



WHO WE ARE

International Biotechnology Trust offers investors access to the fast growing biotechnology sector through an actively managed, diversified fund.

Our award winning Fund Managers at SV Health Managers LLP are scientifically, medically and financially trained with over 60 years of experience between them in this specialist sector. As well as investing in a wide ranging portfolio of global quoted biotechnology stocks, we include a small proportion of otherwise inaccessible carefully selected unquoted investments that have the potential to deliver additional returns over the long-term. Excellent management teams, unique innovative products and strong potential for outperformance are the key criteria for inclusion in our diversified portfolio of assets.

International Biotechnology Trust plc

Exposure to both growth and yield

Dividend payment of 4% of Net Asset Value (NAV) per annum, paid bi-annually | Paid from capital without affecting investment strategy

Outperformance of benchmark since Lead Investment Manager joined in September 2013

Outperformed NBI by 21.1% over five-year period

Biotechnology sector has strong fundamentals but is currently undervalued

Ageing populations increasing demand | Supply improving | M&A continuing | Pro-industry US government

Unrivalled access to both quoted and unquoted biotechnology sectors

Focus on high growth areas of oncology, rare diseases and central nervous system

Medical and scientic expertise of Investment Managers

Ability to accurately interpret clinical trial data



OUR MARKET DEMOGRAPHICS

Fig 1. Increasingly elderly population

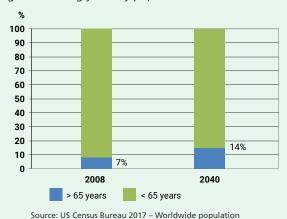
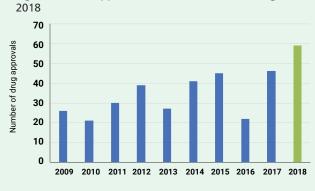


Fig 2. The FDA approved a record number of drugs in



US FDA Novel Drug Approvals 1998 to 2018 Source: Food and Drug Administration (FDA)

Fig 3. Orphan and prescription drug sales set to increase

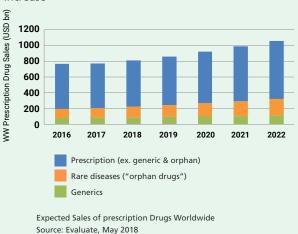


Fig 4. Share price/FTSE All-Share Index performance (%)



OUR AWARDS











FUND FACTS

For the six months ended 28 February 2019

| Р | ERFORMANCE | |
|---|--|-------|
| | | |
| | NAV | -9.1% |
| | Share price | -7.2% |
| | NASDAQ Biotechnology Index (NBI) | -9.8% |
| | FTSE All-Share Index | -3.7% |
| | All sterling-adjusted and on a total return basis (with all dividends reinvested). | |

FINANCIAL HIGHLIGHTS

| 28 | (Unaudited) B February 2019 | (Audited) 31 August 2018 |
|------------------------------------|--------------------------------|-----------------------------|
| Total equity (£'000) | 236,167 | 262,473 |
| NAV per share | 624.0p | 699.0p |
| Share price | 616.0p | 680.0p |
| Share price discount | 1.3% | 2.7% |
| Ongoing charges * | 1.2% ** | 1.4% ** |
| Ongoing charges including performa | nce fee 1.6% ** | 1.4% ** |

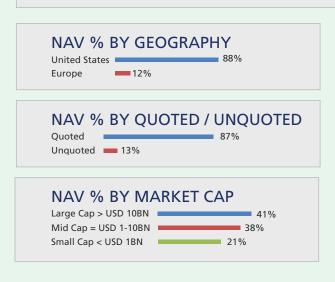
^{*} Calculated in accordance with the Association of Investment Companies (AIC) guidance. Based on total expenses excluding finance costs and performance fee and expressed as a percentage of average daily net assets. The ratio including performance fee has also been provided, in line with the AIC recommendations. From 3 January 2018, the research costs under MIFID II borne by International Biotechnology Trust (IBT or the Company) are included in the ongoing charges calculation.

^{**} Includes Management fees paid to SV Health Investors LLC directly from investment in SV Life Sciences Fund VI (SV Fund VI) of £254,000 (31 August 2018: £503,000).



FUND FACTS

| TOP 30 INVESTMENTS BY | NAV | | |
|-----------------------|------|--------------------|------|
| | | | |
| SV Fund VI Investment | 7.9% | Ligand | 2.2% |
| Celgene | 6.5% | Enanta | 2.0% |
| Gilead | 5.8% | Wave Life Sciences | 1.9% |
| Regeneron | 4.3% | PTC Therapeutics | 1.7% |
| Incyte | 3.6% | Mylan | 1.6% |
| Acadia | 3.5% | Zogenix | 1.6% |
| Alexion | 3.2% | Ionis | 1.6% |
| Vertex | 3.1% | Kalvista | 1.5% |
| Stemline | 2.8% | Retrophin | 1.5% |
| Morphosys | 2.7% | Amgen | 1.5% |
| Biomarin | 2.7% | Ikano | 1.4% |
| Halozyme | 2.6% | Seattle Genetics | 1.3% |
| Exelixis | 2.6% | Abiomed | 1.2% |
| Illumina | 2.5% | Neurocrine | 1.2% |
| Alkermes | 2.5% | Horizon | 1.2% |





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Further information on the Company may be found on the internet at www.ibtplc.com

MEDICAL



CHAIRMAN'S STATEMENT

Summary

I am pleased to present the Company's Interim Report for the six months ended 28 February 2019, a period which marks the start of International Biotechnology Trust's 25th year, the only UK investment trust within the biotechnology and healthcare sectors to reach that milestone.

In the six months ended 28 February 2019, the NAV per share returned -9.1%. Over the same period, the Ordinary share price of the Company returned -7.2%. By comparison, the NBI returned -9.8% and the FTSE All-Share Index returned -3.7%. All figures are on a sterling-adjusted total return basis, with dividends reinvested.

The six months ended 28 February 2019 are marked by a series of macroeconomic events, each of which had a significant impact on the global equity markets. An increasingly disorderly Brexit process, China-US trade tensions, slowing economic growth and rising interest rates all contributed to stock market volatility. However, none of these have much to do with the fundamental long-term outlook for the biotech sector, which, in my view, remains unchanged.

Quoted portfolio

The quoted portfolio returned -9.9% for the six months ended 28 February 2019. The Fund Manager has successfully navigated a difficult market, keeping pace with the Index despite the macroeconomic factors previously mentioned. The market retraction precipitated a spate of M&A activity, which the Company's portfolio was well-positioned to take advantage of.

Unquoted portfolio

The unquoted portfolio returned 2.4% for the six months ended 28 February 2019, driven by the performance of the Company's direct unquoted holdings, providing the stability needed to enable the Company to marginally outperform its benchmark. The Board's decision to invest in SV Fund VI in September 2016 has already begun to yield realised returns, with the Company receiving distributions of £1.6m in the period. Our investment in SV Fund VI will continue to increase slowly towards the \$30.0m commitment, of which we have now invested 67%. We expect the increasing investment to overlap with both the exits of our existing unquoted companies and the distributions received from SV Fund VI. The Board expects the unquoted portfolio to remain within our guideline range of 5-15% of total investments.



Dividends, issuances and premium

We marked our 25th year by fulfilling the Board's long-held ambition to narrow the discount and grow the Company by re-issuing a small proportion of the treasury shares it holds, equivalent to 0.9% of NAV in the period under review. Following the share issuances, the Company is now trading at par with NAV. The average discount for the six months ended 28 February 2019 was less than 1%. Whilst there have been no buybacks since September 2016, the Board remains committed to both maintaining a tight discount through buybacks should the discount widen significantly, and re-issuing treasury shares when demand permits.

I am also pleased to report a dividend payment was made to our Shareholders on 31 January 2019 at a rate of 14.0p per share. The second tranche of the dividend will be announced in July.



CHAIRMAN'S STATEMENT

Performance fee

The unquoted portfolio has generated a performance fee of £821,000. Whilst the unquoted portfolio has made a modest return in the period under review, the performance fee has been generated by the crystalisation of strong unrealised gains made in previous periods, since the unquoted portfolio performance fee is based on total net realised gains, taking into account any unrealised losses but not unrealised gains.

No performance fee has been generated by the quoted portfolio.

Prospects

The short-term macroeconomic overhang has little to do with biotechnology's long-term prospects, since the need to treat patients isn't related to stock market sentiment. However, the market retraction has given investors the opportunity to gain exposure to a sector with exciting growth prospects.

The US mid-term elections ended in political gridlock, with the Democrats gaining control of the House and the Republicans gaining control of the Senate, thereby limiting political and regulatory changes in the medium-term. Political preferences aside, the outcome is positive for investors. Whilst FDA Commissioner Scott Gottlieb announced his resignation in early March, his successor, Ned Sharpless, looks set to continue the FDA's scientifically-driven strategy of rewarding innovation, further stabilising the regulatory landscape.

An increasingly elderly population with greater medical needs, combined with the largest ever number of drugs in development and record approvals, mean the long-term outlook for the sector is strong. The Investment Manager has outperformed the market in varying conditions and over both three and five years, the latter being the time since Carl Harald Janson joined as Lead Investment Manager. The Investment Manager continues to steer the Company towards names whose innovative pipelines indicate strong growth and make them attractive M&A candidates. The Investment Manager believes that we maximise potential for long-term growth by investing in this next generation of large-cap companies. And for investors to access that long-term growth, I continue to believe the most effective way is to invest through a diversified trust managed by medical experts.

JOHN ASTON | Chairman 25 April 2019







Summary

In the six months ended 28 February 2019, the NAV per share returned -9.1%. Over the same period, the Ordinary share price of the Company returned -7.2%. By comparison, the NBI returned -9.8% and the FTSE All-Share Index returned -3.7%. All figures are on a sterling-adjusted total return basis, with dividends reinvested.

By subsector, 85% of the portfolio was invested in therapeutics, 2% in specialty pharmaceuticals, 4% in medical devices, 2% in life sciences, tools, diagnostics and services and 8% in a venture capital fund, SV Fund VI. SV Fund VI invests in unquoted companies across three sectors; biotechnology (40%), healthcare services and IT (40%) and medical devices (20%). Cash and net liabilities were -1% of NAV.

Quoted and Unquoted performance

At 28 February 2019, for financial reporting purposes, the quoted portfolio represented 88.2% of NAV. The unquoted portfolio represented 13.4% of NAV and net liabilities were -1.6%. Companies that were first invested in from the unquoted pool and have now become quoted but continue to be managed by the unquoted Investment Managers, are included within the unquoted portfolio for the purposes of performance measurement. Based on the classification of the investments as adjusted for performance measurement, the quoted portfolio was 84.6% of the portfolio, whilst the unquoted portfolio represented 15.4%.

Quoted portfolio and market update

The return on the quoted portfolio was -9.9%, which was almost identical to the NBI return for the six months. Macroeconomic factors have presented us with an icy road to navigate but we are pleased to have kept pace with the Index during the six months.

The first two months were hampered by the overhanging concern created by the mid-term elections in the US. The result was political gridlock. With the more industry-friendly Republican party in control of the Upper House, we do not expect any major changes to the healthcare system in the near to medium-term, and many political commentators have suggested the moderately surprising outcome of Republicans increasing their majority in the Senate has actually lowered the probability of a Democratic clean sweep in 2020. Whilst there is a proposal to amend Medicare Part B to reduce the price for patients at the expense of drug companies, which would clearly be unfavourable

for some companies in the industry, it seems unlikely that it will be implemented while the US is in this gridlock situation. Therefore, in the absence of any personal political views, it would appear the outcome of the mid-term elections is a positive one for our sector and the Company.

The period saw strong market retractions in both October and December. In October, the retraction correlated with comments made by the new US Federal Reserve Governor, Jerome Powell, in which he stated that we should expect additional increases in the Federal Reserve interest rates after a period of positive economic development. We then witnessed a further retraction in December, followed by an equally strong recovery in January, as the Company's performance records were broken either side of the New Year with almost no change in fundamentals, certainly with respect to healthcare. And in early 2019 the recovery continued, when Powell significantly softened his stance by stating that the case for raising interest rates had weakened, indicating he might stop shrinking the Federal Reserve's balance sheet

M&A continues to be a hallmark of both the sector and the Company. The market retraction precipitated a spate of M&A activity since smaller companies were more attractively valued; the Company's portfolio was well-placed to take advantage of M&A gains, both from companies who were acquired and those who were touted as a future acquisition target.

The proposed mega acquisition of Celgene by Bristol-Myers Squibb in January followed GSK's acquisition of oncology company Tesaro in December, both of which were held by the Company. The bid premiums were 70% and 62% respectively. Celgene has been one of the Company's largest holdings for a number of months.

Despite the M&A activity, neither of these companies were in the top three contributors to NAV, which were Incyte, Acadia and Exelixis.

Incyte's strong performance came as many investors prophesised it would be the next company to be acquired. With its pipeline of 21 compounds, combined with marketed oncology drugs with expected peak sales of over \$3bn, it is easy to see why the market thought Incyte might be the next M&A target. The criteria used by large companies to assess acquisition targets is consistent with the criteria we use for stock selection, ensuring we are well-placed to take advantage of the subsequent

increase in share price, regardless of whether that company is actually acquired.

Acadia ended the period strongly, reporting robust sales of its marketed drug Nuplazid, which treats Parkinson's disease psychosis. Much like Incyte, the company is strongly tipped to be an M&A candidate.

Exelixis reported stronger than expected sales for its drug Cabometyx, which is used to treat patients with Renal Cell Carcinoma, although Merck later announced positive data for a potential competitor, which slightly curtailed gains in the period. Despite this, the profitable companies in our portfolio fared far better as the market retracted, and for that reason we steered the portfolio away from high-risk companies with near-term financing difficulties.

The quoted NAV was negatively impacted by share price falls for Ligand, Adamas and Stemline.

Ligand shares weakened on the back of a short report by Citron Research, claiming that the company's long-term outlook was much worse than investors had hoped. We have reduced our holding but are adopting the same waitand-see strategy as the wider market for the time being.

Adamas performed poorly in the period after a difficult launch of its Gocovri product, an extended release tablet for treatment of dyskinesia in patients with Parkinson's disease. As a result, we no longer hold the company.

Stemline, a smaller market cap company but one of our top ten holdings, saw its shares slide during the period as the wider market retracted. Small-cap companies are always more prone to sharp declines in periods of retraction and, since we had a more significant holding, the company was a significant detractor to NAV. However, we believe the oncology company's fundamentals remain strong.

The company's primary compound, Elzonris, was approved by the FDA for the treatment of patients with blastic dendritic cell neoplasm, while there are other strong compounds in earlier-stage development. To illustrate how fickle the market can be when it comes to these smaller companies, our holding has increased in value by 26% since the period end, more than reversing the losses throughout the period.

Unquoted portfolio

For the six months ended 28 February 2019, the unquoted portfolio returned 2.4%, compared to the Index return of -9.8%

Over the past 36 months, we've highlighted our decision to move away from investing in individual unquoted companies to investing in SV Fund VI, a venture capital fund. The strategy switch has been successful given both the strength of returns from SV Fund VI since we first invested, and the reduction in volatility it brings to our unquoted portfolio. Additionally, the performance in this period has been driven by the directly-held unquoted companies. This underlines our belief that these investments are not a dwindling legacy portfolio to be overlooked, but rather a portfolio of carefully selected investments still capable of delivering significant returns.

The most significant contributions to NAV were made by Ikano and Kalvista.

Ikano sold its Midazolam nasal spray reformulation, for treatment of epilepsy, to Upsher Smith's Proximagen business in 2010. The deal was subject to a number of milestones, including approval of the drug by the FDA. In April 2018, UCB acquired the product from Proximagen and an NDA was filed with the FDA in Q3 last year. In a letter to Ikano rights holders in early 2019, UCB explained there had been no issues with the NDA or the FDA investigation of manufacturing facilities to-date, indicating it expected approval in mid-2019. The increased probability of receiving this milestone payment led to the Company increasing the valuation of the Ikano contingent receivable.



Kalvista, which listed in 2016 but remains part of the unquoted portfolio, saw its share price increase 32.6% in the period. It's clinical trial candidates for treatment of Acute Heriditary, Angioedema and Diabetic Macular Edema appear to be progressing well and the company received buy ratings from a number of analysts on initiation of coverage. The Company decided to crystalise some of these returns in the period, selling almost one-third of its Kalvista holding.

In addition, the Company also sold its entire holding in another former unquoted company, Transenterix. The Company received £4.4m at an average of \$6.50 per share, selling at the stock's peak valuation. As at 28 February 2019, the stock was trading just north of \$3 per share. The sale realised a gain of £3.2m and, along with the gains realised from the Kalvista sale, resulted in the accrual of a £821,000 performance fee.

During the period under review, we invested a further £0.6m of our commitment into SV Fund VI following receipt of a capital call notice from the Fund. The total committed capital is now £20.2m. SV Fund VI also began to yield realised returns, with the fund distributing £1.6m to the Company in January 2019. The distributions represent returns from two investments which are now listed, covering the cost of each of these investments. SV Fund VI still retains over two-thirds of its holding in both companies. Any future returns from these holdings will represent realised gains to SV Fund VI and therefore the Company. Moreover, the majority of the 22 investments within SV Fund VI are still early-stage, being held at or near cost. Given SV's track record of top quartile venture performance in its previous five funds, we remain positive about future returns on our investment.

SUMMARY OF UNQUOTED INVESTMENTS

| | Number of investments | Fair value at 28 February 2019 (£'m) | Percentage of NAV |
|--|-----------------------|--|----------------------|
| Unquoted | 8 | 6.6 | 2.8% |
| Exited with contingent milestones | 5 | 6.2 | 2.6% |
| SV Fund VI* | 22* | 18.7 | 7.9% |
| Total unquoted | 35 | 31.5 | 13.3% |
| Previously unquoted, now listed | 3 | 4.6 | 2.0% |
| Total unquoted for performance measurement | 38 | 36.1 | 15.3% |

^{*} The number of investments listed within SV Fund VI represents the number of investments into underlying individual portfolio companies.



Outlook

After the market retractions in late 2018, followed by a strong recovery in early 2019, there remains a sense of uncertainty about where the market will head next. Political turmoil caused by Brexit, the fiscal dilemmas facing a number of EU states, China-US trade tensions and a slowdown in global growth all contribute to concerns. However, should solutions be found to the political issues and fears over an impending US recession prove unfounded, the market may climb higher.

As a result, we leave speculation on such matters to others and do not allow short-term market sentiment to affect our long-term view. In a sector with strong fundamental growth characteristics, the long-term view is crucial to finding the best opportunities and maximising returns for our investors.

Despite the recent uncertainty, the biotechnology sector is as strong as ever. In 2018, the FDA approved a record 59 new drugs, demonstrating its willingness to foster innovation, particularly in areas of high unmet medical need, an area in which the Company is heavily invested.

Pricing concerns are likely to remain a focus for established drugs in competitively crowded areas, such as diabetes and inflammatory conditions, which make up a large proportion of the overall cost burden of prescription drugs. However, pricing controls to-date have not been aimed at the innovative companies in which we like to invest, but rather limiting increases from the branded market and increasing the approval rate of generics to challenge those branded drugs Therefore, larger pharmaceutical companies will be under more pressure to embark on replenishing their pipelines through M&A to drive top-line growth, to offset the fact they can't rely on ratcheting up prices of legacy drugs. As a result, we expect to continue maximising returns through M&A transactions in the future.

Rather than trying to predict the future, we continue to do what we do best: careful bottom-up stock selection combined with a rigorous, news flow informed active management approach to drive long-term outperformance.

CARL HARALD JANSON, SV HEALTH MANAGERS LLP Lead Investment Manager





We continue to do what we do best: careful bottom-up stock selection combined with a rigorous, newsflow driven active management approach to drive long-term outperformance.



STATEMENT OF COMPREHENSIVE INCOME

| | | For the | (Unaudited) For the six months ended 28 February 2019 | | For the | (Unaudited) For the six months ended 28 February 2018 | | | (Audited) For the year ended 31 August 2018 | | |
|---|-------|------------------|---|----------------|------------------|---|----------------|------------------|---|----------------|--|
| | Notes | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £′000 | |
| (Losses)/gains on investments held at fair value | | _ | (21,056) | (21,056) | _ | (20,793) | (20,793) | _ | 21,591 | 21,591 | |
| Exchange gains on currency balances | | _ | 14 | 14 | _ | 995 | 995 | _ | 1,049 | 1,049 | |
| Income | 2 | 214 | _ | 214 | 238 | _ | 238 | 380 | _ | 380 | |
| Expenses | | | | | | | | | | | |
| Management fees | | (798) | _ | (798) | (805) | _ | (805) | (1,605) | _ | (1,605) | |
| Performance fee | | _ | (821) | (821) | _ | _ | _ | _ | (93) | (93) | |
| Administrative expenses | | (376) | _ | (376) | (544) | _ | (544) | (1,096) | _ | (1,096) | |
| (Loss)/profit before finance costs and tax | | (960) | (21,863) | (22,823) | (1,111) | (19,798) | (20,909) | (2,321) | 22,547 | 20,226 | |
| Finance costs | | | | | | | | | | | |
| Interest payable | | (31) | _ | (31) | (147) | _ | (147) | (218) | _ | (218) | |
| (Loss)/profit on ordinary activities before tax | | (991) | (21,863) | (22,854) | (1,258) | (19,798) | (21,056) | (2,539) | 22,547 | 20,008 | |
| Taxation | | (28) | _ | (28) | (34) | _ | (34) | (48) | _ | (48) | |
| (Loss)/profit for the period attributable to Shareholders | | (1,019) | (21,863) | (22,882) | (1,292) | (19,798) | (21,090) | (2,587) | 22,547 | 19,960 | |
| (Loss)/earnings per Ordinary share | 3 | (2.71)p | (58.14)p | (60.85)p | (3.44)p | (52.73)p | (56.17)p | (6.89)p | 60.05p | 53.16p | |

The total column of this statement represents the Company's Statement of Comprehensive Income prepared in accordance with IFRSs as adopted by the EU.

The Company does not have any other comprehensive income and hence the net (loss)/profit for the six months, as disclosed above, is the same as the Company's total comprehensive income.

The revenue and capital columns are supplementary and are prepared under guidance published by the AIC.



STATEMENT OF CHANGES IN EQUITY

| For the six months ended 28 February 2019 (Unaudited) | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total £'000 | |
|--|--|--------------------------------------|---|------------------------------|-----------------------------|----------------|--|
| Balance at 1 September 2018 | 10,335 | 18,805 | 31,482 | 238,494 | (36,643) | 262,473 | |
| Transactions with owners, recorded directly to equity: | | | | | | | |
| Issue of Ordinary shares from treasury | _ | 405 | _ | 1,438 | _ | 1,843 | |
| Total Comprehensive Income: | | | | | | | |
| Loss for the period | _ | _ | _ | (21,863) | (1,019) | (22,882) | |
| Dividend paid in the period | _ | _ | _ | (5,267) | _ | (5,267) | |
| Balance at 28 February 2019 | 10,335 | 19,210 | 31,482 | 212,802 | (37,662) | 236,167 | |

| For the six months ended 28 February 2018 (Unaudited) | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £′000 | Capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
|--|--|--------------------------------------|----------------------------------|------------------------------|-----------------------------|----------------|
| Balance at 1 September 2017 | 10,335 | 18,805 | 31,482 | 226,085 | (34,056) | 252,651 |
| Total Comprehensive Income: | | | | | | |
| Loss for the period | _ | _ | _ | (19,798) | (1,292) | (21,090) |
| Dividend paid in the period | _ | _ | _ | (5,069) | _ | (5,069) |
| Balance at 28 February 2018 | 10,335 | 18,805 | 31,482 | 201,218 | (35,348) | 226,492 |

| For the year ended 31 August 2018 (Audited) | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total £′000 |
|--|--|--------------------------------------|---|------------------------------|-----------------------------|----------------|
| Balance at 1 September 2017 | 10,335 | 18,805 | 31,482 | 226,085 | (34,056) | 252,651 |
| Total Comprehensive Income: | | | | | | |
| Profit/(loss) for the year | _ | _ | _ | 22,547 | (2,587) | 19,960 |
| Dividend paid in the period | _ | _ | _ | (10,138) | _ | (10,138) |
| Balance at 31 August 2018 | 10,335 | 18,805 | 31,482 | 238,494 | (36,643) | 262,473 |



BALANCE SHEET

| | | (1 lo a codit — 1) | /1 l.s | (Audited) |
|---|-------|-------------------------------|-------------------------------|---------------|
| | | (Unaudited) At 28 February | (Unaudited) At 28 February | At 31 August |
| | Notes | 2019 £'000 | 2018 £'000 | 2018 £'000 |
| Non-current assets | | | | |
| Investments held at fair value through profit or loss | | 239,668 | 238,628 | 263,025 |
| | | 239,668 | 238,628 | 263,025 |
| Current assets | | | | |
| Receivables | | 142 | 77 | 50 |
| Cash and cash equivalents | | 10,424 | 40 | 142 |
| | | 10,566 | 117 | 192 |
| Total assets | | 250,234 | 238,745 | 263,217 |
| Current liabilities | | | | |
| Borrowings | | _ | (11,663) | (374) |
| Payables | | (14,067) | (590) | (370) |
| | | (14,067) | (12,253) | (744) |
| Net assets | | 236,167 | 226,492 | 262,473 |
| Equity attributable to equity holders | | | | |
| Called up share capital | | 10,335 | 10,335 | 10,335 |
| Share premium account | | 19,210 | 18,805 | 18,805 |
| Capital redemption reserve | | 31,482 | 31,482 | 31,482 |
| Capital reserves | 4 | 212,802 | 201,218 | 238,494 |
| Revenue reserve | | (37,662) | (35,348) | (36,643) |
| Total equity | | 236,167 | 226,492 | 262,473 |
| NAV per Ordinary share | 5 | 623.99p | 603.21p | 699.04p |
| | | | | |



CASH FLOW STATEMENT

| | (Unaudited) For the six months ended 28 February 2019 £'000 | (Unaudited) For the six months ended 28 February 2018 £'000 | (Audited) For the year ended 31 August 2018 £'000 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| (Loss)/profit before tax | (22,854) | (21,056) | 20,008 |
| Adjustments for: | | | |
| Decrease in investments | 23,357 | 30,745 | 6,348 |
| (Increase)/decrease in receivables | (92) | 2,759 | 2,786 |
| Increase/(decrease) in payables | 13,697 | (12,704) | (12,924) |
| Taxation | (28) | (34) | (48) |
| Net cash inflow/(outflow) generated from operating activities | 14,080 | (290) | 16,170 |
| Cash flows from financing activities | | | |
| Shares issued from treasury | 1,843 | _ | _ |
| Dividend paid | (5,267) | (5,069) | (10,138) |
| Net cash used in financing activities | (3,424) | (5,069) | (10,138) |
| Net increase/(decrease) in cash and cash equivalents | 10,656 | (5,359) | 6,032 |
| Cash and cash equivalents at beginning of period | (232) | (6,264) | (6,264) |
| Cash and cash equivalents at end of period | 10,424 | (11,623) | (232) |



NOTES TO THE FINANCIAL STATEMENTS

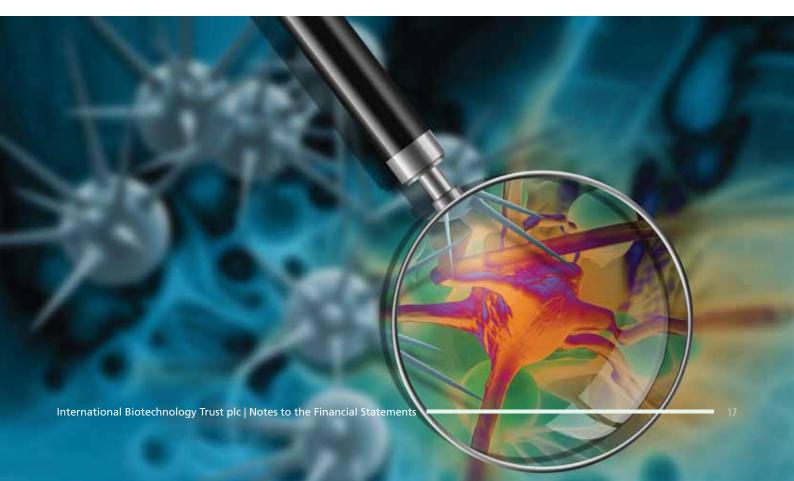
1. ACCOUNTING POLICIES

The Financial Statements have been prepared on a going concern basis, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the accounting policies set out in the statutory accounts of the Company for the year ended 31 August 2018. Where presentational guidance set out in the Statement of Recommended Practice (the SORP) for investment trusts issued by the Association of Investment Companies in November 2014 and updated in February 2018 with consequential amendments, is consistent with the requirements of IFRS, the accounts have been prepared on a basis compliant with the recommendations of the SORP.

The financial information for each of the six month periods ended 28 February 2019 and 28 February 2018 comprises non-statutory accounts within the meaning of Sections 434 - 436 of the Companies Act 2006 (the Act). The financial information for the year ended 31 August 2018 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Act.

The Company has reviewed the guidance issued by the Financial Reporting Council (FRC) in order to determine whether the going concern basis should be used in preparing the Financial Statements for the six months ended 28 February 2019. The Directors have reviewed the likely operational costs and cash flows for the Company for the 12 months from the date of this Interim Report, and are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors believe that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as there are no material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's principal risks and uncertainties remained unchanged to those described in the Annual Report for the year ended 31 August 2018. These include strategy/performance risk, investment related risks, currency risk, discount to the NAV, operational risks and tax, legal and regulatory 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 Report for the year ended 31 August 2018 as well as note 23 entitled "Financial Instruments and Risk Management".





NOTES TO THE FINANCIAL STATEMENTS

2. INCOME

| | (Unaudited) For the six months ended 28 February 2019 £'000 | (Unaudited) For the six months ended 28 February 2018 £'000 | (Audited) For the year ended 31 August 2018 £'000 |
|--|---|---|---|
| Revenue: | | | |
| Income from investments held at fair value through profit or loss: | | | |
| Unfranked dividends | 189 | 238 | 379 |
| Other income: | | | |
| Bank interest | 25 | _ | 1 |
| | 214 | 238 | 380 |

3. NET (LOSS)/EARNINGS PER ORDINARY SHARE

| | (Unaudited) For the six months ended 28 February 2019 | (Unaudited) For the six months ended 28 February 2018 | (Audited) For the year ended 31 August 2018 |
|--|--|--|--|
| Net revenue loss (£'000) | (1,019) | (1,292) | (2,587) |
| Net capital (loss)/profit (£'000) | (21,863) | (19,798) | 22,547 |
| | (22,882) | (21,090) | 19,960 |
| Weighted average number of Ordinary shares in issue* | 37,601,945 | 37,547,663 | 37,547,663 |
| Revenue loss per Ordinary share | (2.71)p | (3.44)p | (6.89)p |
| Capital (loss)/profit per Ordinary share | (58.14)p | (52.73)p | 60.05p |
| Total (loss)/earnings per Ordinary share | (60.85)p | (56.17)p | 53.16p |

^{*} Excluding those held in treasury.

4. CAPITAL RESERVES

The capital reserve account comprises both realised gains on investments sold and unrealised gains and losses on investments held, which are analysed as follows:

| | (Unaudited) At 28 February 2019 £'000 | (Unaudited) At 28 February 2018 £'000 | (Audited) At 31 August 2018 £'000 |
|---------------------------------------|--|--|--|
| Capital reserve - on investments sold | 201,371 | 207,601 | 206,604 |
| Capital reserve - on investments held | 11,431 | (6,383) | 31,890 |
| | 212,802 | 201,218 | 238,494 |



NOTES TO THE FINANCIAL STATEMENTS

5. NAV PER ORDINARY SHARE

| | (Unaudited) At 28 February 2019 | (Unaudited) At 28 February 2018 | (Audited) At 31 August 2018 |
|--|---------------------------------------|---------------------------------------|-----------------------------------|
| Net assets attributable to Ordinary Shareholders (£'000) | 236,167 | 226,492 | 262,473 |
| Ordinary shares in issue at end of period* | 37,847,663 | 37,547,663 | 37,547,663 |
| NAV per Ordinary Share | 623.99p | 603.21p | 699.04p |

^{*} Excludes those held in treasury (28 February 2019: 3,495,000; 31 August 2018: 3,795,000; 28 February 2018: 3,795,000)

6. RELATED PARTY TRANSACTIONS

There have been no related party transactions that have materially affected the financial position or the performance of the Company during the six months ended 28 February 2019.

(a) Transactions with the Fund Manager

Details of the management fee arrangement are given in the Directors' Report on page 22 of the Annual Report for the year ended 31 August 2018. Following the investment into the SV Fund VI venture capital fund on 3 October 2016, a portion of the management fee has been paid via fees due on this investment, with the remaining fees charged directly to the Company. The amounts paid can be seen in the table below and continue to total 0.9% of NAV. In the prior year fees of £1,055,111 were paid in the six months ended 28 February 2018.

| Fees paid to the Fund Manager | (Unaudited) At 28 February 2019 £'000 | (Unaudited) At 28 February 2018 £'000 | (Audited) At 31 August 2018 £'000 |
|---|--|--|--|
| Venture Capital Fees paid through SV Fund VI | 253,870 | 249,540 | 503,160 |
| Management fee paid by the Company directly to the Fund Manager | 798,060 | 805,571 | 1,605,410 |
| Total | 1,051,930 | 1,055,111 | 2,108,570 |

A performance fee of £821,000 has been accrued as at 28 February 2019 (Nil accrued as at 28 February 2018). The final performance fee as at 31 August 2018 was £93,000.

(b) Related Party transactions

The Directors of the Company are key management personnel. The total remuneration payable to Directors in respect of the six months ended 28 February 2019 was £66,500 (28 February 2018: £74,200), of which £66,500 (28 February 2018: £33,900), was outstanding at the period end.



DIRECTORS' RESPONSIBILITY STATEMENT

In respect of the Interim Report for the six months ended 28 February 2019, we confirm that, to the best of our knowledge:

- the condensed set of Financial Statements contained within have been have been prepared in accordance with IAS 34 "Interim Financial Reporting"; and gives a true and fair view of the assets, liabilities, financial position and proft and loss of the Company as at 28 February 2019 as required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 4.2.4R;
- the Interim Report includes a fair review as required by Disclosure Guidance and Transparency Rule 4.2.7R, of important events that have occurred during the six months ended 28 February 2019 and their impact on the condensed set of Financial Statements, and a description of the principal risks and uncertainities for the remaining six months of the financial year; and

 the Interim Report includes a fair review of the information concerning related party transactions as required by Disclosure Guidance and Transparency Rule 4.2.8R.

The Interim Report has not been reviewed or audited by the Company's auditors.

The Interim Report for the six months ended 28 February 2019 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

JOHN ASTON | Chairman 25 April 2019





COMPANY SUMMARY AND SHAREHOLDER INFORMATION

Company Status

The Company was established in 1994 as an independent investment trust whose shares are listed on the London Stock Exchange (Ordinary shares: ISIN: GB0004559349; EPIC Code: IBT). The Company is registered in England and Wales with a Company number: 2892872.

Life of the Company

The Company's Articles of Association provide for Directors to put forward a proposal for the continuation of the Company at the Company's Annual General Meeting (AGM) at two-yearly intervals. Accordingly, a proposal will be put forward at the AGM to be held in December 2019.

Share Price and NAV Information

The Company's shares are listed on the London Stock Exchange. The Company's share price is quoted daily in The Financial Times.

The Company releases its NAV per share to the market on a daily hasis

Association of Investment Companies

The Company is a member of the Association of Investment Companies (the AIC). Further information on the AIC can be found at its website, www.theaic.co.uk

Financial Calendar

| 31 January | Payment of first interim dividend |
|------------|------------------------------------|
| 25 April | Interim Results announced |
| August | Payment of second interim dividend |
| 31 August | Year End |
| November | Annual Results announced |
| December | AGM |

Shares in Issue

As at 25 April 2019, the Company had 41,342,663 Ordinary shares of 25p each in issue, which included 3,420,000 Ordinary shares held in treasury.

Website

The Company's website is located at: www.ibtplc.com.

The site provides share price and NAV information as well as details of the Board of Directors and SV Health Managers LLP, information on investee companies, monthly fact sheets, the latest published Annual and Interim Reports and access to recent market announcements.





DIRECTORS AND ADVISERS

Directors

John Aston OBE (Chairman)
Dr Véronique Bouchet (Senior Independent Director)
Caroline Gulliver (Audit Committee Chairman)
Jim Horsburgh

Fund Manager and AIFM

SV Health Managers LLP 71 Kingsway, London WC2B 6ST Telephone: 020 7421 7070

Company Secretary and Registered Office

BNP Paribas Secretarial Services Limited 10 Harewood Avenue, London NW1 6AA Telephone: 020 7410 5971

Email: secretarialservice@uk.bnpparibas.com

Administrator, Banker and Custodian

HSBC Bank PLC 8 Canada Square, London E14 5HQ

Independent Auditor

PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditor Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

Stockbroker

Cenkos Securities Limited 6.7.8 Tokenhouse Yard, London EC2R 7AS

Registrar

Equiniti Limited
Aspect House, Spencer Road
Lancing, West Sussex BN99 6DA
Shareholder Helpline: 0371 384 2624*
Overseas Helpline: +44 121 415 7047
Website: www.shareview.co.uk

* Lines are open from 8.30am to 5.30pm Monday to Friday (excluding public holidays in England and Wales).





