



PUMA ALPHA VCT

INTERIM REPORT

For the period ended
31 August 2020

Officers and Professional Advisers

DIRECTORS

Egmont Kock (Chairman)
Richard Oirschot
Michael van Messel

SECRETARY

Paul Frost

REGISTERED NUMBER

11939975

REGISTERED OFFICE

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London SW1A 1LD

INVESTMENT MANAGER AND ADMINISTRATOR

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Surrey KT12 1RZ

AUDITORS

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Chartered Accountants
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SPONSORS AND SOLICITORS

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London SE1 9BG

BANKERS

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2 ½ Devonshire Square
London EC2M 4BA

VCT TAX ADVISOR

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

CUSTODIAN

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1 Canada Square
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2 Chairman's Statement

Highlights

- α Strong performance within the portfolio leading to an increase in Net Asset Value ("NAV")
- α NAV returning to above 100p per share
- α Significant portion of NAV still held as cash to exploit the "new normal"

Your Board is pleased to present the first half-yearly report for Puma Alpha VCT plc ("the Company") for the period to 31 August 2020.

Fundraising

We are happy to report that at the period end the Company had raised £5.9 million and since the period end a further £1.7 million has been raised. The Company's shares were admitted for listing on the premium market of the London Stock Exchange in June 2020.

Puma Alpha VCT was the largest new VCT on the market at the end of the 2019/20 tax year and has continued to raise into the new tax year despite the significant market disruption arising from Covid-19 and its knock-on effects.

Despite this being a time of great uncertainty, the Company's offer of tax advantaged investment into well-run, innovative, scale-up businesses is chiming with investors. A particularly attractive feature of the Company is that it is still young. As a relatively new VCT, it can respond with agility to the current climate and position itself well via future investment into businesses that have

proven they can withstand the challenges and benefit from the opportunities presented by the current economic environment.

We believe its sector agnostic investment mandate and ability to co-invest with other Puma funds has also resonated with investors. This combination delivers portfolio diversification and enables swifter deployment of funds, giving investors access to a wider pool of investments.

Investment Portfolio

We are pleased to report that, despite only having been launched in January 2020, the Company had made three qualifying investments up to period end (alongside other Puma managed funds) and has made a subsequent investment post period. These investments are: £475,000 into British automotive engineering firm Dymag; £719,000 into cycling apparel business Le Col and £600,000 into health and wellness engagement business Tictrac. These were followed post year end by a £950,000 investment into human resources digital platform provider, MyKindaCrowd. Given the impact of Covid-19, this is good progress.

Within the portfolio, Le Col in particular has recorded an impressive year of trade and has contributed to an increase in the NAV of the company. That, together with the significant portion of its NAV held in cash, leaves the Company well positioned to continue building a compelling portfolio of 'post-Covid' opportunities, without the large legacy portfolios that many other VCTs will be managing through the current crisis and for the foreseeable future.

At the time of writing, we are encouraged by the flow of prospective qualifying investments which are under consideration by the Manager, including through the Covid-19 crisis so far. The investment team is in execution phase with three further potential investments so we take comfort that we will continue to make good progress in executing our investment strategy and, of course, in meeting our qualifying deployment tests as a VCT.

Net Asset Value

The Company's NAV stood at 104.35p at the period end of 31 August 2020. The Company's profit for the period was £451,000, driven by the upwards revaluation in Le Col, mentioned above. The Company has not to date held listed equities or other liquidity management tools outside cash, so has not suffered from the associated volatility. Allocation of non-qualifying holdings will continue to be considered by the Investment Manager as the economic outlook and global policy response to the Covid-19 crisis continue to evolve.

VCT qualifying status

PricewaterhouseCoopers LLP ("PwC") provides the Board and the Investment Manager with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs and has reported no issues in this regard for the Company to date. PwC and other specialist advisors will continue to assist the Investment Manager in establishing the status of potential investments as qualifying holdings. PwC will continue to monitor rule compliance and maintaining the qualifying status of the Company's holdings in the future.

Outlook

The critical thing now is to ensure Puma Alpha VCT remains well-positioned as we continue in our current environment. Notwithstanding the ongoing uncertainty caused by the Covid-19 pandemic and the effect of subsequent government measures on many SMEs, we continue to look to the future with confidence. As a series, the Puma VCTs have invested into 47 qualifying companies. The Manager's extensive experience has proved particularly valuable in helping the Company's portfolio businesses navigate the current challenges and position themselves to take advantage of growth opportunities that are arising.

The UK also benefits from an active SME ecosystem and the Manager has a strong reputation as a provider of capital to well-managed, later-stage businesses. Furthermore, despite pressure on the banks for more activity in support of SMEs, bank lending remains very challenging for even the best small businesses. This, coupled with the institutional support that the Manager is able to offer its portfolio companies makes - in our view - an equity offer from the Company even more compelling.

In addition, as a relatively new VCT, the Manager has greater agility in scanning the market for businesses that have demonstrated resilience during unprecedented levels of turbulence - enabling it to be opportunistic in seeking the best possible scenarios for investment. We therefore consider the Company to be strongly positioned to assemble a portfolio capable of delivering attractive returns to shareholders.

Egmont Kock Chairman

27 November 2020



4 Financial Highlights

AS AT 31 AUGUST 2020

£6.1m

Net Assets

104.35p

Net Asset per Ordinary Share

8.15p

Return per Ordinary Share*

£451k

Company Profit for the Period

43%

Increase of Portfolio Value over Cost

£3.57m

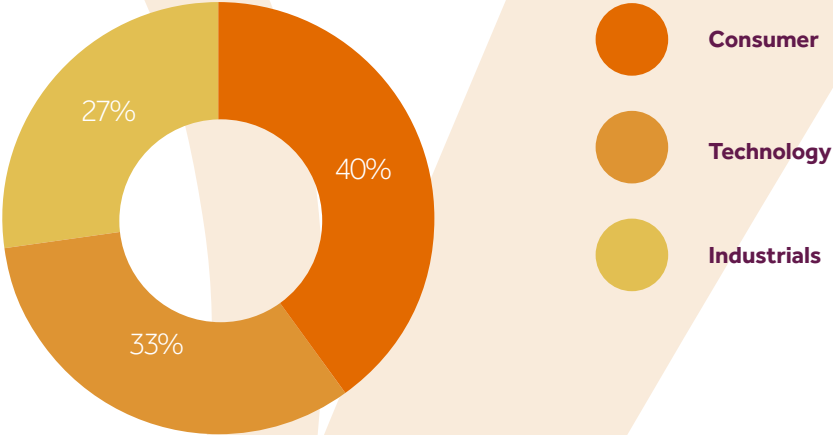
Cash Available for New Investments

*Number of Ordinary Shares taken to be the weighted average of the number of shares in issue across the period.

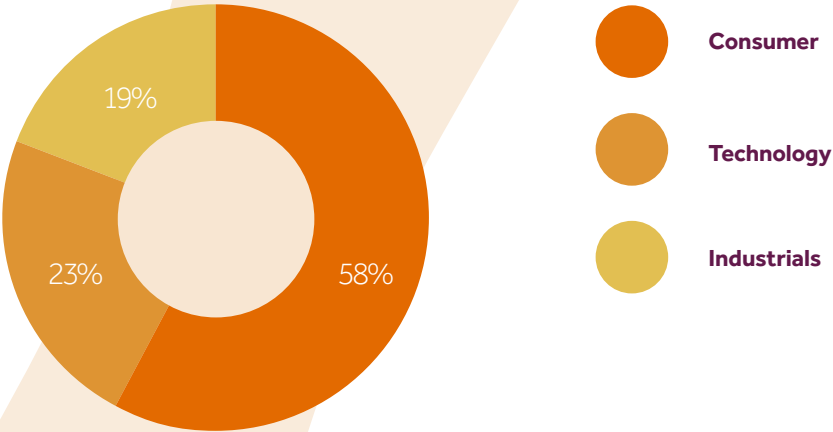
Portfolio Diversification

AS AT 31 AUGUST 2020

Sector by investment cost



Sector by investment value



6 Investment Manager's Report

INTRODUCTION

During the period covered by these interim results, and following, economic activity has continued to be dominated by the policy response to the Covid-19 pandemic. These are unprecedented times that have disrupted personal and working life for almost everyone. Critically they have also disrupted consumption patterns, which has the potential to lead to significant shifts in market share from incumbents to newer players.

Since the pandemic's onset we have drawn on our longstanding experience to support our management teams. By leveraging our own advisers, we were able to provide specialist guidance on key topics such as employment law, UK government support schemes and cyber-security. This enabled management teams to focus on more immediate developments arising from the pandemic, with the hopes of minimising its negative effects where possible.

Since the release of the Company's full year report and accounts, we have continued to work with our portfolio companies to protect shareholder value but have also, increasingly looked to new opportunities. As ever, the ability to innovate is key and a number of our portfolio management teams have proven themselves adept at expanding or pivoting their offering to meet new needs arising from the crisis.

The Company's objective is to provide funding to growing SMEs in the UK, aiming to give investors exposure to quality operating businesses with strong management teams in sectors providing structural support for growth. Through its sector agnostic mandate, it seeks to provide funding to assist the growth of a diversified portfolio of investments, which should allow the Company to capture significant upside from individual positions but also provide resilience in the event of an economic downturn. Having been put to the test as a result of the pandemic, this approach has proven reassuringly successful and we remain positive in our outlook for the Company.

Rupert West
Managing Director,
Puma Private Equity
27 November 2020



QUALIFYING INVESTMENTS



DYMAG GROUP LIMITED

In January 2020, the Company invested £475,000 (as part of a £1.2 million investment, alongside other Puma funds) into Dymag Group Limited, the British designer and manufacturer of carbon hybrid automotive wheels. These are high end, lightweight wheels for performance use. Dymag continued to operate throughout the first Covid-19 lockdown with a skeleton staff, the remaining staff either working from home or furloughed.

Immediately pre-Covid-19, the global market for carbon automotive wheels was growing strongly, with several major production programmes announced from larger Original Equipment Manufacturers ("OEMs"). During the crisis, and in line with the rest of the automotive sector, the company's revenue levels were impacted, with aftermarket automotive wheel sales in particular being below forecast levels.

The longer-term prospects of the technology and its adoption by mainstream car manufacturers remain highly promising. Dymag has enjoyed strong customer engagement over the summer and has entered into agreements to be featured on a number of upcoming hyper- and super-car projects. On 10th October 2020, Dymag wheels were used on an SSC Tuatara car to set a new land-speed record for production cars, reaching 331mph.

The focus will now be on 2021 sales to OEMs and the aftermarket.

£4.8m
Total investment

 **PARTICIPATION**
£475,000

 **SECTOR**
Automotive

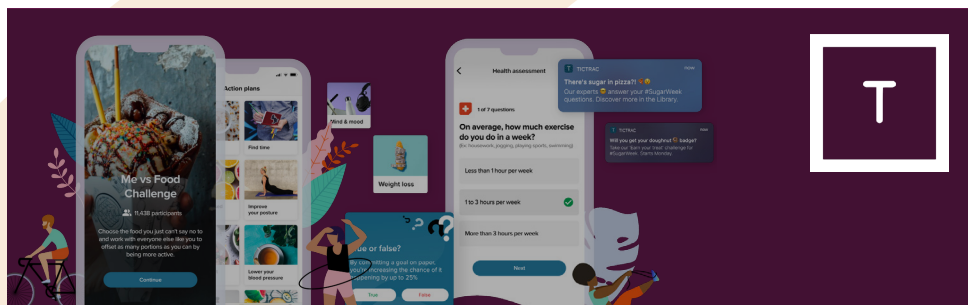
 **LOCATION**
Wiltshire

 **ESTABLISHED**
2012

 **EXPANSION**
UK, North America and Japan

	31st Aug 2020	29th Feb 2020
Total investment from Puma funds	£4,800,000	£4,800,000
Alpha VCT investment participation	£475,000	£475,000
Equity Valuation	£475,000	£475,000
MOIC (Multiple of Investment Cost)	1.00x	1.00x

8 Investment Manager's Report continued



TICTRAC LIMITED

In March 2020, the Company invested £600,000 (as part of a £5 million investment, alongside other Puma funds) into Tictrac Limited. Tictrac offers an advanced health and wellness app for insurance companies and corporate clients to provide to their user bases. The app integrates data from wearable technology, delivering it to end users in a digestible format to drive up levels of engagement and increase customer loyalty.

Tictrac has an impressive client base that ranges from globally recognised insurance providers such as Aviva, Allianz and Prudential to government health bodies, having established strong relationships across the industry. Created in 2010, its founders have assembled a high-quality management team to propel the business' future growth.

The Covid-19 pandemic has placed renewed emphasis on employers to focus on the health and wellbeing of all employees. While continuing to work with its existing clients on roll-out, during the crisis the company has offered its employee wellbeing platform on a free trial basis to UK employers to support their workforce, a number of which have now converted to paying clients.

£5m

Total investment

 **PARTICIPATION**
£600,000

 **SECTOR**
Health Engagement Platform

 **LOCATION**
London

 **ESTABLISHED**
2010

 **EXPANSION**
Roll out of SaaS model

	31st Aug 2020	29th Feb 2020
Total investment from Puma funds	£5,000,000	-
Alpha VCT investment participation	£600,000	-
Equity Valuation	£600,000	-
MOIC (Multiple of Investment Cost)	1.00x	-



LE COL HOLDINGS LIMITED

In late 2019 and early 2020, the Company invested a total of £719,000 (as part of a £4.85 million investment, £2.5 million of which came as a second tranche, alongside other Puma funds) into Le Col Holdings Limited, a leading British performance cycling clothing brand, founded by ex-professional cyclist Yanto Barker. Le Col uses the latest technology to provide high-performance kit with a quality formerly reserved for professionals.

During Puma's period of hold, Le Col's growth has been significant. In 2018, its revenues more than doubled and online sales grew six-fold, year-on-year, and it exported product to approximately 50 countries worldwide. In 2019, revenue grew by 70%. The investment has helped the company continue to develop its marketing strategy, through which it has driven growth in online sales, supported retail partnerships with e-tailers such as Wiggle and build high-profile partnerships including sponsorship of World Tour cycling's Team Bahrain McLaren. Among these numerous partnerships, the brand has gained further recognition through its collaboration with Sir Bradley Wiggins, who developed a signature range, Le Col by Wiggins, which has gone from strength to strength.

Since then, Le Col has also secured further partnerships including with Eurosport and Colnago. With increased focus on exercise during the Covid-19 crisis, online sales have continued to grow very strongly. Stock was carefully managed as the company's Italian factory closed briefly during the first lockdown, but no material interruptions were experienced by customers. The company recently won 'Best Leisure, Fitness & Outdoor Ecommerce' at the eCommerce Awards 2020. Le Col is now building on the marketing insights gained during this period and considering options for further expanding its market reach. The Company has increased the carrying value of its holding, generating an unrealised gain of £598,000 in the period.

£4.85m

Total investment



PARTICIPATION

£719,000



SECTOR

Sports apparel



LOCATION

London



ESTABLISHED

2011



EXPANSION

Now exporting to over 50 countries

	31st Aug 2020	29th Feb 2020
Total investment from Puma funds	£4,850,000	£3,800,000
Alpha VCT investment participation	£719,000	£450,000
Equity Valuation	£1,495,000	£628,000
MOIC (Multiple of Investment Cost)	2.08x	1.40x

10 Investment Manager's Report continued



MYKINDACROWD LIMITED

In November 2020, the Company invested £950,000 (Puma funds had previously invested £2.75 million) into MyKindaCrowd, (trading under the name MyKindaFuture ("MKF")). MKF is the UK's largest emerging talent specialist whose clients include BT, Deloitte, Cisco and Burberry.

Focusing its recruitment on young people, MKF aims to help students from a range of backgrounds develop employability skills and succeed in the workplace, whilst also supporting employers with their recruitment needs — from work experience and apprenticeships through to graduate programmes.

Throughout the Covid-19 crisis, MKF has continued to work closely with its customer base to help them manage HR engagement challenges. The company adapted its Connectr 2.0 platform, launched in February 2020, to create a product specifically focused on engaging with furloughed employees and in some cases to provide training. The company has also launched a partnership with Grant Thornton to offer shared expertise and skills to clients looking to support and reintegrate employees during this period.

£3.7m
Total investment

 **PARTICIPATION**
£950,000

 **SECTOR**
Human Resources
Technology

 **LOCATION**
London

 **ESTABLISHED**
2011

 **EXPANSION**
Nationwide

	Post Period End	29th Feb 2020
Total investment from Puma funds	£3,700,000	-
Alpha VCT investment participation	£950,000	-
Equity Valuation	£950,000	-
MOIC (Multiple of Investment Cost)	1.00x	-

INVESTMENT STRATEGY

We are pleased to have invested the Company's funds in four diverse businesses to date and we hope to further diversify the portfolio and exploit the post-Covid investment environment over the coming months. We remain focused on generating strong returns for the Company, whilst balancing these returns with maintaining an appropriate risk exposure. Overall, we are confident that the Company is well positioned to deliver attractive returns to shareholders in the medium to long term.

Puma Investment Management Limited

27 November 2020

12 Income Statement (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	Period ended 31 August 2020			Period ended 29 February 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on investments		-	598	598	-	178	178
		-	598	598	-	178	178
Investment management fees	4	(14)	(42)	(56)	(2)	(6)	(8)
Other expenses		(91)	-	(91)	(36)	-	(36)
		(105)	(42)	(147)	(38)	(6)	(44)
Profit/(loss) before taxation		(105)	556	451	(38)	172	134
Taxation		-	-	-	-	-	-
Profit/(loss) and total comprehensive income for the period		(105)	556	451	(38)	172	134
Basic and diluted return/(loss) per Ordinary Share (pence)	2	(1.90p)	10.05p	8.15p	(7.63p)	34.57p	26.94p

The total column of this statement is the profit and loss of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Balance Sheet (unaudited)

AS AT 31 AUGUST 2020

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	Note	As at 31 August 2020 £'000	As at 29 February 2020 £'000
Fixed Assets			
Investments	6	2,570	1,103
Current Assets			
Prepayments		96	585
Cash		3,575	2,455
		3,671	3,040
Creditors - amounts falling due within one year		(97)	(206)
Net Current Assets		3,574	2,834
Net Assets		6,144	3,937
Capital and Reserves			
Called up share capital		59	40
Share premium account		5,500	3,763
Capital reserve – realised		(48)	(6)
Capital reserve – unrealised		776	178
Revenue reserve		(143)	(38)
Total Equity		6,144	3,937
Net Asset Value per Ordinary Share	3	104.35p	98.27p

14 Cash Flow Statement (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2020

	Period ended 31 August 2020 €'000	Period ended 29 February 2020 €'000
Operating activities		
Profit after tax	451	134
Gain on investments	(598)	(178)
Decrease/(increase) in debtors	489	(13)
(Decrease)/increase in creditors	(109)	43
Net cash outflow from operating activities	233	(14)
Cash flow from investing activities		
Purchase of investments	(869)	(925)
Net cash used in investing activities	(869)	(925)
Cash flow from financing activities		
Net proceeds from issue of ordinary shares	1,756	3,381
Proceeds from issue of redeemable preference shares	-	13
Net cash generated from financing activities	1,756	3,394
Net increase in cash and cash equivalents	1,120	2,455
Cash and cash equivalents at the beginning of the period	2,455	-
Cash and cash equivalents at the end of the period	3,575	2,455

Statement of Changes in Equity

(unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2020

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	Called up share capital £'000	Share premium account £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance as at 11 April 2019	-	-	-	-	-	-
Shares issued in the period	40	3,966	-	-	-	4,006
Expenses of share issues	-	(203)	-	-	-	(203)
Total comprehensive income for the period	-	-	(6)	178	(38)	134
Balance as at 29 February 2020	40	3,763	(6)	178	(38)	3,937
Shares issued in the period	19	1,863	-	-	-	1,882
Expense of share issue	-	(126)	-	-	-	(126)
Total comprehensive income for the period	-	-	(42)	598	(105)	451
Balance as at 31 August 2020	59	5,500	(48)	776	(143)	6,144

16 Notes to the Interim Report

FOR THE PERIOD ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") and in accordance with the Financial Reporting Standard 102 ("FRS102").

2. RETURN PER ORDINARY SHARE

The total profit per share of 8.15p is based on the profit for the period of £451,000 and the weighted average number of shares in issue as at 31 August 2020 of 5,532,190 calculated from the date of the first receipt of proceeds from the issue of ordinary share capital.

3. NET ASSET VALUE PER SHARE

	As at 31 August 2020	As at 29 February 2020
Net assets	6,144,000	3,937,000
Shares in issue	5,887,851	4,006,472
Net asset value per share		
Basic	104.35p	98.27p
Diluted	104.35p	98.27p

4. MANAGEMENT FEES

The Company pays the Investment Manager an annual management fee of 2% of the Company's net assets. The fee is payable quarterly in arrears. The annual management fee is allocated 75% to capital and 25% to revenue.

5. FINANCIAL INFORMATION PROVIDED

The financial information for the period ended 31 August 2020 has not been audited and does not comprise full financial statements within the meaning of Section 423 of the Companies Act 2006. The interim financial statements have been prepared on the same basis as will be used to prepare the annual financial statements.

6. INVESTMENT PORTFOLIO SUMMARY

As at 31 August 2020

	Valuation £'000	Cost £'000	Gain/(loss) £'000	Valuation as a % of Net Assets
Qualifying Investments				
Le Col Holdings Limited	1,495	719	776	24%
Dymag Group Limited	475	475	-	8%
Tictrac Limited	600	600	-	10%
Total Qualifying Investments	2,570	1,794	776	42%
Total Investments	2,570	1,794	-	42%
Balance of Portfolio	3,574	3,574	-	58%
Net Assets	6,144	5,368	776	100%

Of the investments held at 31 August 2020, all are incorporated in England and Wales.

Copies of this Interim Statement will be made available on the website:
www.pumainvestments.co.uk/pages/view/investors-information-vcts



PUMA INVESTMENTS
Calculated Excellence

Investment Manager

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Puma Investments is a trading name of
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