

MITHRAS
INVESTMENT TRUST plc

Interim Report and Financial Statements
30 June 2017

Mithras Investment Trust plc (the “Company”) is a private equity investment trust managed by Mithras Capital Partners LLP (“MCP”).

The Company’s investment objective, approved by shareholders in January 2009, is to follow a realisation strategy which aims to crystallise value for shareholders in a manner which seeks to achieve a balance between returning cash to shareholders and maximising the value of the Company’s portfolio.

In December 2012, the Board announced that the core strategy of returning capital to shareholders would be achieved through a series of tender offers.

The Company’s investment portfolio consists of a commitment to Mithras Capital Fund LP (“MCF”), which is invested in European and United States based limited partnership buyout funds.

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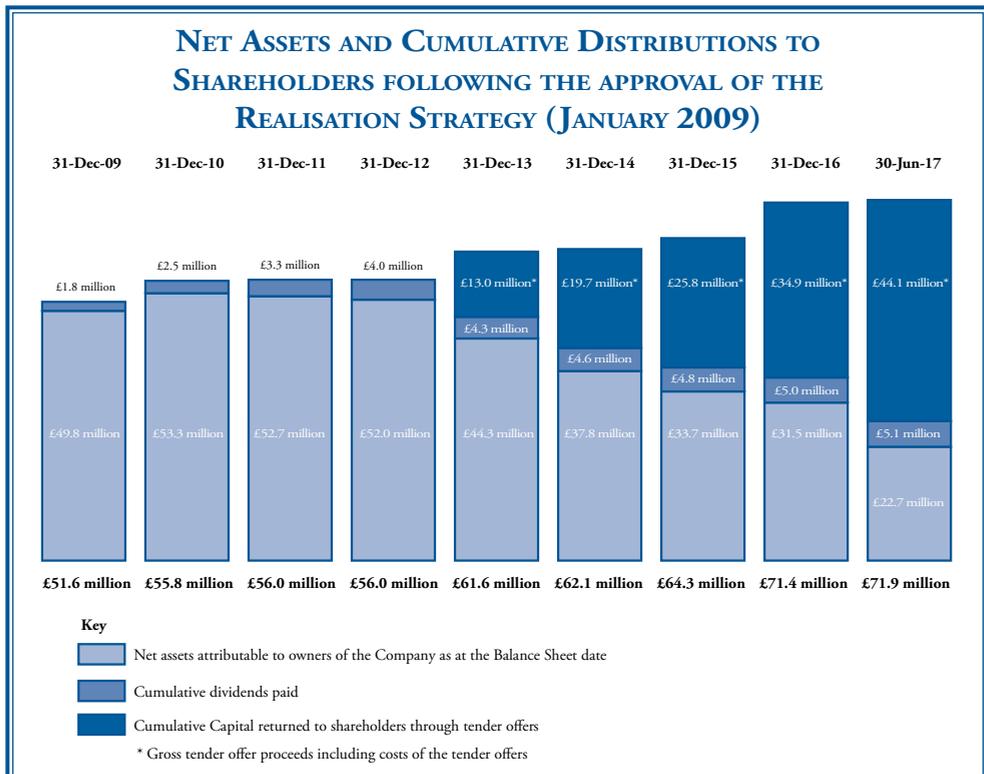
29 Directors and Advisers

FINANCIAL SUMMARY

GROUP FINANCIAL HIGHLIGHTS			
	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
Net assets attributable to owners of the Company	£22.7 million	£26.3 million	£31.5 million
Number of Ordinary shares in issue at end of period	10,030,841	14,228,143	14,228,143
Net Asset Value ("NAV") per Ordinary share	226.5 pence	185.2 pence	221.2 pence
Mid market quoted share price	221.0 pence	152.0 pence	181.3 pence
Discount	2.4%	17.9%	18.0%
Cash distributions to shareholders during the period (dividends paid plus tender offers)			
– Dividends paid	£0.1 million	£0.2 million	£0.2 million
– Tender offer proceeds	£9.2 million	£9.0 million	£9.0 million
	£9.3 million	£9.2 million	£9.2 million
– Tender offer proceeds per Ordinary share	64.2 pence	45.9 pence	45.9 pence
Net dividends proposed per Ordinary share	–	–	1.0 pence
Total return before tax	£0.7 million	£1.9 million	£7.0 million
Ongoing charges (annualised) ¹	1.8%	1.6%	1.6%
Total expense ratio (annualised) ²	2.7%	2.4%	2.4%
¹ The ongoing charges figures have been calculated using the Association of Investment Companies' ("AIC") recommended methodology and relate to the ongoing costs of running the Company. Subsidiary expenses, such as those incurred by MCP and non-recurring fees are therefore excluded from the calculation.			
² The ratio reflects the ongoing expense for the Group. This follows the AIC guidance in calculating ongoing charges, but includes ongoing expenses of all subsidiaries.			

PERFORMANCE (% TOTAL RETURN) AT 30 JUNE 2017					
	6 months	1 Year	3 Year	5 Year	Since Flotation
	%	%	%	%	%
Share price	22.4	46.1	55.0	122.7	477.4
NAV*	2.8	22.8	49.6	63.8	368.5
FTSE All-Share Index	5.5	18.1	23.9	65.2	425.2
* Returns based on NAV per share adjusted for dividends paid. The return since flotation is based on Group total return after tax before dividends, attributable to owners on opening owners' equity.					

INVESTMENT MANAGER'S REVIEW



SUMMARY FINANCIAL INFORMATION FOLLOWING THE APPROVAL OF THE REALISATION STRATEGY

	Net assets* £m	NAV P	Share price P	Discount %	Dividends paid per Ordinary share** P	Tender offer proceeds per Ordinary share P
31 December 2009	49.8	137.2	69.0	49.7	5.0	–
31 December 2010	53.3	146.8	112.5	23.4	2.0	–
31 December 2011	52.7	145.1	99.5	31.4	2.0	–
31 December 2012	52.0	143.1	112.5	21.4	2.0	–
31 December 2013	44.3	160.4	137.5	14.3	1.0	37.6
31 December 2014	37.8	162.1	142.5	12.1	1.0	24.0
31 December 2015	33.7	173.0	146.5	15.3	1.0	25.8
31 December 2016	31.5	221.2	181.3	18.0	1.0	45.9
30 June 2017	22.7	226.5	221.0	2.4	1.0	64.2

* Attributable to owners of the Company.

** This is the dividend in pence per Ordinary share paid during the calendar year, declared in the previous year.

INVESTMENT MANAGER'S REVIEW CONTINUED

Overview of Results for the Six Months ended 30 June 2017

The Company's NAV increased from 221.2 pence per share to 226.5 pence per share in the six months to 30 June 2017, an increase of 2.4%. This increase is after the final dividend of 1.0 pence per share paid to shareholders in May 2017. The Company has enjoyed another period of strong performance, with the exit environment remaining positive. The Company has made significant progress with its realisation strategy. Currency movements continue to impact NAV performance. Whilst the Company benefitted from Sterling weakening by 2.8% against the Euro, a strengthening in the value of the Sterling against the US Dollar by 5.1% negatively impacted performance.

The Company completed its sixth and largest tender offer in April 2017, buying back 29.5% of the remaining Ordinary shares in issue, returning £9.2 million of cash to shareholders. The Company has now returned a gross total of £44.1 million to shareholders by way of tender offers which equates to a total capital return of 119.7 pence per share or the cancellation of approximately 72% of the original shares in issue.

As with previous Interim Reports, these results are based upon the 31 March 2017 underlying fund valuations, being the latest available information. The Board has chosen to make a Directors' revaluation adjustment at 30 June

2017, making a provision of £0.3 million against the current valuation of the MCF portfolio.

During the period, the share price increased from 181.3 pence per share to 221.0 pence per share, an increase of 21.9%. The Company's discount has narrowed significantly from 18.0% to 2.4% reflecting the Company's continued progress with its realisation strategy.

Dividend

As approved by shareholders at the 2017 Annual General Meeting ("AGM"), a final dividend of 1.0 pence per share (2016: 1.0 pence final) was paid in May 2017 in respect of the year ended 31 December 2016. As we have stated consistently since the adoption of the realisation strategy, shareholders should expect the bulk of future returns to be in the form of capital rather than income distributions.

Investment Activity within MCF

Investment activity within MCF during the first six months of 2017 was limited with just £0.2 million of retained distribution proceeds required to meet ongoing obligations to MCF. In addition *CVC Europe V* acquired Medipole as an add-on acquisition to Elsan, the French private hospital operator, although this add-on acquisition of £0.3 million did not require further capital from the Company.

INVESTMENT MANAGER'S REVIEW CONTINUED

Realisations from MCF

MCF's mature portfolio has benefitted from a continuation of a sellers market for private equity. We highlighted at the recent AGM that the prospects for distributions in 2017 were excellent. This was borne out in the first half of 2017, with the Company receiving gross distribution proceeds of £14.2 million (June 2016: £6.3 million).

OCM Principal Opportunities Fund IV distributed a total of £6.4 million, of which £6.3 million related to AdvancePierre Foods. This exit was completed in two stages; a sell down of shares post IPO in February 2017 and the subsequent sale to Tyson Foods in June 2017. **CVC Europe V** provided the Company with distribution proceeds of £3.8 million relating to a number of distributions including the sales of Quironsalud for a multiple in excess of 4.0x cost as well the full disposals of AlixPartners and Leslie's Holdings. As previously reported in the 2016 Annual Financial Report, **PAI Europe V** exited both Xella and Cerba Healthcare at multiples in excess of 2.0x cost with the Company's share of distributed proceeds amounting to £3.0 million. **Doughty Hanson V** exited LM Wind Power providing the Company with distribution proceeds of £0.8 million and **Riverside Europe III** provided a small distribution of £0.2 million.

Liquidity and Outstanding Commitments

The Group's liquidity position continues to be strong. During the period the Group's cash position has increased from £5.7 million to £10.0 million. This is after the return of £9.2 million to shareholders from the sixth tender offer in April 2017 and the 1.0 pence per share dividend paid in May 2017.

Excluding subsidiary company cash balances, the Company's cash balance of £9.4 million compares to a maximum outstanding commitment at 30 June 2017 to MCF of £3.2 million although our current expectation is that only up to £0.4 million will be drawn, leaving a cash surplus of £9.0 million at 30 June 2017. The Company is now giving consideration to the timing of its next tender offer.

Principal Risks and Uncertainties

The Company's investment activities expose it to various types of risks that are associated with its investment commitments to private equity limited partnerships. The principal risks are market risk, currency risk and liquidity risk in respect of these investments. Other key risks faced by the Company include investment strategy, management resources, regulatory, operational and financial risks. These risks, and the way in which they are managed, are described in more detail under the heading "Principal Risks and Uncertainties" within the Strategic Report in the Company's Annual Financial Report for the

INVESTMENT MANAGER'S REVIEW *CONTINUED*

year ended 31 December 2016 as well as note 20 entitled "Financial Instruments, Capital and Risk Management". The Company's principal risks and uncertainties have not changed materially since the date of that Report.

Update on the Realisation Strategy

The Company has made significant progress with its realisation strategy during the first half of 2017. As a result of the realisations, there has been a significant reduction in the size of the investment portfolio to £13.0 million after carried interest (December 2016: £26.1 million). The sale of AdvancePierre Foods has reduced the proportion of pre-2010 vintage investments and the Company's residual underlying portfolio within MCF now comprises 31 portfolio companies.

MCF has moved swiftly through the carried interest catch up phase as highlighted at the 2017 AGM. This means that all future gains on investment will be allocated on a more conventional 90:10 split in favour of investors in MCF. The Company's current share of the carried interest provision within the MCF valuation is £3.0 million.

We expect to make one or two more tender offers before we commence the final stages of the realisation strategy. This should be sometime during the latter half of 2018. We therefore still believe it is appropriate to adopt the going concern basis for this Interim Report.

Outlook

The Company has enjoyed a strong start to 2017 both in terms of share price performance and cash generation. With MCF having moved through the carried interest catch up phase, the Company is now well placed for further growth in NAV. We have good visibility on the remaining residual MCF portfolio. We believe that the remaining portfolio is well positioned to deliver further distributions during the remainder of 2017. The Company's performance remains sensitive to currency movements, although this is now principally Sterling against the Euro. Whilst the political and economic environment remains uncertain, we are confident that the Company will continue to make further progress in delivering the realisation strategy.

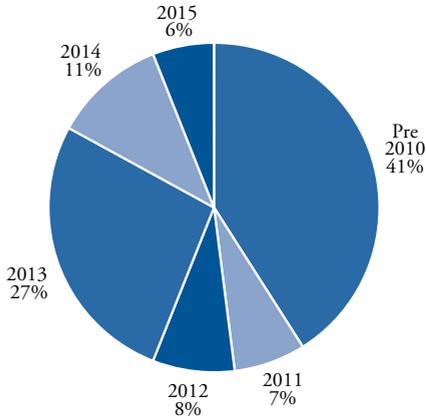
Mithras Capital Partners LLP
Investment Manager
26 July 2017

CONSOLIDATED INVESTMENT PORTFOLIO AT 30 JUNE 2017

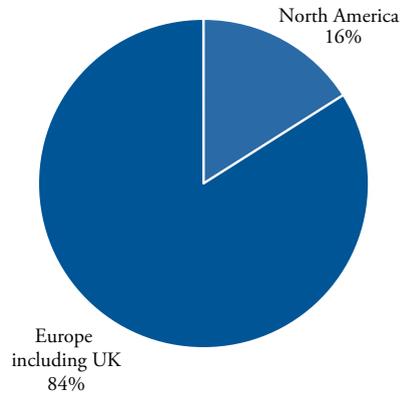
Investments at Fair Value	Fair Value £'000	% of Portfolio*			
MCF limited partnership fund investments					
CVC European Equity Partners V	6,234	39			
Doughty Hanson & Co V	3,661	23			
PAI Europe V	2,591	16			
OCM Principal Opportunities Fund IV	2,200	14			
Riverside Europe Fund III	1,602	10			
Net current assets held in MCF	76	–			
Directors' revaluation adjustment	(341)	(2)			
Investment portfolio excluding MCF carried interest provision	16,023	100			
MCF carried interest provision	(2,985)				
Total investment portfolio	13,038				
Geographical spread of investments by fund currency exposure					
Continental Europe (EUR)	13,747	86			
North America (USD)	2,200	14			
United Kingdom (GBP)	76	–			
	16,023	100			
MCF carried interest provision	(2,985)				
Total investment portfolio	13,038				
* Investment portfolio excluding MCF carried interest provision.					
Listed below are the ten largest underlying investments by value which account for 73% of the consolidated investment portfolio. All of these investments are held indirectly through the Company's commitment to MCF.					
TOP TEN LARGEST UNDERLYING INVESTMENTS WITHIN MCF					
Portfolio Company	Sector	Country	Underlying Fund	Year of Investment	% of Portfolio
TMF Group	Services	Netherlands	Doughty Hanson & Co V	2008	19%
Cyanco Holdings	Basic Resources	United States	OCM Principal Opportunities Fund IV	2008	8%
Ista	Services	Germany	CVC European Equity Partners V	2013	7%
Froneri	Food & Beverage	United Kingdom	PAI Europe V	2013	7%
Sky Betting & Gaming	Travel, Leisure & Retail	United Kingdom	CVC European Equity Partners V	2015	6%
OrthoD Group	Healthcare	United Kingdom	Riverside Europe Fund III	2008	6%
Ahlsell	Travel, Leisure & Retail	Sweden	CVC European Equity Partners V	2012	6%
ADB Safegate	Services	Belgium	PAI Europe V	2013	5%
Dayton Superior Corporation	Industrial Goods & Services	United States	OCM Principal Opportunities Fund IV	2008	5%
Elsan	Healthcare	France	CVC European Equity Partners V	2014	4%

CONSOLIDATED INVESTMENT PORTFOLIO ANALYSIS

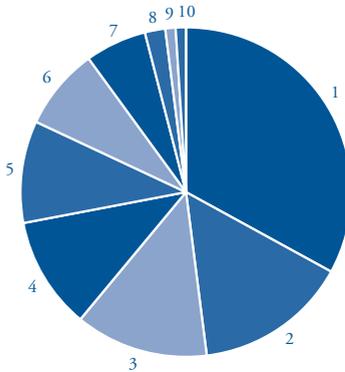
Underlying Investments by Year of Investment (by valuation)



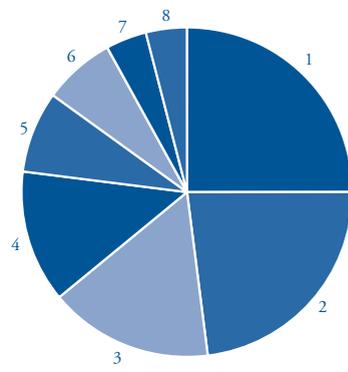
Underlying Investments by Continent (by valuation)



Underlying Investments by Sector (by valuation)



Underlying Investments by Country (by valuation)



1	Services	33%
2	Travel, Leisure & Retail	15%
3	Industrial Goods & Services	13%
4	Food & Beverage	11%
5	Healthcare	10%
6	Basic Resources	8%
7	Telecoms, Media & Technology	6%
8	Oil, Gas & Chemicals	2%
9	Building Materials & Others	1%
10	Financial Services & Insurance	1%

1	UK	25%
2	Benelux	23%
3	North America	16%
4	France	13%
5	Germany	8%
6	Scandinavia	7%
7	Italy	4%
8	Czech Republic	4%

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 June 2017		
		Revenue return £'000	Capital return £'000	Total return £'000
Income				
Net gains on investment	9	–	519	519
Investment income		365	–	365
Other income	5	224	–	224
		<u>589</u>	<u>519</u>	<u>1,108</u>
Expenses				
Operating expenses	6	(375)	–	(375)
Profit before taxation		214	519	733
Taxation		(95)	–	(95)
Profit and total comprehensive income for the period		<u>119</u>	<u>519</u>	<u>638</u>
Attributable to:				
Owners of the Company		103	519	622
Non-controlling Interests		16	–	16
Basic and diluted earnings per Ordinary share (pence)	8	<u>0.8</u>	<u>4.1</u>	<u>4.9</u>

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards (“IFRS”). The supplementary revenue return and capital return columns are both prepared under the guidance published by the AIC.

The notes on pages 14 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *CONTINUED*

	Notes	Six months ended 30 June 2016		
		Revenue return £'000	Capital return £'000	Total return £'000
Income				
Net gains on investment	9	–	2,013	2,013
Investment income		21	–	21
Other income	5	232	–	232
		<u>253</u>	<u>2,013</u>	<u>2,266</u>
Expenses				
Operating expenses	6	(374)	–	(374)
(Loss)/profit before taxation		(121)	2,013	1,892
Taxation		(3)	–	(3)
(Loss)/profit and total comprehensive income for the period		<u>(124)</u>	<u>2,013</u>	<u>1,889</u>
Attributable to:				
Owners of the Company		(140)	2,013	1,873
Non-controlling Interests		16	–	16
Basic and diluted (loss)/earnings per Ordinary share (pence)	8	<u>(0.8)</u>	<u>11.4</u>	<u>10.6</u>

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under the guidance published by the AIC.

The notes on pages 14 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity attributable to owners of the Company £'000	Non- controlling Interest £'000	Total equity £'000
At 1 January 2017	285	550	26,185	4,458	31,478	21	31,499
Profit and total comprehensive income for the period	–	–	519	103	622	16	638
Contributions by and distributions to owners							
Dividends (note 7)	–	–	–	(142)	(142)	–	(142)
Profit share paid to members in a subsidiary	–	–	–	–	–	(18)	(18)
Cost of shares purchased for cancellation under tender offer	(84)	84	(9,237)	–	(9,237)	–	(9,237)
Total contributions by and distributions to owners	(84)	84	(9,237)	(142)	(9,379)	(18)	(9,397)
At 30 June 2017	201	634	17,467	4,419	22,721	19	22,740

The notes on pages 14 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity attributable to owners of the Company £'000	Non- controlling Interest £'000	Total equity £'000
At 1 January 2016	390	445	28,239	4,644	33,718	21	33,739
Profit/(loss) and total comprehensive income for the period	–	–	2,013	(140)	1,873	16	1,889
Contributions by and distributions to owners							
Dividends (note 7)	–	–	–	(195)	(195)	–	(195)
Profit share paid to members in a subsidiary	–	–	–	–	–	(18)	(18)
Cost of shares purchased for cancellation under tender offer	(105)	105	(9,051)	–	(9,051)	–	(9,051)
Total contributions by and distributions to owners	(105)	105	(9,051)	(195)	(9,246)	(18)	(9,264)
At 30 June 2016	285	550	21,201	4,309	26,345	19	26,364

The notes on pages 14 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	Unaudited 30 June 2017 £'000	Audited 31 December 2016 £'000	Unaudited 30 June 2016 £'000
Non-current assets				
Investment at fair value through profit or loss	9	13,038	26,113	23,155
Current assets				
Receivables		29	20	28
Current tax receivable		–	42	–
Cash and cash equivalents		10,029	5,691	3,562
		10,058	5,753	3,590
Total assets		23,096	31,866	26,745
Current liabilities				
Payables		(117)	(154)	(139)
Current tax liability		(39)	(13)	(42)
		(156)	(167)	(181)
Total assets less current liabilities		22,940	31,699	26,564
Non-current liabilities				
Retention arrangement for key management personnel	12	(200)	(200)	(200)
Net assets		22,740	31,499	26,364
Equity attributable to owners of the Company				
Share capital		201	285	285
Capital redemption reserve		634	550	550
Capital reserve		17,467	26,185	21,201
Revenue reserve		4,419	4,458	4,309
Equity attributable to owners of the Company		22,721	31,478	26,345
Non-controlling Interest		19	21	19
Total equity		22,740	31,499	26,364
Net assets per Ordinary share (pence)				
– basic and diluted	10	226.5	221.2	185.2

The notes on pages 14 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 2017 £'000	Six months ended 30 June 2016 £'000
	Notes	
Cash flows from operating activities		
Investment income received	365	21
Interest income received	6	15
Investment management fees received	218	219
Cash paid to service providers	(349)	(317)
Compensation to key management personnel	(75)	(75)
Taxation (paid)/received	(27)	55
Calls on commitment	9 (297)	(159)
Proceeds on partial disposal of investment	9 13,891	6,235
Net cash flow from operating activities	13,732	5,994
Cash flows from financing activities		
Equity dividends paid	(142)	(195)
Profit share distributed to Non-controlling Interest	(18)	(18)
Tender offer proceeds	(9,234)	(9,043)
Net cash flow from financing activities	(9,394)	(9,256)
Net increase/(decrease) in cash and cash equivalents	4,338	(3,262)
Cash and cash equivalents at beginning of period	5,691	6,824
Cash and cash equivalents at end of period	10,029	3,562

The notes on pages 14 to 22 form an integral part of these Condensed Consolidated Interim Financial Statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mithras Investment Trust plc is a company incorporated and domiciled in the United Kingdom. The Condensed Consolidated Interim Financial Statements of the Group for the six months ended 30 June 2017 comprise the Company and its subsidiaries, Mithras Investments Limited (“MIL”), Mithras Capital Holdings Limited (“MCH”), Mithras Capital Partners LLP (“MCP”), Mithras Capital Partners GP Limited (“MCGP”) and Mithras Capital Scottish GP LLP (“MCSGP”) together referred to as the “Group”. The nature of the Group’s operations and its principal activities are set out in note 4 Segment Reporting on pages 15 and 16.

The Group’s organisational structure is unchanged from the structure set out in note 17 of the Company’s Annual Financial Report for the year ended 31 December 2016.

2. STATEMENT OF COMPLIANCE

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with the Disclosure Guidance and Transparency and Listing Rules of the Financial Conduct Authority (“FCA”) and with International Accounting Standard 34, ‘Interim Financial Reporting’ as adopted by the EU. They do not include all the information required for a full Annual Financial Report and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2016, which have been prepared in accordance with IFRS as adopted by the EU.

The Directors have reviewed the guidance issued by the Financial Reporting Council in order to determine whether the going concern basis should be used in preparing the Financial Statements for the six months ended 30 June 2017. In doing so, the Directors have reviewed the likely operational costs and cash flows for the Group for the twelve months from the date of signing this Report and are of the opinion that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have agreed that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the Company follows its realisation strategy. After due consideration, no material uncertainties have been identified that would cast significant doubt over the ability of the Group to continue as a going concern.

The Condensed Consolidated Interim Financial Statements were authorised and approved for issue by the Board of Directors on 26 July 2017.

The Condensed Consolidated 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 December 2016 were approved by the Board of Directors on 23 February 2017 and delivered to the Registrar of Companies. The Auditors’ report on those Financial Statements 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 Interim Report and Financial Statements are being sent to shareholders and copies will be made available to the public at the Registered Office of the Company at 10 Harewood Avenue, London NW1 6AA and on the Company’s website www.mithrasinvestmenttrust.com.

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and estimates applied are consistent with those of the Annual Financial Report for the year ended 31 December 2016. Those standards which have become applicable during the period have had no significant impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Nothing has been noted in the Update on the Realisation Strategy section of the Investment Manager's Review which would be expected to have a material impact on the accounting policies for the year ended 31 December 2017.

4. SEGMENT REPORTING

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the operating segments to be investment holdings and private equity fund-of-funds management. The Board assesses the performance of the Group based upon the KPI's as stated in the Strategic Report on pages 12 to 15 of the 2016 Annual Financial Report.

Investment holdings represent the Group and Company's operations and commitment to MCF. Comprehensive income for this segment is derived from gains and losses on investments, income from investments, interest income and other income. The private equity fund-of-funds management business is undertaken by MCP. Revenue for this segment is primarily derived from management services provided to MCF.

30 June 2017	Investment holdings £'000	Private equity fund-of-funds management £'000	Consolidated £'000
Net gains on investment	519	–	519
Investment income	365	–	365
Interest income	6	–	6
Other income	–	218	218
Operating expenses	(239)	(136)	(375)
Profit before taxation	651	82	733
Taxation	(95)	–	(95)
Profit for the period	556	82	638
Segment assets	22,955	141	23,096
Segment liabilities	(345)	(11)	(356)
Net segment assets at 30 June 2017	22,610	130	22,740

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

4. SEGMENT REPORTING *CONTINUED*

	Investment holdings £'000	Private equity fund-of-funds management £'000	Consolidated £'000
31 December 2016			
Net gains on investment	6,992	–	6,992
Investment income	300	–	300
Interest income	19	–	19
Other income	–	440	440
Operating expenses	(468)	(260)	(728)
Profit before taxation	6,843	180	7,023
Taxation	12	–	12
Profit for the period	6,855	180	7,035
Segment assets	31,707	159	31,866
Segment liabilities	(349)	(18)	(367)
Net segment assets at 31 December 2016	31,358	141	31,499
30 June 2016			
Net gains on investment	2,013	–	2,013
Investment income	21	–	21
Interest income	13	–	13
Other income	–	219	219
Operating expenses	(241)	(133)	(374)
Profit before taxation	1,806	86	1,892
Taxation	(3)	–	(3)
Profit for the period	1,803	86	1,889
Segment assets	26,607	138	26,745
Segment liabilities	(370)	(11)	(381)
Net segment assets at 30 June 2016	26,237	127	26,364

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

5. OTHER INCOME

	Six months ended 30 June 2017 £'000	Six months ended 30 June 2016 £'000
Investment management fee income*	218	219
Deposit interest	6	13
	224	232

* Investment management fee income is derived from priority profit share paid by MCF to MCGP. This is calculated at 0.4% of commitments to MCF.

6. OPERATING EXPENSES

	Six months ended 30 June 2017 £'000	Six months ended 30 June 2016 £'000
Auditors' remuneration – audit of the Consolidated and Parent Company Financial Statements	15	15
Auditors' remuneration – audit of the Company's subsidiaries	10	10
Auditors' remuneration – audit related assurance services	13	13
Directors' emoluments	59	59
Compensation to key management personnel (note 12)	75	75
Other administrative expenses	203	202
	375	374

Compensation to key management personnel includes payments made to members of MCP but excludes Directors' emoluments.

All expenses include VAT where applicable, with the exception of audit fees which are shown net.

Auditors' remuneration for audit assurance services relate to the interim review and fees relating to regulatory reporting. There were no other non-audit services provided by the Auditors.

Other administrative expenditure includes: administration fees, legal and professional fees, general office costs.

The split of expenses incurred by the Company and MCP is disclosed in note 4 on pages 15 and 16.

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

7. DIVIDENDS

The following dividends were declared by the Company:

	Six months ended 30 June 2017 £'000	Six months ended 30 June 2016 £'000
Final paid in relation to the year ended 31 December 2016: 1.0 pence (2015: 1.0 pence) per Ordinary 2.0 pence share	142	195

The final dividend of 1.0 pence per Ordinary share, for the year ended 31 December 2016, was paid on 5 May 2017 on 14,228,143 shares.

8. EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted earnings per Ordinary share is based on the following data:

	Six months ended 30 June 2017			Six months ended 30 June 2016		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Earnings for the purpose of basic earnings per Ordinary share being net profit attributable to owners	103	519	622	(140)	2,013	1,873

Weighted average number of Ordinary shares for the purpose of calculating basic earnings per Ordinary share

12,744,014

17,640,070

There is no dilution effect and therefore no difference between the diluted earnings per Ordinary share and the basic earnings per Ordinary share stated above.

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Six months ended 30 June 2017 £'000	Year ended 31 December 2016 £'000	Six months ended 30 June 2016 £'000
Opening cost at beginning of period	20,940	26,277	26,277
Gains at beginning of period	5,173	941	941
Opening fair value at beginning of period	<u>26,113</u>	<u>27,218</u>	<u>27,218</u>
Movements in the period:			
Calls on commitment	297	209	159
Proceeds on partial disposal of investment	(13,891)	(8,306)	(6,235)
Gains on partial disposal of investment	9,087	2,760	1,656
Unrealised fair value movement	<u>(8,568)</u>	<u>4,232</u>	<u>357</u>
Closing fair value at end of period	<u>13,038</u>	<u>26,113</u>	<u>23,155</u>
Closing cost at end of period	16,433	20,940	21,857
Gains at end of period	<u>(3,395)</u>	<u>5,173</u>	<u>1,298</u>
Closing fair value at end of period	<u>13,038</u>	<u>26,113</u>	<u>23,155</u>
Analysis of net gain/(loss) on investments			
Gains on partial disposal of investment	9,087	2,760	1,656
Fair value movement	<u>(8,568)</u>	<u>4,232</u>	<u>357</u>
	<u>519</u>	<u>6,992</u>	<u>2,013</u>

The Group is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS *CONTINUED*

The level of the fair value hierarchy, within which the fair value measurement is categorised, is determined on the basis of the lowest level input that is significant to the fair value of the investment.

All investments of the Group are classified within level 3 for the six months ended 30 June 2017 and for the 2016 financial year.

The valuation of the Group's interest in MCF is calculated in accordance with International Private Equity and Venture Capital Guidelines and is based upon the NAV's of the five Underlying Funds in which MCF has invested. As a starting point, MCF's provisional valuation is based upon the sum of its pro rata share of each of the Underlying Fund's NAV. The Underlying Funds NAV's are themselves derived from the fair value of the 31 portfolio companies held by MCF and are computed by the Underlying Fund investment managers using the most appropriate valuation technique for each individual portfolio company.

The Board then considers whether this MCF NAV requires further adjustment. The Investment Manager prepares a valuation paper at the interim and year end reporting date. This valuation paper considers the valuation processes and techniques of each Underlying Fund investment manager and also the specific valuation methodology of the ten largest investments. This review also considers market conditions and any subsequent investments or realisations post balance sheet. The principal regular adjustment to the provisional MCF NAV is in respect of non co-terminus reporting periods. There is usually a significant delay in the receipt of Underlying Fund reporting and where this is the case, the Investment Manager will seek indications from Underlying Fund investment managers as to the expected valuation movements between the latest available Underlying Fund NAV and the reporting date. The Board then reviews the valuation paper along with any proposed adjustments in respect of non co-terminus reporting periods and these amounts are aggregated to represent a fair value adjustment to the MCF provisional NAV. These represent the Directors' revaluation adjustment. As at 30 June 2017, this represents 3% of the Limited Partnership fair value balance and therefore the Directors' believe that this is not so significant as to warrant further disclosure other than as outlined above. The Investment Manager has visibility over the valuation methodology for over 99% of the underlying portfolio companies in terms of their fair value and the value they contribute to the MCF NAV.

MCF has a carried interest scheme where carried interest of 10% could become payable once MCF has returned all capital contributed by LPs in addition to exceeding a net MCF IRR of 8%. As at 30 June 2017, MCF has a net MCF IRR in excess of 8% and therefore a provision has been made by MCF within its valuation for carried interest. The Company's share of this carried interest provision is £3.0 million.

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS *CONTINUED*

Given the number of underlying investments, the Directors have not presented a sensitivity analysis at an individual input level for these investments as they do not deem it to be material. The Investment Manager does not prepare an aggregated input sensitivity analysis at a private equity fund level for all of MCF's underlying fund investments or at the limited partnership level. This is because the Company has a diversified mature investment portfolio and a change in the estimate of one input on an individual portfolio company would not be significant in terms of the overall valuation of MCF. While the portfolio companies are concentrated in certain sectors, these portfolio companies within the sectors are located in different countries. Furthermore, the valuation methodology for the portfolio companies has been consistent over time.

There were no transfers between levels for the six months ended 30 June 2017, nor for the year ended 31 December 2016.

10. NET ASSETS PER ORDINARY SHARE

The basic total net assets per Ordinary share is based on the net assets attributable to owners shown in the Balance Sheet as at 30 June 2017, and on 10,030,841 Ordinary shares, being the number of Ordinary shares in issue at 30 June 2017 (30 June 2016: 14,228,143; 31 December 2016: 14,228,143).

There is no dilution effect and therefore no difference between the diluted total net assets per Ordinary share and the basic total net assets per Ordinary share stated above.

11. GUARANTEES AND COMMITMENTS

(a) Guarantees

The Company has agreed to provide such financial support to MIL as it may require to continue trading as a going concern.

(b) Commitments

The Company has a maximum outstanding commitment of £3.2 million to MCF at 30 June 2017 (30 June 2016: £3.3 million; 31 December 2016: £3.5 million). This will take the form of capital calls.

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

12. RELATED PARTY TRANSACTIONS AND DISCLOSURES

The following note provides details of the Group and Company's related party disclosures and related party transactions during the period:

- (a) Under the Investment Management Agreement, dated 27 March 2009, the Company paid fees of £32,000 (30 June 2016: £32,000; 31 December 2016: £64,000) to MCP, of which £16,000 was outstanding at 30 June 2017 (30 June 2016: £16,000; 31 December 2016: £16,000).
- (b) Legal & General Assurance Society Limited held 31.51% of the Ordinary share capital of the Company as at 30 June 2017 (30 June 2016: 32.92%; 31 December 2016: 32.92%).
- (c) Mr Boylan, the Managing Partner and Designated Member of MCP, in his personal capacity held 0.40% (30 June 2016: 0.39%; 31 December 2016: 0.39%) of the Ordinary share capital of the Company as at 30 June 2017. Mr Boylan is a member of MCP and has a profit entitlement of 15% of the profits in MCP (30 June 2016: 15%; 31 December 2016: 15%).
- (d) Under a Retention Arrangement dated 5 November 2014, Mr Boylan will become entitled, on completion of the realisation strategy, to a sum of £200,000 in consideration for acquiring his 15% minority interest in MCP (referred to as the Non-controlling Interest within the Consolidated Financial Statements). The circumstances that will give rise to the completion of the realisation strategy could vary depending upon the choice of exit route taken by the Company and the arrangement is subject to good leaver provisions.
- (e) The compensation payable to key management personnel (which includes members of MCP but excludes Directors of the Company) amounted to £75,000 (30 June 2016: £75,000; 31 December 2016: £149,000) paid as guaranteed drawings. Profit share distributed to the Non-controlling Interests (members of MCP) amounted to £18,000 (30 June 2016: £18,000; 31 December 2016: £34,000).
- (f) The Company invests in MCF, which is managed by MCP. A carried interest scheme operates for the benefit of the founder partners in the scheme. The founder partners are Ms Gillian Brown, Mr Adrian Johnson and Mr Boylan. Carried interest of 10% of investment profits could become payable once MCF has returned all capital contributed by investors as well as exceeding a net IRR of 8% per annum. As at 30 June 2017, MCF's net fund IRR was 8.6% and a provision of £3.0 million was made against the valuation of MCF. No carried interest payments were made during the period or have been since the inception of MCF.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the Interim Report and Financial Statements for the six months ended 30 June 2017, we confirm that to the best of our knowledge:

- The Interim Report and Financial Statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board, as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.4R of the Disclosure Guidance and Transparency Rules;
- The Investment Manager's Review includes a true and fair review of the information required by DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the Interim Report and Financial Statements;
- In accordance with DTR 4.2.8R of the Disclosure Guidance and Transparency Rules and as disclosed in note 12 on page 22 of this Interim Report and Financial Statements, there have been no changes in the nature or magnitude of the related party transactions that have taken place in the first six months of the current financial year and, therefore, there is nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during the period; and
- In accordance with DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, the description of the principal risks and uncertainties as disclosed in the Investment Manager's Review is a fair review of the information required under DTR 4.2.7R for the remaining six months of the year.

On behalf of the Board
Mithras Investment Trust plc
Company Number: 2478424

William Maltby
Chairman
26 July 2017

INDEPENDENT REVIEW REPORT TO MITHRAS INVESTMENT TRUST PLC

INTRODUCTION

We have been engaged by the Company to review the condensed set of Financial Statements in the Interim Report and Financial Statements for the six months ended 30 June 2017 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Balance Sheet and, Condensed Consolidated Cash Flow Statement and the related notes.

We have read the other information contained in the Interim Report and Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

DIRECTORS' RESPONSIBILITIES

The Interim Report and Financial Statements is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the Interim Report and Financial Statements in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the Annual Financial Report of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this Interim Report and Financial Statements has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the Interim Report and Financial Statements based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of Interim Financial Reporting in accordance with 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 person is 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.

INDEPENDENT REVIEW REPORT TO MITHRAS INVESTMENT TRUST PLC *CONTINUED*

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Financial Reporting Council for use in the United Kingdom. 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.

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 Interim Report and Financial Statements for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

BDO LLP
Chartered Accountants
London
United Kingdom
26 July 2017

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

MONITORING YOUR HOLDING

Shareholders wishing to monitor their shareholdings are able to do so via the internet, using Equiniti Registrar's Shareview Service.

The Shareview Service gives you:

- direct access to data held for you on the share register including recent share movements and dividend details; and
- the ability to change your address or dividend payment instructions online.

It is easy to sign up for the Shareview Service – you just need the 'shareholder reference' number printed on your dividend stationery. When you log on to the Shareview Service for the first time you will be sent a User ID and PIN.

The Shareview Service is:

- **Easy to use**
You just need your User ID and PIN to log on. Information about your shareholding is displayed clearly and conveniently and is updated regularly. Registration takes only a few minutes.
- **Secure**
Data transferred to your browser is encrypted and other internet users cannot gain access to your portfolio without your User ID and PIN.
- **Free**
As long as you have a PC and access to the internet, this service is free.

For more details on the Shareview Service and practical help on transferring shares or updating your details, visit www.shareview.co.uk.

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

Year end 31 December

Results Announced:

Annual February

Interim July

Annual General Meeting April

PAYMENT OF DIVIDENDS ON ORDINARY SHARES

Declared 2016: Final dividend of 1.0 pence Paid on 6 May 2016 to shareholders on the Register of Members on 11 March 2016.

Declared 2017: Final dividend of 1.0 pence Paid on 5 May 2017 to shareholders on the Register of Members on 3 March 2017.

SHAREHOLDER HELPLINE

0371 384 2498

Lines are open from 8.30 am to 5.30 pm Monday to Friday.

Overseas holders should call +44 121 415 7047.



MITHRAS
INVESTMENT TRUST plc

NOTES

DIRECTORS AND ADVISERS

DIRECTORS

William Maltby (Chairman)
Miriam Greenwood OBE DL
John Mackie CBE (Senior Independent Director)
David Shearer (Audit Committee Chairman)

INVESTMENT MANAGER

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Financial Conduct Authority

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Lines open 8.30 am to 5.30 pm,
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Registered in England

Company Number: 2478424

