INTERIM REPORT 2018

EXPERTISE AND INNOVATION IN FINANCIAL SERVICES

LumX Group Limited

Investment research
and
asset management

Contents

INTERIM REPORT JUNE 2018

LumX Group Limited[1] is an alternative investment specialist focused on bringing leading investment, risk management, and structuring solutions to our primarily institutional client base.

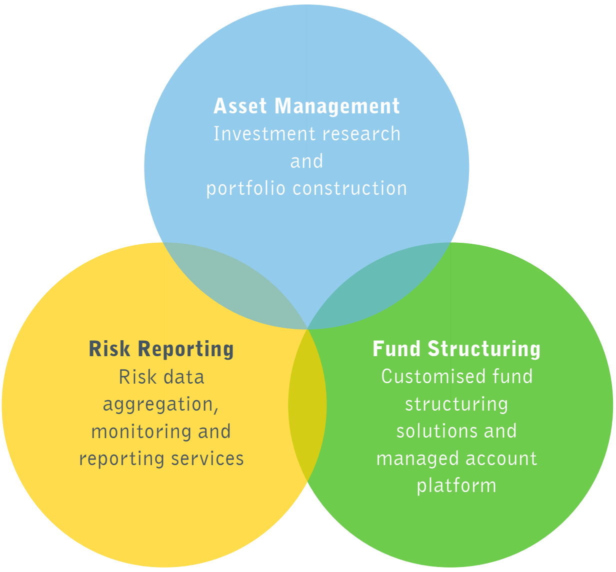
Business Highlights

- LumRisk, the Group's Fintech and also Regtech subsidiary, now has contractual agreements in place with 11 of the leading investment banks, which is expected to facilitate further client mandates in the alternative risk premia industry
- LumRisk selected for a significant mandate by a European institutional investor to provide position-level transparency and analysis on entire multi-asset portfolio for regulatory reporting purposes. This mandate will start on 1 January 2019
- Full-year revenues from LumRisk are anticipated to reach USD 2.5 million due to planned onboarding of new client mandates in H2 2018. Further revenue growth is expected for 2019
- The Group will actively look to raise direct capital in LumRisk in the near-term to fund its ambitious growth plans
- Renewed activity for LumMap fund structuring business, with second externally managed fund expected to launch in Q4
- Previously disclosed agreement with new strategic investor, China Silver Asset Management, relating to issue of convertible bonds in an aggregate amount of CHF 4.5 million, of which CHF 2.0 million has already been drawn down

Financial Highlights

- Gross revenues of USD 3.9 million
- Reduction of operating expenses by 11% on a like-for-like basis
- Net loss for the period of USD 4.5 million

Integrated offering of investment solutions



- A history of innovation and bespoke client solutions across all asset classes
- Highly structured and rigorous research and portfolio construction processes
- Proprietary risk management approach focusing on aggregated risk factor exposures

- Bespoke structuring solutions built from an asset allocator's perspective
- Experience of fund structures in multiple jurisdictions, and dedicated structure to meet managers' regulatory requirements in a strong risk-controls environment
- Segregated managed account platform covering a broad range of long-only and alternative strategies

- Advanced risk aggregation, analysis and reporting services with position-level transparency
- Cloud-based user-friendly interface & extensive database coverage
- Independent aggregator of multi-provider risk premia

[1] 'LumX' or 'the Company' and together with its subsidiaries, 'the Group'.

CHAIRMAN'S STATEMENT

Dear fellow shareholders,

The first half of the year witnessed an increase in market volatility, looming trade tensions, interest rate hikes and pressure on emerging markets. This environment has been beneficial for risk assets and the hedge fund industry delivered positive performance during the period, although alternative risk premia have generally underperformed.

In this context, and with the full support of both new and long-standing strategic stakeholders, the LumX Group has continued executing on its strategic decision to focus resources on developing the Group's three core businesses; asset management and advisory services (LumX), risk aggregation and reporting services (LumRisk), and fund structuring services (LumMap). While progress has been slower than originally anticipated in our asset management business, we have gained positive traction concerning our LumRisk platform. Our LumMap business expects to launch additional funds before year-end.

Significant milestones for LumRisk

LumRisk, our independent Fintech and also Regtech subsidiary, continues to be a major growth driver, with a substantial increase in new clients, which is expected to see additional mandates onboarded in the second half of 2018.

LumRisk provides clients with complete position-level transparency over their entire portfolios, across various asset classes and multiple providers, with the ability to aggregate the risk and position data of a full range of investment securities, from equities and bonds to complex derivatives. LumRisk's online portal is expected to become the industry standard risk and reporting tool for investors allocating to alternative risk premia. The potential for additional client mandates is expected to be facilitated as LumRisk now has contractual agreements with 11 of the leading global investment banks, representing approximately 80% coverage of the sector. I would like to take this opportunity to thank these pioneers for their confidence in LumRisk's innovative technology which is being used to serve their clients' needs.

LumRisk's expansion towards the potentially larger market of institutional multi-asset allocators has been confirmed with its recent selection by a large European asset owner for an integrated regulatory risk reporting solution across its entire portfolio, which will start in January 2019. LumRisk is seeing growing interest from global investors in its integrated and independent risk data aggregation, reporting and visualisation technology. It has hired additional quantitative analysts and continues to invest in its technology platform, striving to achieve the highest standards of security, speed, and scalability of the platform to cater for the expected growth of the business.

We intend to raise additional direct capital in the near-term for LumRisk to facilitate the execution of its ambitious expansion plans, fund its development needs and hire additional quantitative talent.

Renewed activity for LumMap

The LumMap fund structuring business expects to see the launch of a second fund structure in Q4 (the first launch took place in June 2018). LumMap is in ongoing discussions with managers, family offices, and external allocators looking for customised fund structuring solutions that also benefit from the full transparency provided by LumRisk. It offers managers a suitable structure to distribute their funds under AIFMD and offers allocators high standards of governance. We are closely monitoring the current Brexit negotiations and their potential impact on financial services in the UK and are keeping all options open in relation to our business.

Building on core strengths

The turnaround of our asset management business towards a more solution-oriented offering continues, although asset-raising was impacted by relatively poor performance of the broad universe of alternative risk premia so far this year. At the request of one of our key clients we successfully converted an existing risk premia account from a passive to an actively managed mandate during H1. Assets relating to our private wealth multi-asset offering have grown thanks to positive performance during the period. The orderly winddown of legacy multi-manager strategies continued during the first half of the year.

We remain true to our core skills, developed over 25 years, of constructing and managing tailor-made multi-asset, multi-strategy, multi-factor portfolios, and the advanced risk management of such portfolios based on position-level transparency and a customised approach for each client. Progress has been made on bringing to market our first in-house trend-following risk premium product, which will be followed up by FX and equity premia at a later stage.

We continue to evaluate the future direction and adjustment of our asset management offering with a view to creating value for all stakeholders.

Group Financials

The Group posted a loss of USD 4.5 million for the 6-month period to June 30, 2018. Our revenue mix continues to evolve, with a 13% increase of fees generated by our LumRisk subsidiary to USD 0.8 million compared with the same period in 2017, and a decrease of management fees from our legacy multi-manager business to USD 2.9 million. The Group anticipates full-year revenues from LumRisk to reach USD 2.5 million thanks to new client mandates that are expected to be onboarded in the second half of the year, with further revenue growth expected in 2019. Total net revenues for the Group were USD 3.8 million.

Operating costs were further streamlined by 11% on a like-for-like basis during the 6-month period to June 30, 2018, compared with the same period in 2017 and stood at USD 8.1 million.

The Group's cashflow position is expected to improve in 2019 as legacy obligations, equivalent to an expected USD 2.2 million in 2018, will no longer exist.

Personnel costs were USD 5.3 million, a reduction of 10% compared with the same period in 2017. Our current talent pool remais stable at 48 full time equivalent staff. The Group has implemented a new long-term incentive plan consisting of equity grants for select employees to ensure better alignment of interests with the Group and its shareholders and share in its future success.

In May 2018 the Group confirmed the signing of an agreement with a new strategic investor, CS Asia Opportunities Master Fund, relating to the issue of convertible bonds in an aggregate amount of CHF 4.5 million, of which CHF 2.0 million has already been drawn down. This additional financing allows the Group to continue executing its reorganisation plans and deliver on growth opportunities.

Outlook

The Group has worked hard to execute its strategy and put in place the necessary foundations to rebuild a sustainable business, maintaining cost efficiencies, and generating new revenue streams in the face of cashflow pressures.

While disappointed with the results for the first half of the year, and acknowledging the ongoing headwinds that we face, I am very encouraged by the growth prospects for the future, especially in relation to the LumRisk Fintech and also Regtech business. The substantial growth in the number of agreements with leading investment banks, its development of enhanced multi-asset risk aggregation and reporting capabilities, and various cutting-edge IT and development initiatives are anticipated to culminate in further opportunities to cater for a much wider client base.

In addition, LumRisk is having multiple conversations with large asset owners and asset managers interested in its technology for position-level risk analysis and regulatory reporting purposes. LumRisk is exploring different partnerships with market leading firms to develop a pipeline of new business opportunities across different geographic regions.

Our asset management business is facing challenges but continues to evolve in response to the demands of our sophisticated client base for customised solutions and advisory services focused on factor-based investing. I am pleased to report the recent launch of an in-house trend-following risk premia product, and the development of new products, such as focused multi-manager portfolios targeting niche and less well-known manager talent. Our multi-asset offering continues to grow, and our private client portfolios experienced positive performance during the period.

The efforts of our Board and management team to restructure the organisation has been matched by the shared belief, confidence and patience of our core stakeholders and trusted business partners, for which we are grateful. After speaking to various shareholders, I am reassured of their continuing support as we enter the next phase of our corporate turnaround. I am also heartened by the spirit and motivation of employees, without whom the future success of the Group could not be achieved. We continue to explore strategic and structural options, alliances, and synergies to reinforce each of the Group's core and non-core subsidiaries and to create added value for all involved.

Arpad Busson
Executive Chairman

UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Note	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Revenue	2	3,855	7,560
Referral fee expense	3	(67)	(519)
Net revenue		**3,788**	**7,041**
Operating costs from operations	5	(8,057)	(9,044)
Operating loss before depreciation, amortisation and impairment		**(4,269)**	**(2,003)**
Amortisation of intangible assets and depreciation of property, plant and equipment	5	(349)	(2,719)
Impairment of intangible assets	5	-	(90)
Operating results after depreciation, amortisation and impairment		**(4,618)**	**(4,812)**
Finance income	7	170	91
Finance cost	8	(115)	(13)
Net loss on financial assets	9	(10)	102
Share of post-tax profits/(losses) of associates		(150)	(69)
Loss before taxation		**(4,723)**	**(4,701)**
Income tax credit/(charge)	10	181	567
Loss for the period		**(4,542)**	**(4,134)**
Attributable to:			
Equity holders of the parent company		(4,552)	(4,155)
Non-controlling interest		10	21
Loss for the period		**(4,542)**	**(4,134)**
Loss per share for the period			
Basic and diluted, for loss for the year attributable to ordinary equity holders of the parent company (in USD)		(0.04)	(0.04)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Note	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Loss for the period		**(4,542)**	**(4,134)**
Items that will not be subsequently reclassified to profit and loss			
Actuarial gains/(losses) on defined benefit pension plans (net of tax)		-	-
Items that may be subsequently reclassified to profit and loss			
Exchange differences arising on translation of foreign operations		161	(135)
Other comprehensive income for the period, net of taxation		**161**	**(135)**
Total comprehensive loss for the period, net of tax		**(4,381)**	**(4,269)**
Attributable to :			
Equity holders of the parent company		(4,391)	(4,290)
Non-controlling interest		10	21
		(4,381)	**(4,269)**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	At 30 June 2018 USD 000	At 30 December 2017 USD 000
Non-current assets			
Goodwill	12	21,135	21,135
Intangible assets	20	1,162	713
Financial investments	13	1,849	2,014
Investment in associates		2,127	2,337
Property, plant and equipment		284	292
Other receivables	14	465	469
Deferred tax asset	21	2,010	2,010
		29,032	**28,970**
Current assets			
Trade debtors	14	2,599	2,541
Other receivables	14	918	578
Tax assets		3	3
Financial investments	13	-	2,000
Cash and cash equivalents		933	963
		4,453	**6,085**
Total assets		**33,485**	**35,055**
Share capital	17	10,624	10,259
Treasury shares		(1,284)	(1,301)
Other reserves		24,182	23,313
Retained earnings		(14,902)	(10,350)
Equity attributable to equity holders of the parent company		**18,620**	**21,921**
Non-controlling interest		3	(7)
Total equity		**18,623**	**21,914**
Non-current liabilities			
Accruals and other creditors	15	201	222
Retirement benefits liabilities		3,388	3,411
Deferred tax liabilities		-	161
		3,589	**3,794**
Current liabilities			
Trade creditors	15	3,022	2,774
Deferred income	15	277	341
Other payables	15	7,941	6,198
Current tax liabilities		33	34
		11,273	**9,347**
Total liabilities		**14,862**	**13,141**
Total equity and liabilities		**33,485**	**35,055**

Arpad Busson
Executive Chairman

Edgar Brandt
Chairman of the Audit Committee

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS THE SIX MONTHS ENDED 30 JUNE 2018

	Note	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Operating activities			
Loss before taxation		**(4,723)**	**(4,701)**
Adjustments for:			
Amortisation / impairment of intangible assets	20	287	2,719
Depreciation of property, plant and equipment		62	90
Share-based payments		225	55
Decrease/(increase) in receivables		(394)	(1,797)
Increase/(decrease) in payables		(480)	1,836
Income taxes received/(paid) (net)		-	(31)
Finance income		(170)	(91)
Finance cost		115	13
Net loss on financial assets	9	10	(102)
Share of post-tax (profits)/losses of associates		150	69
Net cash outflow from operating activities		**(4,918)**	**(1,940)**
Investing activities			
Dividends received	7	170	67
Other finance income received	7	-	24
Proceeds from sale of investments		2,147	1,323
Purchase of intangible assets	20	(762)	(148)
Purchase of property, plant and equipment		-	(120)
Net cash from investing activities		**1,555**	**1,146**
Financing activities			
Interest paid	8	(9)	(13)
Repayment of loan to related parties		(422)	(2,031)
Loan from related parties		949	-
Capital increase		799	-
Loan		2,096	-
Net cash from/(used) in financing activities		**3,413**	**(2,044)**
Net decrease in cash and cash equivalents in year		**50**	**(2,838)**
Opening cash and cash equivalents		963	4,889
Effect of foreign exchange rates		(80)	(93)
Closing cash and cash equivalents		**933**	**1,958**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Share Capital	Treasury shares	Translation reserve	Share-based payment reserve (Note 18)	Pooling and other reserves	Total other reserves	Retained earnings	Attributable to equity holders of the parent company	Non-controlling interest	Total equity
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
Balance at 1 January 2017	**10,259**	**(3,094)**	**(4,524)**	**396**	**27,685**	**23,555**	**(2,075)**	**28,645**	**(42)**	**28,603**
Loss for the period	-	-	-	-	-	-	(4,155)	(4,155)	21	(4,134)
Other comprehensive income	-	-	(135)	-	-	(135)	-	(135)	-	(135)
Total comprehensive income	-	-	(135)	-	-	(135)	(4,155)	(4,290)	21	(4,269)
Recognition of share-based payments	-	-	-	55	-	55	-	55	-	55
Balance at 30 June 2017	**10,259**	**(3,094)**	**(4,659)**	**451**	**27,685**	**23,475**	**(6,230)**	**24,410**	**(21)**	**24,389**
Balance at 1 January 2018	**10,259**	**(1,301)**	**(4,425)**	**55**	**27,685**	**23,313**	**(10,350)**	**21,921**	**(7)**	**21,914**
Loss for the period	-	-	-	-	-	-	(4,552)	(4,552)	10	(4,542)
Other comprehensive income	-	-	161	-	-	161	-	161	-	161
Total comprehensive income	-	-	161	-	-	161	(4,552)	(4,391)	10	(4,381)
Recognition of share-based payments	-	55	-	170	-	170	-	225	-	225
Capital increase	365	(38)	-	-	472	472	-	799	-	799
Convertible loans	-	-	-	-	66	66	-	66	-	66
Balance at 30 June 2018	**10,624**	**(1,284)**	**(4,264)**	**225**	**28,223**	**24,182**	**(14,902)**	**18,620**	**3**	**18,623**

Corporate information

LumX Group Limited ("LumX" or "the Company"), formerly known as Gottex Fund Management Holdings Limited, is a company registered in Guernsey and was listed on the SIX Swiss Exchange ("SIX") on 6 November 2007. The Company was incorporated in Guernsey on 15 August 2007. The registered office of LumX is Martello Court, Admiral Park, St Peter Port, G1Y 3HB, Guernsey.

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 comprise LumX Group Limited and its subsidiaries (together referred to as "the Group"). The Group is the holding company of an alternative investment specialist focused on bringing leading investment, risk management, and structuring solutions to a primarily institutional client base

These unaudited interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 28 September 2018.

1. Accounting policies

a) Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as at 31 December 2017.

The unaudited interim condensed consolidated financial statements are presented in US Dollars, rounded to the nearest thousand, except otherwise indicated.

b) Changes in accounting policies

The accounting policies adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited financial statements for the year ended 31 December 2017 except for the adoption IFRS 9 Financial Instruments (effective 1 January 2018) and IFRS 15 Revenues from Contracts with Customers (effective date 1 January 2018). The impact of both new standards is described below :

- IFRS 15 – Revenue from Contact with Customers: This standard amends revenue recognition requirements and defines a new five-step model to recognise revenue from customer contracts. It replaces IAS 18 Revenue and IAS 11 Construction contracts. The Group performed a review of the main category of commercial agreements used with customers. Only the revenue of LumRisk are impacted by this new standard. Nevertheless, the impact on the 2017 figures is not material, being only USD 4, and consequently, no restatement was done.
- IFRS 9 – Financial instruments: IFRS 9 Financial instruments addresses the accounting principles for the financial reporting of the financial assets and financial liabilities, including classification, measurement, impairment, derecognition and hedge accounting. The Group has undertaken an analysis of the different portfolios of the financial assets and concluded that the new standard has no material impact on the consolidated financial statements.

The Group has adopted and will adopt all relevant new standards when they become effective.

c) Going Concern

The interim financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

However, the Directors consider that there are still significant uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as going concern. This ability of the Group to continue as going concern is subject to the realisation of the business plans, which include the monetisation of a portion of certain business interests, and the capacity of the Group to generate new revenues in our offerings over the next twelve months and beyond in order to generate the cash flows required to meet the Group' obligations. If the Group should not meet its objectives, the going concern of the Group would depend upon continued support from the shareholders or the ability of the Group to find other sources of financing.

2. Revenue

	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Management fees	2,856	6,360
Performance fees	49	288
LumRisk fees	801	712
Other fees	149	200
Total revenue	**3,855**	**7,560**

LumRisk fees are composed of running fees, which are recognised over time and of onboarding fees, which are recognised at a single point in time. During the 6-month period to June 30, 2018, LumRisk generated USD 620 of running fees (2017: USD 276) and USD 180 of onboarding fees (2017: USD 436).

3. Referral fee expense

Referral fee expenses comprise third party commissions for client introductions and on-going client service.

	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Referral fees on Management fees	67	494
Referral fees on Performance fees	-	25
Total referral fee expense	**67**	**519**

4. Segmental analysis of results

Revenue from investment management services and assets under management ("AuM") can be and are categorised by strategy, fund type and asset class.

Although gross revenue is reviewed in detail by revenue source, internal financial reporting and performance monitoring and measurement is not further segregated below this revenue level for use in the business. The chief operating decision maker, which is considered to be the Executive Management Committee, reviews the results, costs, assets and liabilities on a Group basis. Accordingly, all significant decisions are based upon the analysis of the Group as one segment. Therefore the Directors have concluded that there is one operating segment within the meaning of IFRS 8 Segment Reporting and the financial results of this segment are equivalent to the results of the Group as a whole.

5. Operating costs

	Note	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Personnel expenses	6	5,250	5,821
Rent and related expenses		671	863
Professional expenses		938	852
It and Data expenses		672	1,013
Marketing and representation services		287	340
Foreign exchange loss (gain)		96	(261)
Other expenses		143	416
Operating Costs before depreciation, amortisation and impairment		**8,057**	**9,044**
Amortisation of intangible assets and depreciation of property, plant and equipment		349	2,719
Impairment of intangible assets		-	90
Operating Costs after depreciation, amortisation and impairment		**8,406**	**11,853**

6. Personnel expenses

The aggregate remuneration of employees (including executive directors) was:

	Note	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Wages and salaries		4,259	4,961
Social security expenses (including defined contribution pension expenses)		318	295
Net pension (credit)/cost		214	221
Share-based payments	18	225	55
Sundry personnel expenses		234	289
Total personnel expenses		**5,250**	**5,821**

7. Finance income

	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Dividends received	170	67
Other finance income	-	24
Total finance income	**170**	**91**

8. Finance cost

	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Interest payable on loans (including loans from related parties)	115	13
Total finance cost	**115**	**13**

Interest payable amounts relate to a loan from related parties (USD 52,000) and to other short-term loans (USD 39,000)

9. Net gain/(loss) on financial assets

The net gain/(loss) on financial assets designated at fair value through profit or loss is analysed as follows:

	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
HS Group Ltd	-	44
Man Lung Asset Management Ltd	-	58
GFM ABL	-	5
Other investments	(10)	(5)
Total net gain on financial assets	**(10)**	**102**

10. Income tax credit/(charges)

	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Current tax – current year	(1)	(34)
Current tax – prior year	(13)	(56)
Current tax	**(14)**	**(90)**
Deferred tax – current year	195	657
Deferred tax	**195**	**657**
Total	**181**	**567**
Effective Group tax rate	**(4.0%)**	**(13.7%)**

11. Loss per share

Basic loss per share is calculated by dividing net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Loss and loss per share

	Six months ended 30 June 2018	Six months ended 30 June 2017
Net loss attributable to ordinary equity holders of the parent for basic and diluted loss per share (in USD 000)	(4,552)	(4,155)
Basic and diluted loss per share (in USD)	(0.04)	(0.04)

Shares

	Six months ended 30 June 2018 000	Six months ended 30 June 2017 000
Weighted average number of ordinary shares (excluding treasury shares) for basic loss per share	107,284	103,955
Adjustments for dilutive potential ordinary shares	-	-
Weighted average number of ordinary shares (excluding treasury shares) for diluted loss per share	107,284	103,955

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. The expected effects for the year ended 31 December 2018 and 31 December 2017 of the Group's potential ordinary shares would be anti-dilutive and therefore have been excluded from the calculation above.

12. Goodwill

At 30 June 2018, the Management reviewed and re-assessed the goodwill balance of USD 21.1 million in relation with the EIM acquisition to identify indicators of impairment. The key parameters retained in the last impairment test as at 31 December 2017 have been reviewed and no indicators of impairment have been identified.

13. Financial investments

Financial investments consist principally of investments in strategic partners, and includes investments in funds under liquidation and all are recorded at fair value through profit or loss.

	Level 2 USD 000	Level 3 USD 000	Total USD 000
Non-Current			
At 1 January 2017	41	4,919	4,960
Disposals	(34)	(3,050)	(3,084)
Revaluation to fair value	(7)	145	138
At 31 December 2017	**-**	**2,014**	**2,014**
Disposals	-	(146)	(146)
Additions	-	-	-
Revaluation to fair value	-	(10)	(10)
Translation differences	-	(9)	(9)
At 30 June 2018	**-**	**1,849**	**1,849**

	Level 2 USD 000	Level 3 USD 000	Total USD 000
Current			
At 1 January 2017	-	-	-
Additions	-	849	849
Revaluation to fair value	-	1,151	1,151
At 31 December 2017	**-**	**2,000**	**2,000**
Disposals	-	(2,000)	(2,000)
At 30 June 2018	-	-	-

On 28 June 2017, the Group entered into a share repurchase agreement with HS Group Ltd for the sale of the 21,180 B shares held by the Group. The shares were sold for a maximum potential USD 4.0 million of which USD 2.0 million were payable immediately and USD 2.0 million ("Conditional Payment") were payable once HS Group received legally binding commitments of USD 500 million for its second fund. For the first tranche of USD 2.0 million, USD 1.2 million were paid on 29 June 2017 and USD 0.8 million on 15 August 2017.

The Conditional Payment has been classified as a current financial investment at fair value through profit and loss and valued at USD 2.0 million as at 31 December 2017 by assessing the expected present value of the future cash flows as required by IFRS 13. The payment was received on 11 June 2018.

14. Trade debtors and other receivables

	Note	30 June 2018 USD 000	31 December 2017 USD 000
Current receivable			
Trade debtors		2,599	2,541
Total trade debtors		**2,599**	**2,541**
Amount due from related parties		134	68
Other debtors		208	258
Prepayments and accrued income		576	252
Total other receivables		**918**	**578**
Non-current receivables			
Other receivables		465	469
Total trade debtors and other receivables		**3,982**	**3,588**

15. Trade creditors and other payables

	Note	30 June 2018 USD 000	31 December 2017 USD 000
Current liabilities			
Trade creditors		**3,022**	**2,774**
Deferred income		**277**	**341**
Amount due to related parties		2,003	1,487
Other tax and social security		166	124
Provision		993	359
Other creditors		3,414	2,814
Accruals		1,365	1,414
Total other payables		**7,941**	**6,198**
Non-current liabilities			
Provision		-	-
Other creditors		-	156
Accruals		201	66
Total non-current liabilities		**201**	**222**
Total trade creditors and other payables		**201**	**9,535**

The other creditors include two loans made on 5 April 2018 and 23 April 2018 of respectively CHF 750,000 and CHF 1,250,000 through two loan agreements with China Silver Asset Management Ltd. These loans were rolled out into a two-year 3% coupon rate unsecured redeemable convertible bond in an aggregate amount of CHF 4.5 million on 31 August 2018.

16. Contingent assets, liabilities and capital commitments

The Group had no contingent assets, contingent liabilities or capital commitments at either of the reporting dates, other than those described below:

Taxation

The Group has legal entities and operating presence in different jurisdictions, each of which has different tax regimes. As the Group evolves, it is exposed to contingent liabilities relating to various different taxes. It is possible that the tax authorities in any jurisdiction may make assessments contrary to the tax positions taken by the Group. Agreement with the tax authorities in such a situation would then be subject to negotiation based on the facts, circumstances and applicable tax law, as a result of which the Group may agree to renounce some contingent tax assets and /or to pay additional taxes.

The possible assessments of the various tax authorities are largely uncertain and it is not possible to quantify the likely outcome of any subsequent negotiations or the timing of any related settlements.

Contingent liabilities at 30 June 2018 which are considered possible, but not probable, of crystallisation are not quantifiable.

Procedure

In July 2016, a conciliation was requested by a former advisory client ("the plaintiff") of Gottex Fund Management Sàrl ("the Company") in connection with losses that the client had incurred in 2008 on its portfolio. The losses were generated by the collapse of funds involved in a fraud known as the "Petters Fraud".

The parties met in January 2017 but were not able to agree on a settlement, as the Company denied any faults. On 13 February 2017, the plaintiff filed a claim for compensation for the financial losses incurred with the "Chambre Patrimoniale du Canton de Vaud". On 30 June 2017, the Company filed a response with the "Chambre Patrimoniale du Canton de Vaud" rejecting all allegations from the plaintiff. Since then, we have provided to the Court additional responses to the allegations made by the plaintiff and no judgement have been pronounced by the Court yet.

At this stage, a contingent liability is considered as possible, but not probable. A quantification is not possible at this stage.

17. Capital and reserves

At 30 June 2018, the company has 108,933,590 shares with a nominal value of CHF 0.10 fully paid.

18. Share-based payments

	Six months ended 30 June 2018 USD 000	Six months ended 30 June 2017 USD 000
Share-based payment reserve in equity		
At 1 January	**55**	**396**
Recognised in the income statement – share-based payments	225	55
Reclassification/utilisation during the year	(55)	-
At 30 June	**225**	**55**

19. Related party transactions

The analysis of the related party balances is shown below.

	At 30 June 2018	At 31 December 2017
Current assets		
Related party debtors (Shareholders)	134	68
Total Assets	**134**	**68**
Current liabilities		
Loans due to shareholders	(2,003)	(1,477)
Other related party creditors	-	(10)
Total Liabilities	**(2,003)**	**(1,487)**
Total net related party balances	**(1,869)**	**(1,419)**

On 30 June 2018, the loans due to shareholders (USD 2.0 million) are made of 3 loans on which 2 were granted by Rozel Trustees (Channel Islands) Limited ("Rozel") and Iris Participations SA ("Iris"), an entity indirectly controlled by Rozel, for a total of USD 1.0 million :

- On 28 December 2017, Iris loaned USD 470,000 to the Company at an interest rate of 5% per annum. The right of conversion in this loan agreement was executed on 9 January 2018, and the conversion entitled Iris to receive a number of shares corresponding to the converted amount divided by the lower of (1) the average value of the shares plus a premium of 25% traded as at 28 December 2017 and (2) the average value of the shares traded at the conversion date. The maturity date of the loan was ninety days after the completion of the sale of the deferred consideration of USD 2.0 million to be paid following the sale of the shares of HS Group Ltd by the Company. The completion of the sale was on 11 June 2018. As the loan was not reimbursed as at 11 September 2018, the loan was automatically extended until 31 March 2019 with the same conversion terms rights.

- On 4 January 2018, the Company entered into a convertible loan with Rozel for an amount of USD 530,000. The maturity date of the loan was the earlier to occur of (1) 30 September 2018 or (2) the date falling 30 days after the receipt of a deferred consideration of USD 2.0 million to be paid following the sale of the shares of HS Group Ltd by the Company with the option for the Company to extend the loan automatically until 31 March 2019 in exchange for shares of LumRisk being pledged in favour of Rozel to secure the loan. As the Company did not repay the loan as at 12 August 2018, the loan was extended until 31 March 2019. At any time, Rozel may convert the loan into shares at the lower of (1) the average value of the shares plus a premium of 25% traded as at 4 January 2018 and (2) the average value of the shares traded at the conversion date.

- On 8 November 2017, a shareholder of the Company lent USD 1.0 million to the Company bearing interests of 5% per annum. As at 30 April 2018, the loan was transformed into a convertible loan with the same terms as the convertible loan from Rozel dated 4 January 2018 except that the conversion price was the lower of (1) the average of the shares plus a premium of 25% as at 1 February 2018 and (2) the average value of the shares traded at the conversion date. As the Company did not repay the loan as at 12 August 2018, the loan was also extended until 31 March 2019 with the same conversion terms.

20. Intangible assets

	Software internally generated	Software	Investment management contracts	Total
Cost				
At 1 January 2017	348	6,359	6,148	12,855
Additions	209	127	-	336
At 31 December 2017	**557**	**6,486**	**6,148**	**13,191**
Accumulated amortisation				
At 1 January 2017	-	(6,288)	(2,791)	(9,079)
Amortisation charge	(39)	(166)	(1,183)	(1,388)
Impairment for the year	-	-	(2,011)	(2,011)
At 31 December 2017	**(39)**	**(6,454)**	**(5,985)**	**(12,478)**
Net book value at 31 December 2017	**518**	**32**	**163**	**713**
Cost				
At 1 January 2018	557	6,486	6,148	13,191
Additions	658	104	-	762
Translation differences	(27)	-	-	(27)
At 30 June 2018	**1,188**	**6,590**	**6,148**	**13,926**
Accumulated amortisation				
At 1 January 2018	(39)	(6,454)	(5,985)	(12,478)
Amortisation charge	(86)	(38)	(163)	(287)
Translation differences	1	-	-	1
At 30 June 2018	**(124)**	**(6,492)**	**(6,148)**	**(12,764)**
Net book value at 30 June 2018	**1,064**	**98**	**-**	**1,162**

Since 2016, the Group has capitalised internally generated intangible assets in connection with LumRisk for a total of USD 1.2 million as at 30 June 2018.

As at 31 December 2017, following the loss of the mandates, the Group has made an impairment of the investment management contracts recognised at the acquisition of EIM (discount rate 12.5%). The impairment for 2017 amounted to USD 2.0 million. The remaining value of USD 0.2 million was fully amortised at 30 June 2018.

21. Deferred tax assets/(liabilities)

The following are the components of the deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting period.

	Deferred tax asset – Losses USD 000	Deferred tax asset - Accelerated depreciation USD 000	Deferred tax asset- Retirement benefit Liability USD 000	Total Deferred Tax Asset USD 000	Deferred Tax Liability – Intangible Asset USD 000	Net deferred tax balance USD 000
At 1 January 2017	1,952	6	527	**2,485**	(1,247)	**1,238**
(Debited)/credited to income	(398)	-	17	**(381)**	849	**468**
Debited to other comprehensive income	-	-	31	**31**	-	**31**
Translation	84	-	28	**112**	-	**112**
At 31 December 2017	**1,638**	**6**	**603**	**2,247**	**(398)**	**1,849**
Offset	(237)	-	-	**(237)**	237	**-**
At 31 December 2017	**1,401**	**6**	**603**	**2,010**	**(161)**	**1,849**
At 1 January 2018	1,638	6	603	**2,247**	(398)	**1,849**
(Debited)/credited to income	(211)	-	8	**(203)**	398	**195**
Debited to other comprehensive income	-	-	-	**-**	-	**-**
Translation	(22)	-	(12)	**(34)**	-	**(34)**
At 30 June 2018	**1,405**	**6**	**599**	**2,010**	**-**	**2,010**
Offset	-	-	-	**-**	-	**-**
At 30 June 2018	**1,405**	**6**	**599**	**2,010**	**-**	**2,010**

22. Subsequent Event

The two loans of CHF 750,000 and CHF 1,250,000 drew down by the Company respectively on 5 April 2018 and 23 April 2018 were rolled out into a two-year 3% coupon rate unsecured redeemable convertible bond ("the Bond") in an aggregate amount of CHF 4.5 million on 31 August 2018.

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