



Unaudited half-yearly report for the six months ended 30 April 2018

Company number: 06397765

For UK investors only

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Financial Headlines

- 94.3p** Net asset value per share ('NAV') as at 30 April 2018
- 69.0p** Cumulative dividends paid per share since launch
- 163.3p** NAV plus cumulative dividends paid per share since launch ('Total Value') as at 30 April 2018
- 2.0p*** Interim dividend declared for the half-year to 30 April 2018

*This will be paid on 24 August 2018 to shareholders on the register as at 3 August 2018.

About Octopus Titan VCT plc

Octopus Titan VCT plc ('Titan' or 'the Company') is a venture capital trust ('VCT') which aims to provide shareholders with attractive tax-free dividends and long-term capital growth by investing in a diverse portfolio of predominantly unquoted companies. The Company is managed by Octopus Investments Limited ('Octopus' or 'Portfolio Manager') and Octopus AIF Management Limited (the 'Manager').

Titan was originally incorporated on 12 October 2007. Including the original and subsequent offers for subscription a total of £670 million has been raised across the five Titan funds that merged to form Titan, and in Titan since the 2014 merger. Included within this total was £208 million (£202 million net of expenses) raised in the six month period to 30 April 2018, which includes shares allotted through DRIS. 69.0p per share of cumulative dividends (amounting to £85 million) have been paid to shareholders since inception, including 3.0p which was paid to shareholders in the six month period to 30 April 2018 and which amounted to £20 million.

Financial Summary

| | Six months to 30 April 2018 | Six months to 30 April 2017 | Year to 31 October 2017 |
|--|--------------------------------|--------------------------------|----------------------------|
| Net assets (£'000s) | 617,759 | 425,402 | 432,703 |
| Profit after tax (£'000s) | 6,603 | 1,876 | 16,181 |
| NAV | 94.3p | 95.2p | 96.4p |
| Cumulative dividends paid since launch | 69.0p | 64.0p | 66.0p |
| Total Value | 163.3p | 159.2p | 162.4p |
| Total Return * | 0.9p | 0.3p | 3.5p |
| Total Return % ** | 0.9% | 0.3% | 3.6% |
| Dividends paid in the period | 3.0p | 3.0p | 5.0p |
| Dividend declared | 2.0p | 2.0p | 3.0p |

*Calculated as the change in NAV in the period plus dividends paid in the period.

**Calculated as total return/opening NAV.

Chairman's Statement

I am pleased to present the unaudited half-yearly report for Octopus Titan VCT for the six months ended 30 April 2018.

We were delighted to have raised over £203 million before expenses in our fund raising which closed to new applications on 23 March 2018. Following this, we raised a further £5 million from the shares allotted through the dividend reinvestment scheme associated with the dividend paid on 27 April. With Titan's net assets now totalling some £620 million, we remain committed to investing in early stage technology companies which embody the overall objectives of the VCT scheme. We would like to take this opportunity to welcome all new shareholders and to thank all existing shareholders for their continued support.

As is to be expected following such a large fundraising, we now have un-invested cash, totalling over £240 million as at 30 April 2018 (compared to £130 million as at October 2017, excluding shareholders' funds awaiting allotment). This gives us confidence in our ability to continue to support our portfolio of high-growth businesses for the immediate future, many of which need further funding to achieve their ambitious plans. In the six-month period to 30 April 2018, we have deployed a total of £86 million comprising £55 million in new and follow-on investments, £20 million in dividends, £4 million in share buybacks and £7 million in running costs. Together, this therefore accounted for the deployment of 66% of the cash or cash equivalents we had available as at October 2017.

The increase in NAV in the period was 0.9p per share and the Total Value (NAV plus cumulative dividends paid per share since launch) at the end of the period is 163.3p, following the payment of a dividend in April of 3.0p per share. This return brings the tax-free annual compound return to original shareholders to 5.6% since Titan's launch.

The transactions within the portfolio are summarised in the Investment Portfolio Review and detailed further on page 8, but I would particularly like to highlight the acquisition of a majority stake in Tails.com (Tailsco Ltd) by Nestlé Purina PetCare in April. Launched in 2014, Tails.com brought tailored dog nutrition to consumers at competitive prices through digital technology. Having first invested in 2013, Titan realised its investment as part of the transaction, which saw total proceeds (including a future retention) of almost £9 million attributed to Titan (cost £1.5 million). Tails.com is a great example of a business Titan only gained access to due to Octopus' proprietary deal flow channels – the founding team included a founder of Graze.com, another highly successful Titan investee company. We are proud to be able to add this success to our history of profitable realisations.

Results

The Net Asset Value at 30 April 2018 was 94.3p, a net increase of 0.9p per share from 31 October 2017 after accounting for the dividend of 3.0p per share which was paid in April.

Investment Portfolio Review

I am pleased to report a net uplift in the value of the portfolio of £14 million during the period, excluding additions and disposals.

We set out below the cost and valuation of the top ten holdings which account for over 52% of the value of the portfolio. In total the portfolio now consists of 64 companies, of which two have been added since 30 April representing a further investment of £6 million.

| Investments | Investment cost at 30 April 2018* (£'000) | Valuation at 30 April 2018 (£'000) |
|---|---|--|
| Zenith Holding Company Limited** | 8,963 | 45,908 |
| Secret Escapes Limited | 4,256 | 35,534 |
| Amplience Limited | 13,499 | 25,758 |
| Sourceable Limited (trades as Swoon Editions) | 6,957 | 18,018 |
| Sofar Sounds Limited | 7,705 | 13,837 |
| MIRACL Limited | 14,223 | 11,258 |
| LHE Holdings Limited (trades as Property Partner) | 10,402 | 10,866 |
| Uniplaces Limited | 7,621 | 10,194 |
| Semafone Limited | 3,594 | 9,816 |
| Conversocial Limited | 4,165 | 8,803 |
| Total | 81,385 | 189,992 |

* Investment cost reflects the amount invested into each investee company from Titan's 1 – 5 before the 2014 merger and from Titan after the merger. This is different to the book cost which includes the holding gains and losses on assets which transferred from Titan's 1, 3, 4 & 5 to Titan 2 (now Titan) during the merger, as Titan purchased these assets at fair value.

** Zenith Holding Company holds shares in Calastone, graze and Secret Escapes inherited from Titans 1&2.

During the six months to 30 April 2018, the uplift in valuation has been driven by the strength of performance of a number of companies in the portfolio in aggregate. In particular, Secret Escapes, Amplience and Sofar Sounds have all achieved material increases in value. These three investee companies and 12 others together drove an uplift of £28 million. In contrast, while there have been no realised losses from the portfolio during this period, 18 companies saw a collective decrease in valuation of £14 million where performance has been more challenging, and the current valuations have been adjusted accordingly in line with the valuation policy. Octopus believes many of these businesses have the potential to overcome the issues they have faced and continues to work closely with them to secure a return to their high growth plans. Where appropriate, this may include providing further funding to ensure the business has sufficient capital to execute on its strategy. This can be seen in the cases of both MIRACL Limited and Uniplaces Limited, which Titan invested into further during the period despite the companies' prior investments being valued at less than the cost of that investment.

Turning to investments made during the previous six months, £32 million was invested into 10 new companies (listed below) and £23 million was invested into 13 follow-on investments as listed on page 8. As anticipated by Octopus, given the volume of high quality investment opportunities available in the UK and Europe, this is a significant increase in investment rate compared to the six months to October 2017, during which a total of £7 million was invested into 3 new companies and £21 million was invested into 12 follow-on investments.

We have been pleased to welcome the following companies to the portfolio during the period:

- Phoelex Ltd – new technology for components used to connect servers in large datacentres;
- Katalyst Inc – offers premium boutique full body Electro Muscular Stimulation fitness;
- PLU&M Limited (trading as The Plum Guide) – handpicks the world’s most inspiring accommodation and hosts, using a mix of algorithms and visits by experts;
- Rook Wealth Limited (trading as Multiply) – provides automated, personalised and holistic financial plans for those who historically have not had access to financial advice;
- DePop Limited – a social marketplace for unique things;
- Memrise Inc – a language learning platform;
- Mush Limited – a local social network for new and expectant mums;
- Picsoneye Segmentation Innovation Limited (trading as Pixoneye) – uses computer-understanding to analyse on-device user-data;
- OpenSignal Inc – building a platform to become the global ‘gold standard’ for mobile network coverage mapping; and
- GTN Ltd – technology used in the hunt for new drugs which combines and builds upon techniques from machine learning and quantum physics to simulate, filter and search for drug-like molecules, previously entirely hidden from view.

Furthermore, since 30 April 2018, 2 more new and 4 follow-on investments have been made, amounting to £17 million. The new investments were into Seatfrog UK Holdings limited, a company allowing travellers to upgrade from standard to first class travel through a live auction offered through a mobile app, and Patch Gardens Ltd, an ecommerce site aimed at urban dwellers, enabling them to discover appropriate plants for their space, purchase, and then help care for their plants during their lifetimes.

Dividends

As shareholders will know, our ambition is to pay an annual dividend of 5.0p per share. Following careful consideration, I am pleased to confirm that your Board has now decided to declare an interim dividend of 2.0p (2017 2.0p) per share in respect of the current financial year, which will be paid on 24 August 2018 to shareholders on the register as at 3 August 2018.

VCT Qualifying Status

PricewaterhouseCoopers LLP (PwC) provides both the Board and Octopus with advice concerning ongoing compliance with HMRC rules and regulations concerning VCTs. The Board has been advised that Titan continues to be in compliance with the conditions laid down by HMRC for maintaining approval as a VCT.

As at 30 April 2018, over 95% of the portfolio (as measured by HMRC rules) was invested in VCT-qualifying investments as reviewed and confirmed by PwC, significantly above the 70% current VCT-qualifying threshold.

Change to the Directors of the Board

We recognise that ensuring the Board of your VCT remains independent and robust is of the utmost importance to our shareholders. To this end, your Board have decided to appoint an additional Non-Executive Director, and we expect to announce an appointment shortly once the selection process has been concluded.

As recently announced, as at 9 April 2018, Nicola Board resigned as Company Secretary and Parisha Kanani was subsequently appointed. The Board would like to thank Nicola for her hard work over the past three years, and welcome Parisha.

Auditor to the Fund

At the recent AGM, James Cowper Kreston, our Auditor for the last five years, was re-appointed. However, they have since informed us that they have taken the decision to withdraw from auditing certain Public Interest Entities including VCTs for the time being because of the increasing regulatory landscape and associated costs. Your Board has, therefore, carried out a tender process to appoint new Auditors and it has been decided to appoint BDO, pending their re-appointment at the next AGM. We would like to thank James Cowper Kreston for their excellent service over the last five years and we look forward to working with BDO in the future.

Principal Risks and Uncertainties

The Board continues to regularly review the risk environment in which Titan operates. There have been no significant changes to the key risks which were fully described on pages 8 and 9 of the Annual Report for the year ended 31 October 2017 and the Board does not anticipate there will be significant changes to these risks for the remaining six months of the financial year.

Outlook

The last six months have been a particularly busy period for Titan.

We are delighted by another very positive response to Titan's most recent fundraising efforts, and excited about the ability this gives us to continue to support both the most compelling opportunities within the portfolio, as well as the brightest new technology businesses and entrepreneurial teams emerging from the UK and Europe.

While the macro environment remains somewhat uncertain in the medium term, your Board also undertook a review of the non-qualifying portfolio with Octopus during the period. Following this, we have elected to make a number of adjustments with the aim of reducing the risk profile associated with this part of Titan's assets.

In the meantime, through Octopus, Titan continues to gain access to opportunities showing great promise as demonstrated by the investment rate over the past six months, and your Board remains positive about the prospects of the existing portfolio. We look forward to following the investee companies as they drive forward with their ambitious growth plans and hope this will crystallise into a number of profitable realisations in the coming years. However, this is expected to require some patience. Shareholders should bear in mind that the typical period from investment until realisation for early stage technology businesses is normally at least seven years, and as a result, we are still likely to see some businesses fall by the wayside prior to such successes. As noted earlier in my report, Titan is now paying targeted regular annual dividends of 5p. In the case of particularly profitable realisations from the portfolio, we also aim to pay special dividends, although it may not always be in the best interests of Titan to pay a special dividend after a profitable realisation.

Your Board believes there are many reasons to remain confident about the future for Titan, and, as a result, it is our intention to seek further funds to support our investee portfolio later in the year.

I would like to conclude by thanking Octopus, on behalf of all shareholders, for their hard work, without which our investment strategy would not achieve the success we are seeing.



John Hustler
Chairman
20 June 2018

Investment Portfolio

| Investments | Sector | Investment cost at 30 April 2018* (£'000) | Amount invested in the six months ending 30 April 2018 (£'000) |
|---|--------------------|---|--|
| MIRACL Limited | Security | 14,223 | 2,045 |
| Amplience Limited | Business Software | 13,499 | 2,513 |
| LHE Holdings Limited (trades as Property Partner) | Property | 10,402 | 3,492 |
| Zenith Holding Company Limited ** | Other | 8,963 | - |
| UltraSoC Technologies Limited | Hardware | 8,361 | - |
| Zynstra Limited | Business Software | 8,317 | - |
| Oxcis Aviation Limited (trades as Stratajet) | Leisure & Consumer | 7,817 | - |
| Sofar Sounds Limited | Leisure & Consumer | 7,705 | - |
| Uniplaces Limited | Property | 7,621 | - |
| CurrencyFair Limited | Financial Services | 7,551 | 805 |
| Sourceable Limited (trades as Swoon Editions) | Ecommerce | 6,957 | - |
| Origami Energy Limited | Hardware | 5,533 | 3,500 |
| Artesian Solutions Limited | Business Software | 5,481 | - |
| lovox Limited | Business Software | 5,272 | 2,000 |
| Antidote Technologies Ltd | Health & Medical | 5,096 | 2,107 |
| DePop Limited | Ecommerce | 5,000 | 5,000 |
| OpenSignal Inc | Business software | 4,862 | 4,862 |
| Katalyst Inc | Health & Medical | 4,820 | 4,820 |
| Chiara Technology Limited | Health & Medical | 4,739 | 1,969 |
| Michelson Diagnostics Limited | Health & Medical | 4,702 | 158 |
| Token, Inc | Financial Services | 4,398 | - |
| Memrise Inc | Leisure & Consumer | 4,375 | 4,375 |
| Secret Escapes Limited | Leisure & Consumer | 4,256 | - |
| Digital Shadows Inc. | Security | 4,225 | - |
| Picsoneye Segmentation Innovation Limited | Business software | 4,200 | 4,200 |
| Conversocial Limited | Business Software | 4,165 | - |
| Appear Here Limited | Property | 3,814 | - |
| Wave Optics Limited | Hardware | 3,774 | - |
| Smartkem Limited | Hardware | 3,714 | - |
| Semafone Limited | Business Software | 3,594 | - |
| PLU&M limited (trades as Plum Guide) | Ecommerce | 3,500 | 3,500 |
| Behaviometrics AB | Security | 3,336 | 2,735 |
| Big Health Limited | Health & Medical | 3,276 | - |
| Chronext AG | Ecommerce | 3,164 | - |
| Mi-Pay Group plc | Financial services | 3,011 | - |
| The Faction Collective SA | Ecommerce | 2,968 | - |
| BridgeU Inc. | Business Software | 2,935 | - |
| Ecrebo Limited | Business Software | 2,857 | - |

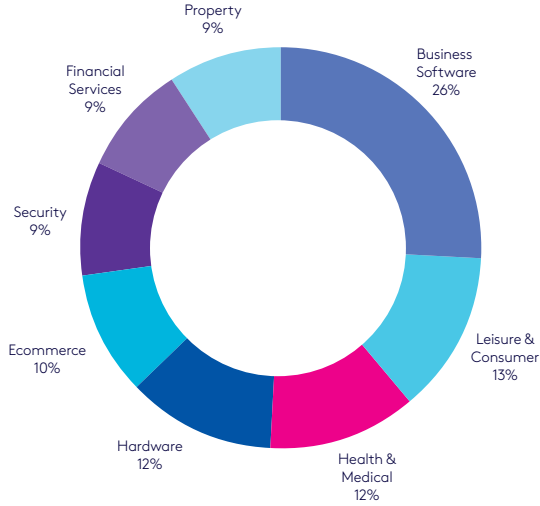
| | | | |
|--|--------------------|----------------|---------------|
| Bought By Many Limited | Financial Services | 2,780 | - |
| Medisafe Project Limited | Health & Medical | 2,713 | - |
| Metrasens Limited | Hardware | 2,688 | - |
| Affectv Limited | Business Software | 2,627 | - |
| e-Therapeutics plc | Health & Medical | 2,415 | - |
| Eve Sleep Plc | Ecommerce | 2,394 | - |
| Bowman Power Limited | Hardware | 2,305 | - |
| Trafi Limited | Leisure & Consumer | 2,288 | - |
| Impatients N.V. (trades as myTomorrows) | Health & Medical | 2,090 | - |
| Elliptic Enterprise Limited | Security | 2,084 | 423 |
| Surrey NanoSystems Limited | Hardware | 1,993 | - |
| Streethub Limited | Ecommerce | 1,980 | - |
| Permutive Inc. | Business Software | 1,863 | 1,473 |
| Phoelex Ltd | Hardware | 1,525 | 1,525 |
| Mush Limited | Leisure & Consumer | 1,500 | 1,500 |
| Pop Global Limited | Business Software | 1,500 | - |
| Segura Systems Limited | Business Software | 1,470 | - |
| Fluidly Limited | Business Software | 1,400 | - |
| Rook Wealth Limited (trades as Multiply) | Financial Services | 1,000 | 1,000 |
| Streetbees.com Limited | Business Software | 890 | - |
| GTN Ltd | Health & Medical | 800 | 800 |
| Time Out Group PLC | Leisure & Consumer | 349 | - |
| Excession Technologies Limited | Business Software | 298 | 90 |
| Phasor Inc. | Hardware | 250 | - |
| Total | | 253,685 | 54,892 |

*Investment cost reflects the amount invested into each investee company from Titan's 1 – 5 before the 2014 merger and from Titan after the merger. This is different to the book cost which includes the holding gains and losses on assets which transferred from Titan's 1, 3, 4 & 5 to Titan 2 (now Titan) during the merger, as Titan purchased these assets at fair value.

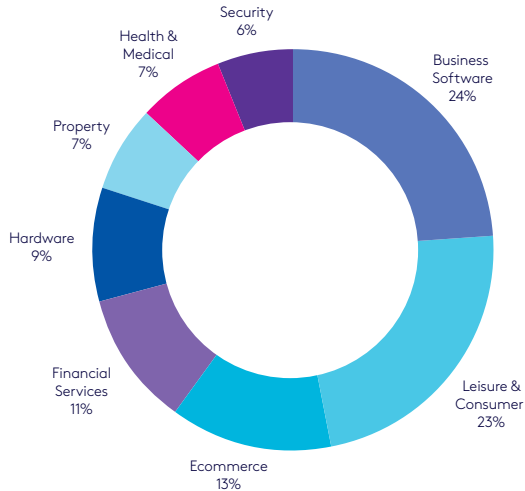
**Owns stakes in Nature Delivered Limited (trades as graze), Secret Escapes Limited and Calastone Limited.

Sector analysis

Investment by cost



Investments by value




Note: for the purpose of the doughnut pie charts Zenith Holding Company has been split into its constituent portfolio companies – Secret Escapes, graze and Calastone.

Directors' Responsibilities Statement

The Directors confirm that to the best of their knowledge:

- the half-yearly financial statements have been prepared in accordance with 'Financial Reporting Standard 104: Interim Financial Reporting' issued by the Financial Reporting Council;
- the half-yearly financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the half-yearly report includes a fair review of the information required by the Financial Services Authority Disclosure and Transparency Rules, being:
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a consideration of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year, that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board



John Hustler
Chairman
20 June 2018

Income Statement

| | Unaudited Six months to 30 April 2018 | | | Unaudited Six months to 30 April 2017 | | |
|--|--|------------------|----------------|--|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Gains on disposal of portfolio investments | - | 2,945 | 2,945 | - | 511 | 511 |
| Gains on disposal of OEIC investments | - | 3,739 | 3,739 | - | - | - |
| Portfolio investment holding gains | - | 14,300 | 14,300 | - | 3,906 | 3,906 |
| OEIC investment holding losses/(gains) | - | (6,058) | (6,058) | - | 2,861 | 2,861 |
| Investment income | 190 | - | 190 | 107 | - | 107 |
| Investment management fees | (1,201) | (3,604) | (4,805) | (870) | (2,609) | (3,479) |
| Performance fee | - | (1,592) | (1,592) | - | (259) | (259) |
| Other expenses | (1,850) | - | (1,850) | (1,268) | - | (1,268) |
| FX translation | - | (266) | (266) | - | (503) | (503) |
| Profit/(loss) before tax | (2,861) | 9,464 | 6,603 | (2,031) | 3,907 | 1,876 |
| Taxation | - | - | - | - | - | - |
| Profit/(loss) after tax | (2,861) | 9,464 | 6,603 | (2,031) | 3,907 | 1,876 |
| Earnings per share – basic and diluted | (0.5)p | 1.7p | 1.2p | (0.5)p | 1.0p | 0.5p |

- The 'Total' column of this statement is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.
- The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.

Titan has no other comprehensive income for the period.

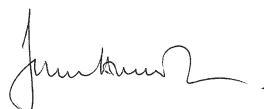
The accompanying notes form an integral part of the half-yearly report.

Balance Sheet

| | Unaudited Six months to 30 April 2018 | | Audited Year to 31 October 2017 | |
|---|--|-----------------|------------------------------------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Portfolio investments | | 364,442 | | 301,791 |
| Current assets: | | | | |
| OEICs | 72,466 | | 104,484 | |
| Cash at bank | 93,202 | | 23,290 | |
| Applications cash* | 300 | | 39,272 | |
| Debtors | 16,122 | | 5,821 | |
| Money market securities | 76,269 | | 2,453 | |
| | 258,359 | | 175,320 | |
| Current liabilities | (5,042) | | (44,408) | |
| Net current assets | | 253,317 | | 130,912 |
| Net assets | | 617,759 | | 432,703 |
| Called up equity share capital | | 65,479 | | 44,899 |
| Share premium | | 295,277 | | 114,404 |
| Special distributable reserve | | 186,106 | | 211,122 |
| Capital redemption reserve | | 1,495 | | 1,071 |
| Capital reserve – gains on disposals | | 9,405 | | 2,284 |
| Capital reserve – holding gains | | 74,869 | | 70,668 |
| Revenue reserve | | (14,724) | | (11,863) |
| Translation reserve | | (148) | | 118 |
| Total equity shareholders' funds | | 617,759 | | 432,703 |
| Net asset value per share | | 94.3p | | 96.4p |

*Cash held but not yet allotted.

The statements were approved by the Directors and authorised for issue on 20 June 2018 and are signed on their behalf by:



John Hustler
Chairman

Statement of Changes in Equity

| | Unaudited Six months to 30 April 2018 £'000 | Audited Year ended 31 October 2017 £'000 | Unaudited Six months to 30 April 2017 £'000 |
|---|--|---|--|
| Shareholders' funds at start of year | 432,703 | 315,976 | 315,976 |
| Profit after tax | 6,603 | 16,181 | 1,876 |
| Issue of equity (net of expenses) | 201,877 | 125,744 | 122,571 |
| Purchase of own shares | (3,905) | (2,926) | (1,694) |
| Dividends paid | (19,519) | (22,272) | (13,327) |
| Shareholders' funds at end of period | 617,759 | 432,703 | 425,402 |

Cash Flow Statement

| | Unaudited Six months to 30 April 2018 £'000 | Unaudited Six months to 30 April 2017 £'000 |
|--|--|--|
| Reconciliation of profit to cash flows from operating activities | | |
| Profit before tax | 6,603 | 1,876 |
| (Increase)/decrease in debtors | (10,301) | 8,844 |
| Decrease in creditors | (39,366) | (20,405) |
| Gains on disposal of fixed asset investments | (2,945) | (511) |
| Gains on valuation of fixed asset investments | (14,300) | (3,906) |
| Surplus funds received from fixed asset investments | – | 513 |
| Outflow from operating activities | (60,309) | (13,589) |
| Cash flows from investing activities | | |
| Purchase of fixed asset investments | (54,892) | (31,867) |
| Sale of fixed asset investments | 9,486 | 110 |
| Zenith distribution | – | 9,182 |
| Outflow from investing activities | (45,406) | (22,575) |
| Cash flows from financing activities | | |
| Dividends paid | (19,519) | (13,327) |
| Purchase of own shares | (3,905) | (1,694) |
| Issue of equity (net of expenses) | 201,877 | 122,571 |
| Inflow from financing activities | 178,453 | 107,550 |
| Increase in cash and cash equivalents | 72,738 | 71,386 |
| Opening cash and cash equivalents | 169,499 | 100,644 |
| Closing cash and cash equivalents | 242,237 | 172,030 |

Condensed Notes to the Half-Yearly Report

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 30 April 2018 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting (March 2018) and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in February 2018.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 30 April 2018 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 31 October 2017 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent Auditor's report on those financial statements, in accordance with chapter 3, part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

The earnings per share is based on 562,260,165 (30 April 2017: 382,131,650) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period. There are no potentially dilutive capital instruments in issue and therefore no diluted returns per share figures are relevant. The basic and diluted earnings per share are therefore identical.

4. Net asset value per share

The calculation of NAV as at 30 April 2018 is based on 654,788,574 (30 April 2017: 446,970,182 and 31 October 2017: 448,990,601) Ordinary shares in issue at that date.

5. Dividends

The interim dividend declared of 2.0 pence per share for the six months ending 30 April 2018 will be paid on 24 August 2018 to those shareholders on the register as at 3 August 2018.

On 27 April 2018 a 3.0p final dividend relating to the 2017 financial year was paid.

6. Buybacks and allotments

During the six months ended 30 April 2018 the Company bought back 4,246,662 Ordinary shares at a weighted average price of 91.9 pence per share (six months ended 30 April 2017: 1,837,911 Ordinary shares at a weighted average price of 92.2 pence per share and year ended 31 October 2017: 3,215,355 Ordinary shares at a weighted average price of 91.0 pence per share).

During the six months to 30 April 2018 210,044,635 shares were issued at a weighted average price of 99.2 pence per share.

7. Related Party Transactions

Octopus acts as the Portfolio Manager of the Company. Under the management agreement, Octopus receives a fee of 2.0% per annum of the net assets of the Company for the investment management services. During the period, the Company incurred management fees of £4,805,000 payable to Octopus (30 April 2017: £3,479,000). At the period end there was £nil outstanding to Octopus (30 April 2017: £nil and 31 October 2017: £nil). Furthermore, Octopus provides accounting and administration services to the Company, and Octopus receives a fee of 0.3% per annum of the net assets of the Company for these services.

Octopus received £0.57 million in the six months to 30 April 2018 (2017: £0.64 million) in regards to arrangement and monitoring fees in relation to investments made by the Company.

8. Voting rights and equity management

The following table shows the % voting rights held by Titan of each of the top 10 investments held in Titan, on a fully diluted basis.

| Investments | % voting rights held by Titan |
|---|-------------------------------|
| Zenith Holding Company Limited | 100.0% |
| Secret Escapes Limited | 6.5%* |
| Amplience Limited | 29.9% |
| Sourceable Limited (trades as Swoon Editions) | 20.0% |
| Sofar Sounds Limited | 31.9% |
| MIRACL Limited | 60.6% |
| LHE Holdings Limited (trades as Property Partner) | 12.6% |
| Uniplaces Limited | 24.6% |
| Semafone Limited | 26.4% |
| Conversocial | 17.2% |

*9.2% when the Zenith Holding Company stake in Secret Escapes is included (Zenith Holding Company has a 38.28% investment in Zenith LP).

9. Post balance sheet events

The following events occurred between the balance sheet date and the signing of this half-yearly report:

- Two new investments completed totalling £6 million.
- Four follow-on investments completed totalling £11 million.
- Mi-Pay Group plc was fully disposed.

10. Additional information

Copies of this report are available from the registered office of the Company at 33 Holborn, London, EC1N 2HT.

Shareholder Information and Contact Details

Financial Calendar

The Company's financial calendar is as follows:

24 August 2018 2018 interim dividend to be paid

February 2019 Annual results for the year to 31 October 2018 announced; Annual Report and financial statements published

Dividends

Dividends are paid by Computershare Investor Services plc ('Computershare') on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose or complete an instruction electronically by visiting the Computershare Investor Centre at: www-uk.computershare.com/investor/.

Queries relating to dividends, shareholdings or requests for mandate forms should be directed to Computershare by calling **0370 703 6324**. Calls to this number cost the same as a normal local or national landline call and may be included in your service provider's tariff. Calls outside the United Kingdom will be charged at the applicable international rate. Computershare Investor Services plc are open between 8.30 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Computershare can be contacted in writing at:

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

The table below shows the NAV and lists the dividends that have been paid since the launch of Titan (formerly Titan 2):

| Period Ended | NAV | Dividends paid | Total Value |
|-----------------|--------|----------------|-------------|
| 30 April 2008 | 95.0p | – | 95.0p |
| 31 October 2008 | 89.9p | – | 89.9p |
| 30 April 2009 | 91.5p | 0.5p | 92.0p |
| 31 October 2009 | 96.1p | 0.5p | 97.1p |
| 30 April 2010 | 92.0p | 0.5p | 93.5p |
| 31 October 2010 | 94.9p | 0.5p | 96.9p |
| 30 April 2011 | 92.1p | 0.75p | 94.85p |
| 31 October 2011 | 91.5p | 0.75p | 95.0p |
| 30 April 2012 | 92.8p | 1.0p | 97.3p |
| 31 October 2012 | 121.9p | 1.5p | 127.9p |
| 30 April 2013 | 88.7p | 34.0p | 128.7p |
| 31 October 2013 | 95.2p | 2.5p | 137.7p |
| 30 April 2014 | 92.2p | 2.5p | 137.2p |
| 31 October 2014 | 101.4p | 2.5p | 148.9p |
| 30 April 2015 | 97.7p | 2.5p | 147.7p |
| 31 October 2015 | 102.7p | 2.0p | 154.7p |
| 30 April 2016 | 95.7p | 7.0p | 154.7p |
| 31 October 2016 | 97.9p | 2.0p | 158.9p |
| 30 April 2017 | 95.2p | 3.0p | 159.2p |
| 31 October 2017 | 96.4p | 2.0p | 162.4p |
| 30 April 2018 | 94.3p | 3.0p | 163.3p |

The interim dividend of 2.0p per share for the six months ending 30 April 2018 will be paid on 24 August 2018, to those shareholders on the register as at 3 August 2018.

Share Price

The Company's share price can be found on various financial websites including www.londonstockexchange.com, with the following TIDM/EPIC code:

Ordinary shares

| | |
|-----------------------------------|-----------------|
| TIDM/EPIC code | OTV2 |
| Latest share price (20 June 2018) | 90.0p per share |

Buying and Selling Shares

The Company's Ordinary shares can be bought and sold through a stockbroker in the same way as any other company quoted on the London Stock Exchange. There may be tax implications in respect of selling all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available. The Company is, however, unable to buy back shares directly from shareholders. If you are considering selling your shares or trading in the secondary market, please contact the Company's corporate broker, Panmure Gordon (UK) Limited ('Panmure').

Panmure is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has brought in shares. Panmure can be contacted as follows:

| | | |
|-------------|---------------|-------------------------|
| Chris Lloyd | 020 7886 2716 | chris.lloyd@panmure.com |
| Paul Nolan | 020 7886 2717 | paul.nolan@panmure.com |

Notification of Change of Address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Computershare, as well as Octopus under the signature of the registered holder. Their contact details are provided at the end of this report.

Other Information for Shareholders

Previously published Annual Reports and half-yearly reports are available for viewing on the Investment Manager's website at octopusinvestments.com. All other statutory information will also be found there.

Warning to Shareholders

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offer to buy shares at a discount or offer for free company reports.

Please note that it is extremely unlikely that either the Company or Octopus would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call either Octopus, or the Registrar, at the numbers provided at the back of this report.

Directors and Advisers

Board of Directors

John Hustler (Chairman)
Mark Hawkesworth
Matt Cooper
Jane O'Riordan

Company Number

Registered in England & Wales
No. 06397765

Secretary and Registered Office

Parisha Kanani
Octopus Investments Limited
33 Holborn
London
EC1N 2HT

Portfolio Manager

Octopus Investments Limited
33 Holborn
London
EC1N 2HT
Tel: 0800 316 2295
www.octopusinvestments.com

Independent Auditor and Taxation Adviser

James Cowper Kreston – resigned 20 June 2018
BDO LLP – appointed 20 June 2018
55 Baker Street
London
W1U 7EU

VCT Status Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers

HSBC Bank plc
31 Holborn
London
EC1N 2HR

Registrars

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 703 6324
(Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate.)
www.computershare.com/uk
www-uk.computershare.com/investor/

Corporate Broker

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF
Tel: 020 7886 2500

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0800 316 2295
info@octopusinvestments.com
octopusinvestments.com



Octopus Investments,
33 Holborn,
London EC1N 2HT