

# Augmentum Fintech Plc

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## Augmentum Fintech: A route into some of Britain's best growth hopes

Britain's fintech sector has burned bright for over a decade now.

The 'Golden Triangle' between Oxford, Cambridge and London's silicon roundabout hosts a myriad of pioneering start-ups.

Investing in these businesses, however, has been largely the preserve of venture capital, private equity and family offices with retail investors barely able to get a look-in.

There are very limited choices when it comes to backing fintech in the public market, according to Tim Levene, the co-founder and adviser of investment trust Augmentum Fintech Plc (LON:AUGM).

Hence the decision to set up the trust eighteen months ago with a remit to give retail investors a route into some of the UK's fastest-growing financial services companies.

"What's unusual about us is we are the only listed fintech fund in the UK," says Levene.

"We are allowing retail and institutional investors the opportunity to get exposure through a publicly-listed vehicle to an area dominated by PE and VCs."

Access is one side of the equation, but the other is to find the right companies at the right time and the right price.

By the time companies float, a lot of the potential value has already been achieved.

Augmentum, however, can open up fintech and democratise it for the retail investing public, says Levene.

### Billions in revenues

Statistics for the sector show why investors should be involved.

The government's State of the Nation report in May stated the UK Fintech sector employs over 76,500 people and generates annual revenues of £6.6bn.

Even though the volume of deals has declined from a peak in 2018, their value has increased with a record US\$2.9bn changing hands in the first half of this year.

Levene believes that having been slow initially to adapt to the onset of the digital revolution due to inertia and regulation, the UK is at 'the end of the beginning' with the FCA probably now the leading regulator in the space.

**Price:** 104

**Market Cap:** £121.53 m

### 1 Year Share Price Graph



### Share Information

**Code:** AUGM

**Listing:** LSE

**52 week High Low**  
116 55

**Sector:** Financial Services

**Website:** [augmentum.vc](http://augmentum.vc)

### Company Synopsis:

*We invest in exceptional, fast growing UK and European Fintech businesses at Series A and B investment stage. We invest in ambitious and extraordinary entrepreneurs who we believe have the potential to become leaders in their industry.*

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"We have started to embrace change," he says, and that puts the firms based here in an incredibly strong position.

"We are building businesses in the financial services community that will be very significant not only in the UK but globally as well.

"I think it's fair to say the UK is the global home of fintech."

### **Focused portfolio**

Augmentum only has seventeen companies in its portfolio, which reflects the investment bar being set 'incredibly high'.

Those to make the cut include small business-focused (SME) lender Tide, which has been very successful in an unloved sector.

"If you run an SME and have tried to open a bank account you will recognise the pain they go through.

"I think the ability to open a bank account in minutes rather than hours, days or even weeks, has been incredibly effective.

"Tide is one of the fastest-growing digital bank challengers out there."

Augmentum has also just put £5m into online mortgage provider Habito, again a disruptor of what was once a pretty staid area of the financial services market.

"Anyone who has bought a property in the UK will be aware of what an imperfect experience signing up to a mortgage can be."

The trust is not a seed capital investor, rather it invests when a company reaches the Series A loan funding stage or even later.

"At that point, they have proved the concept.

"They are still very much on a high-growth cycle but have enough proof points to give us a greater level of comfort.

### **Identifying long-term winners**

"Part of the challenge for us is to give investors breadth not only across the subsectors of financial services but also to look at the very best companies not just in the UK but elsewhere."

That has meant the company starting to look outside of the UK.

Augmentum has just invested €6m into German technology rentals platform Grover, which was its first move overseas.

Net asset per share was 109.6p in June up from 99p when it joined the main market in February 2018.

The trust raised £94m when it listed and topped up in June with a £25.8m funding round.

Brexit might cause some short-term disruption, but Levene does not see it diverting the company markedly.

"We have to make sure we can effectively filter to ensure our capital goes to the very best businesses.

"Over the next five to ten years some very significant multi-billion-pound fintech businesses are going to be built.

"It's our job to try and identify one or two."

The shares currently trade at 109.5p.

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