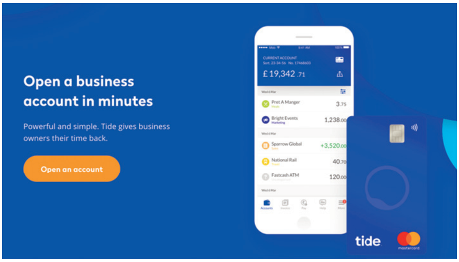
The Augmentum portfolio is well diversified across the fintech ecosystem

NAV[1] by sub-sector, %



1. NAV before performance fee, as at 30 September 2023, NAV after performance fee is £273.4m
2. Consolidated cash position of £51.8m

Investments continued



tide

Tide's (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 and quick, mobile invoicing. In November 2022, Tide acquired Funding Options, a leading UK marketplace for SMEs seeking business finance giving Tide's customers access to a wider range of credit options and creating one of the UK's biggest digital marketplaces for SME credit. In December 2022, Tide launched in India with two business banking solutions – the Tide Business Account and its RuPay-powered Tide Expense Card. Tide now has 10% market share of small business accounts in the UK, with more than 500,000 customers, and more than 150,000 members 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. In October 2023 Augmentum invested a further £4.2 million through a combination of primary and secondary transactions.

Source: Tide	**30 Sept 2023 £'000**	**31 March 2023 £'000**
Cost	**13,200**	13,200
Value	**41,459**	35,692
Valuation Methodology^	**Rev. Multiple**	Rev. Multiple
% ownership (fully diluted)	**5.1%**	5.1%

As per last filed audited accounts of the investee company for the year to 31 December 2021 (2022 accounts are expected to be filed shortly):

	2021 £'000	**2020 £'000**
Turnover	**33,541**	14,442
Pre tax loss	**(32,719)**	(25,825)
Net assets	**66,297**	17,761

Grover

Berlin-based Grover (www.grover.com) is the leading consumer-tech subscription platform, bringing the access economy to the consumer electronics market by offering a simple, monthly subscription model for technology products. Private and business customers have access to over 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, Spain and the US. 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. With total funding of around €1.4 billion to date and over 400 employees, Grover is one of the fastest-growing scale-ups in Europe.

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 that will support the company to profitability.

Source: Grover	**30 Sept 2023 £'000**	**31 March 2023 £'000**
Cost	**9,295**	7,927
Value	**41,284**	43,150
Valuation Methodology^	**Rev. Multiple**	Rev.Multiple
% ownership (fully diluted)	**6.3%**	6.3%

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

^ See note 7 on pages 30 and 31.

Investments continued

ZOPA

Having been founded in 2005 as the world's first peer-to peer ("P2P") lending company, Zopa (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.

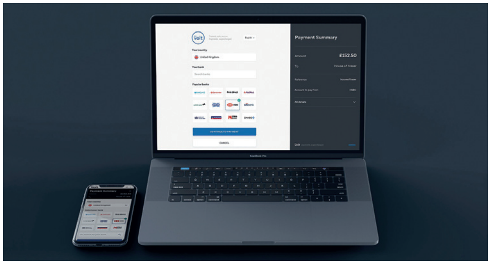
Zopa Bank is a multiple awards winner. It was awarded Banking Brand of the Year in the 2022 MoneyNet Awards and won three Savings Champion Awards: Best New Savings Provider, Best Fixed Rate Bond Provider and Best Short Term Fixed Rate Bond Provider. These follow a string of previous awards, including being named the British Bank Awards' Best Personal Loan Provider for the fifth year in a row in 2021.

Augmentum participated in a £20 million funding round led by Silverstripe in March 2021, in October 2021 participated with a further £10 million investment in a £220 million round led by SoftBank, 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 2023 £'000**	**31 March 2023 £'000**
Cost	**33,670**	33,670
Value	**33,903**	30,093
Valuation Methodology	**Rev. Multiple**	Rev.Multiple
% ownership fully diluted)	**3.4%**	3.4%

As per last filed audited accounts of the investee company for the year to 31 December 2022:

	2022 £'000	**2021 £'000**
Operating income	**153,737**	53,788
Pre tax loss	**(23,783)**	(48,312)
Net assets	**299,674**	264,307



Volt

Volt (www.volt.io) is a provider of account-to-account payments connectivity for international merchants and payment service providers (PSPs). An application of Open Banking, account-to-account payments – where funds are moved directly from one bank account to another rather than via payment rails – delivering benefits to both consumers and merchants. This helps merchants shorten their cash cycle, increase conversion and lower their costs. Volt offers coverage in 25 markets and counting, including UK, Europe, Brazil and Australia. In June 2023 Volt announced their partnership with Worldpay, the world's number one global non-bank merchant acquirer by volume processed, with more than 1 million merchant customers across 146 markets. Starting with Australia, Worldpay merchants will gain access to Volt's open payment infrastructure. In the same month Volt also announced integration with Shopify, the leading global commerce company. Volt will power a 'pay-by-bank' option at checkout for merchants who use the Shopify platform.

Augmentum invested £0.5 million in Volt in December 2020, £4 million in Volts 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 2023 £'000**	**31 March 2023 £'000**
Cost	**9,800**	4,500
Value	**23,739**	14,216
Valuation Methodology	**CPORT**	CPORT
% ownership (fully diluted)	**8.3%**	8.3%

Volt is not required to publicly file audited accounts.

Investments continued

BullionVault

BullionVault (www.bullionvault.co.uk) is a physical gold and silver market for private investors online. It enables people across 175 countries to buy and sell professional-grade bullion at the very best prices online, with US$3.7 billion of assets under administration, over US$100 million worth of gold and silver traded monthly, and over 100,000 clients.

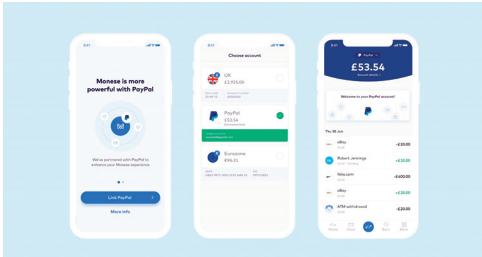
Each user's property is stored at an unbeaten low cost in secure, specialist vaults in London, New York, Toronto, Singapore and Zurich. BullionVault's unique daily audit then proves the full allocation of client property every day.

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

Source: BullionVault	**30 Sept 2023 £'000**	**31 March 2023 £'000**
Cost	**8,424**	8,424
Value	**11,969**	11,565
Valuation Methodology	**EBITDA Multiple**	EBITDA Multiple
% ownership (fully diluted)	**10.8%**	11.1%
Dividends paid	**–**	564

As per last filed audited accounts of the investee company for the year to 31 October 2022:

	2022 £'000	**2021 £'000**
Gross profit	**13,071**	12,086
Pre tax profit	**8,364**	7,741
Net assets	**41,294**	39,148



monese

Monese (www.monese.com) offers consumers the ability to open a UK or European current account with a fully digital process. Launched in 2015 Monese has more than 2 million registered users. 70% of incoming funds are from salary payments, with customers using Monese as their primary account. In May 2023, building on strong platform infrastructure, Monese launched XYB, a banking-as-a-service ("BaaS") platform. XYB enables financial institutions to build digital products using Monese's technology. Monese counts HSBC and Investec amongst its XYB client base. The BaaS market shows strong growth as established banks and fintech companies continue to bring innovative digital products to market.

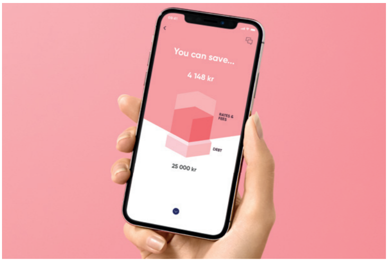
Augmentum is invested alongside Kinnevik, PayPal, International Airlines Group, Investec and HSBC Ventures.

Source: Monese	**30 Sept 2023 £'000**	**31 March 2023 £'000**
Cost	**11,467**	11,467
Value	**10,095**	11,683
Valuation Methodology	**Rev. Multiple**	CPORT
% ownership (fully diluted)	**5.9%**	6.0%

As per last filed audited accounts of the investee company for the year to 31 December 2021 (2022 accounts are expected to be filed shortly):

	2021 £'000	**2020 £'000**
Turnover	**17,573**	16,285
Pre tax loss	**(17,529)**	(28,461)
Net liabilities	**(2,972)**	(15,410)

Investments continued



Anyfin

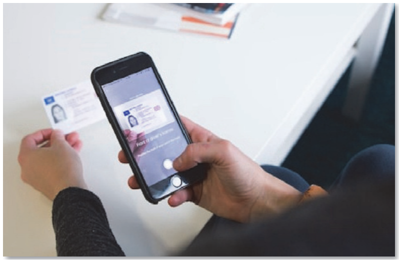
Anyfin (www.anyfin.com) was founded in 2017 by former executives of Klarna, Spotify and iZettle, and leverages technology to allow creditworthy consumers the opportunity to improve their financial wellbeing by consolidating and refinancing existing credit agreements with improved interest rates, as well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

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

Source: AnyFin

	30 Sept 2023 £'000	**31 March 2023 £'000**
Cost	**9,924**	9,924
Value	**9,705**	9,305
Valuation Methodology	**Rev. Multiple**	Rev. Multiple
% ownership (fully diluted)	**3.2%**	3.2%

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



onfido

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

Onfido was founded in 2012. It has offices in London, San Francisco, New York, Lisbon, Paris, Amsterdam, New Delhi and Singapore and helps over 900 companies, including industry leaders such as Revolut, bung and Bitstamp. These customers are choosing Onfido over others because of its ability to scale, speed in on-boarding new customers (15 seconds for flash verification), preventing fraud, and its advanced biometric technology. In May 2023 Onfido announced the acquisition of Airside Mobile Inc, the leader in private, digital identity sharing technology whose customers include the world's largest airlines.

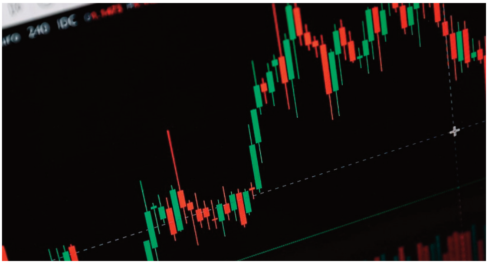
Augmentum invested £4 million in 2018 as part of a US$50 million funding round and an additional £3.7 million in a convertible loan note in December 2019 as part of a £4.7 million round. The latter converted into equity when Onfido raised an additional £64.7 million in April 2020.

Source: Onfido	**30 Sept 2023 £'000**	**31 March 2023 £'000**
Cost	**7,750**	7,750
Value	**9,705**	10,242
Valuation Methodology	**Rev. Multiple**	Rev. Multiple
% ownership (fully diluted)	**2.1%**	2.1%

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

	2023 £'000	**2022 £'000**
Turnover	**102,099**	94,513
Pre tax loss	**(70,190)**	(45,159)
Net (liabilities)/assets	**(9,372)**	40,165

Investments continued



intellis
artificial intelligence

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

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 2023 £'000	31 March 2023 £'000
Cost	**2,696**	2,696
Value	**8,877**	8,412
Valuation Methodology	**P/E Multiple**	P/E Multiple
% ownership (fully diluted)	**23.8%**	23.8%

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

iwoca

Founded in 2011, iwoca (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 – from a retailer to a restaurant, a factory to a farm – 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. It 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 £2.5 billion in the UK and Germany since its launch across more than 120,000 business loans.

Augmentum originally invested £7.5 million in Iwoca in 2018 and has since added £0.35 million. Iwoca has raised over £850 million in debt commitments from partners including Barclays, Pollen Street Capital and Värde.

Source: Iwoca

	30 Sept 2023 £'000	31 March 2023 £'000
Cost	**7,852**	7,852
Value	**7,885**	7,882
Valuation Methodology	**Rev. Multiple**	Rev. Multiple
% ownership (fully diluted)	**2.4%**	2.4%

As per last filed audited accounts of the investee company for the year to 31 December 2022:

	2022 £'000	2021 £'000
Turnover	**78,260**	68,468
Pre tax loss	**(10,980)**	(4,119)
Net assets	**32,956**	40,579

Investments continued

Farewill

In the next 10 years, £1 trillion of inheritance will pass between generations in the UK. Farewill (www.farewill.com) is a digital, all-in-one financial and legal services platform for dealing with death and after-death services, including wills, probate and cremation. In 2022 Farewill won National Will Writing Firm of the Year for the fourth year in a row and in 2021 was Probate Provider of the Year for the second consecutive year at the British Wills and Probate Awards. Farewill also won Best Funeral Information Provider and Low-cost Funeral Provider of the Year at the Good Funeral Awards 2021. The organisation has also been voted the UK's best-rated death experts on Trustpilot, scoring an average customer approval rating of 4.9/5 from over 14,000 reviews. It is now the largest will writer in the UK.

Since its launch in 2015 Farewill's customers have pledged over £800 million to charities through their wills.

Augmentum led Farewill's £7.5 million Series A fundraise 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 fundraise in March 2023, with £0.8 million.

GEMINI

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

Gemini announced acquisitions of portfolio management services company BITRIA and trading platform Omniex in January 2022. During 2023 Gemini has been expanding into the UAE and Asia.

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

Tesseract

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

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

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

Augmentum invested £4 million in May 2022.

baobab

Berlin based Baobab (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.

Investments continued

PARAFI CAPITAL

ParaFi Capital (www.parafi.com) is an investor in decentralised finance protocols that address tangible use cases of the technology and demonstrate signs of product-market fit. 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.

wematch.live

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

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.

WAYHOME

Wayhome (www.wayhome.co.uk) offers a unique part-own part-rent model of home ownership, requiring as little as 5% deposit with customers paying a market rent on the portion of the home that Wayhome owns, with the ability to increase the equity in the property as their financial circumstances allow. It launched to the public in September 2021, following closure of the initial phase of a £500 million pension fund investment and has crossed the milestone of completing the purchase of its first 100 homes.

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 and a further £0.9 million in the Company's financial year to 31 March 2023.

HABITO

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

Since launching in April 2016, Habito 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.

previse

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

Investments continued

FullCircl (www.fullcircl.com) was formed from the combination of Artesian and Duedil. Artesian was founded with a goal to change the way B2B sellers communicate with their customers. They 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 FullCircl announced the acquisition of W2 Global Data Solutions, a provider of real-time digital solutions for global regulatory compliance. The acquisition strengthens FullCircl'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.

Epsor (www.epsor.fr) is a Paris based provider of employee and retirement savings plans delivered through an open ecosystem, giving access to a broad range of asset management products accessible through its intuitive digital platform. Epsor serves more than 850 companies in France.

Augmentum invested £2.2 million in Epsor in June 2021.

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

Augmentum committed US$3 million in October 2021, to be drawn down in tranches.

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

The 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 WhiskeyInvestDirect being spun out of BullionVault in 2020.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2023

	Note	Six months ended 30 September 2023 Revenue return £'000	Six months ended 30 September 2023 Capital return £'000	Six months ended 30 September 2023 Total £'000	Six months ended 30 September 2022 Revenue return £'000	Six months ended 30 September 2022 Capital return £'000	Six months ended 30 September 2022 Total £'000
Gains on investments held at fair value		–	2,952	2,952	–	1,497	1,497
Investment income		702	–	702	38	–	38
AIFM and Performance Fees	2	(292)	–	(292)	(301)	–	(301)
Other expenses		(2,453)	(16)	(2,469)	(2,256)	(21)	(2,277)
(Loss)/return before taxation		**(2,043)**	**2,936**	**893**	**(2,519)**	**1,476**	**(1,043)**
Taxation		–	–	–	–	–	–
(Loss)/return attributable to equity shareholders of the parent company		**(2,043)**	**2,936**	**893**	**(2,519)**	**1,476**	**(1,043)**
(Loss)/return per share (pence)	3	**(1.2)**	**1.7**	**0.5**	**(1.4)**	**0.8**	**(0.6)**

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 2023

Group	Ordinary share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserve £'000	Revenue reserve £'000	Total £'000
	Six months ended 30 September 2023					
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
At 30 September 2023	**1,810**	**105,383**	**81,330**	**120,676**	**(18,070)**	**291,129**

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

Condensed Consolidated Statement of Financial Position

as at 30 September 2023

	Note	30 September 2023 £'000	31 March 2023 £'000
Non current assets			
Investments held at fair value	7	241,336	254,295
Property, plant & equipment		262	297
Current assets			
Right of use asset		513	588
Other receivables		131	555
Cash and cash equivalents		51,772	40,015
Total assets		**294,014**	**295,750**
Current liabilities			
Other payables		(2,307)	(948)
Lease liability		(578)	(678)
Total assets less current liabilities		**291,129**	**294,124**
Net assets		**291,129**	**294,124**
Capital and reserves			
Called up share capital	4	1,810	1,810
Share premium account	4	105,383	105,383
Special reserve		81,330	85,218
Retained earnings:			
Capital reserves		120,676	117,740
Revenue reserve		(18,070)	(16,027)
Total equity		**291,129**	**294,124**
NAV per share (pence)	5	**170.7**	**168.5**
NAV per share after performance fee (pence)	5	**160.2**	**158.9**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September 2023 £'000	Six months ended 30 September 2022 £'000
Cash flows from operating activities		
Purchases of investments	(5,511)	(11,994)
Sales of investments	22,790	44,226
Acquisition of property, plant and equipment	(4)	(355)
Interest received	680	29
Operating expenses paid	(1,769)	(1,846)
Net cash inflow from operating activities	**16,186**	**30,060**
Cash flow from financing activities		
Purchase of own shares into Treasury	(4,429)	(2,036)
Net cash (outflow) from financing	**(4,429)**	**(2,036)**
Increase in cash and cash equivalents	**11,757**	**28,024**
Cash and cash equivalents at the beginning of the period	**40,015**	**31,326**
Cash and cash equivalents at the end of the period	**51,772**	**59,350**

Notes to the Financial Statements

For the six months ended 30 September 2023

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 27 November 2023. 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 2023 were approved by the board of directors on 3 July 2023 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 2023 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, Israel and the US.

1.f Related Party Transactions

There have been no changes to the nature of the related party arrangements or transactions during the period to those reported in the Annual Report for the year ended 31 March 2023.

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 2023 £'000	Revenue £'000	Capital £'000	Six months ended 30 September 2022 £'000
AIFM fees	292	–	292	301	–	301
Performance fee	–	–	–	–	–	–
	292	**–**	**292**	**301**	**–**	**301**

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 2023 the hurdle has been met, on an unrealised basis, and as such a performance fee of £17,756,000 has been accrued by the Company, equivalent to 10.4 pence per share (31 March 2023: £16,517,000; 9.1 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 24 and Note 19.9 of the 2023 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 2023 £'000	Six months ended 30 September 2022 £'000
Net revenue loss	(2,043)	(2,519)
Net capital return	2,936	1,476
Net total (loss)/return	**893**	**(1,043)**
Weighted average number of ordinary shares in issue	171,507,993	179,413,420
	Pence	**Pence**
Revenue loss per share	(1.2)	(1.4)
Capital return per share	1.7	0.8
Total (loss)/return per share	**0.5**	**(0.6)**

4 Share capital

As at 30 September 2023 there were 170,599,974 (31 March 2023: 174,518,852) ordinary shares in issue, excluding shares held in treasury, and 10,413,723 (31 March 2023: 6,494,845) shares held in treasury.

During the year to 31 March 2023 5,806,934 shares were bought back into treasury at an average price of 102.9p per share.

From 1 April 2023 to 30 September 2023 3,918,878 of the Company's ordinary shares were bought back into treasury at an average price of 99.2p 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 £291,129,000 (31 March 2023: £294,124,000) and 170,599,974 (31 March 2023: 174,518,852) 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 £17,756,000 (31 March 2023: £16,819,000), and the number of shares in issue at the period end.

* Alternative Performance Measure

6 Subsidiary undertakings

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

7 Financial Instruments

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

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

Market Price Risk

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

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

Liquidity Risk

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

7 Financial Instruments (continued)

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 2023 Annual Report.

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

Fair Value Hierarchy

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

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

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

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

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

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

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

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

All investments were classified as Level 3 investments as at, and throughout the period to, 30 September 2023. Details of movements in, and changes in value of, the Level 3 investments are included on the next page.

All investments were valued in accordance with accounting policy as set out in note 19.4 of the Company's Annual Report for the year ended 31 March 2023.

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.

7 Financial Instruments (continued)

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

In the calibration exercise and in determining the valuation for the Group's equity instruments, comparable trading multiples are used. In accordance with the Group's policy, appropriate comparable public companies based on industry, size, developmental stage, revenue generation and strategy are determined and a trading multiple for each comparable company identified is then calculated. Due to the nature of the Group's investments there are frequently no directly comparable public companies; in these instances baskets of public companies will be used that share similar characteristics to the investee company.

The multiple is calculated by dividing the enterprise value of the comparable company by its revenue, EBITDA or earnings. The trading multiple is then adjusted for considerations such as illiquidity, premium to public companies implied in an investee's previous financing round, marketability and other differences, advantages and disadvantages between the Group's portfolio company and the comparable public companies based on company specific facts and circumstances.

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

Total gains and losses on assets measured at Level 3 are recognised as part of Gains on Investments in the Consolidated Income Statement, and no other comprehensive income has been recognised on these assets. The total unrealised return for the period was £2,952,000 (period ended 30 September 2022: £1,497,000).

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

7 Financial Instruments (continued)

Valuation Technique	Fair Value 30 September 2023 £'000	Fair Value 31 March 2023 £'000	Unobservable Inputs	Reasonably possible shift in input +/-	Change in valuation +/(-) £'000
Multiple methodology	221,422	197,876	Multiple	10%	18,437/(19,050)
			Illiquidity adjustment increase/ Premium decrease	30%	(26,347)
			Illiquidity adjustment decrease/ Premium increase	30%	23,880
CPORT*	7,343	21,568	Transaction price	10%	3,069/(3,069)
PWERM**	6,183	4,766	Probability of conversion	25%	252/(252)
NAV	6,388	7,295	Discount to NAV	30%	489/(489)
Sales Price	–	22,790	N/A		

* Calibrated price of recent transaction.

** Probability weighted expected return methodology.

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

	Level 3 Six months to 30 Sept 2023 £'000	Level 3 Year to 31 March 2023 £'000
Opening balance	254,295	268,807
Purchases at cost	6,879	19,854
Realisation proceeds	(22,790)	(44,224)
Gains on investments held at fair value	2,952	9,858
Closing balance as at 30 September	**241,336**	**254,295**

Independent Review Report to Augmentum Fintech plc

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 2023 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 2023 which comprises the Condensed Consolidated Income Statement, 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 International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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, 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.

Independent Review Report to Augmentum Fintech plc continued

Auditor's responsibilities for the review of the financial information

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

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
27 November 2023

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

Interim Management Report

Principal Risks and Uncertainties

A review of the half year and the outlook for the Company can be found in the Chairman's Statement and in the Portfolio Manager's Review. The principal risks and uncertainties faced by the Company fall into the following broad categories: 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 2023.

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

Related Party Transactions

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

Going Concern

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

Directors' Responsibilities

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

(i) the condensed set of financial statements contained within this Half Year Report has been prepared in accordance with Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted in the UK;

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

Interim Management Report continued

(iii) the Half Year Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

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

and the Directors confirm that they have done so.

On behalf of the Board of Directors

Neil England
Chairman

27 November 2023

Directors and Other Information

Directors
Neil England *(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
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United Kingdom
Tel: 0203 008 4910
Email: info@frostrow.com

Portfolio Manager
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United Kingdom

Joint Corporate Brokers
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United Kingdom

Singer Capital Markets Advisory LLP
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London EC2N 2AX
United Kingdom

Depositary
IQ EQ Depositary Company (UK) Limited
4th Floor
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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
Until 15 December 2023, if you have any queries in relation to your shareholding please contact:

Link Group
Central Square
29 Wellington Street
Leeds LS1 4DL
United Kingdom

Email: enquiries@linkgroup.co.uk
Telephone: +44 (0)371 664 0300
Website: www.linkgroup.eu

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

From 18 December 2023, if you have any queries in relation to your shareholding please contact:

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:
213800OTQ44T555I8S71

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

aic
The Association of Investment Companies

PREMIUM MAIN MARKET
LONDON STOCK EXCHANGE

Information for Shareholders

How to Invest

Retail Investors Advised by IFAs

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

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

Investment Platforms

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

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

Financial Calendar

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

Website

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

Shareholder Enquiries

In the event of queries regarding your shareholding, please contact the Company's Registrar 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 37.

Disability Act

Copies of this report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. The Registrars to the Company have installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator. For this service please call 0800 731 1888 (if before 15 December 2023) or 0370 702 005 (after 18 December 2023). Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

Information for Shareholders continued

Risk Warnings

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

Warning to Shareholders

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

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

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ('FCA') using the share fraud report form at www.fca.org.uk/scams **or call the FCA Customer Helpline on 0800 111 6768**. You may also wish to call either the Company Secretary or the Registrar whose contact details can be found on page 37.

Glossary And Alternative Performance Measures

Alternative Investment Fund Managers Directive ("AIFMD")

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

Alternative Performance Measures ("APMs")

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

Convertible Loan Note

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

Discount or Premium

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

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.

Glossary And Alternative Performance Measures continued

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.

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.

Glossary And Alternative Performance Measures continued

Partnership

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

Total Shareholder Return*

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

Unquoted investment

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

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

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