



# Unaudited half-yearly report for the six months ended 30 June 2021

Company number: 06397765

For UK investors only

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').

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# Financial Summary

	Six months to 30 June 2021	Six months to 30 June 2020	Year to 31 December 2020
Net assets (£'000s)	<b>1,275,105</b>	906,218	1,043,235
Profit/(loss) after tax (£'000s)	<b>218,580</b>	(26,016)	75,323
Net asset value ('NAV') per share	<b>113.9p</b>	89.5 p	97.0p
Cumulative dividends paid since launch	<b>84.0p</b>	79.0p	81.0p
NAV plus cumulative dividends paid ('Total Value')	<b>197.9p</b>	168.5p	178.0p
Total Return*	<b>19.9p</b>	(2.7)p	6.8p
Total Return %**	<b>20.5%</b>	(2.8)%	7.1%
Dividends paid in the period	<b>3.0p</b>	3.0p	5.0p
Dividends declared in respect of the period***	<b>8.0p</b>	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.

\*\*\*This includes an interim dividend of 2.0p per share supplemented by a special dividend of 6.0p per share, and will be paid on 20 December 2021 to shareholders on the register as at 3 December 2021.

# Chairman's Statement

I am pleased to present the unaudited half-yearly report for Octopus Titan VCT ('Titan') for the six months ended 30 June 2021.

The Net Asset Value ('NAV') at 30 June 2021 was 113.9p which, adjusting for dividends paid, represents a 19.9p (20.5%) increase from 31 December 2020 and a 8.4p (8.0%) increase since the last released NAV on 23 April 2021. The Total Value (NAV plus cumulative dividends paid per share since launch) at the end of the period was 197.9p (31 December 2020: 178.0p). The tax-free annual compound return for the original shareholders since Titan's launch in October 2007 is now 5.8%.

Despite the challenges in the macro environment, we were pleased to raise £120 million in our most recent fundraise which closed on 3 March 2021, and, on 18 June 2021, we announced our intention to launch a new offer in the near future. As of 30 June 2021, we have uninvested cash reserves of £220 million to allow us to support our existing portfolio of more than 90 companies, as well as make new investments into early-stage, high growth businesses which we believe embody the objectives of the VCT scheme.

In the six months to 30 June 2021, we have utilised £125 million of our cash resources, comprising £52 million in new and follow-on investments, £25 million in dividends, £16 million in share buybacks and £32 million in investment management fees and other running costs (of which £18 million was the 2020 performance incentive fee). Together, this utilised 53% of our cash and cash equivalents at 31 December 2020.

## Investment Portfolio Review

I am pleased to report a net uplift in the value of the portfolio of £286 million since 31 December 2020, excluding additions and disposals, representing a 35% return on the value of the portfolio at the start of the year. Octopus and the Board engaged our auditors, BDO, to undertake a review of the valuations of the largest 25 holdings by value, similar to the review process conducted across the entire portfolio at the previous year end, and we have considered their comments in determining the NAV at 30 June 2021. We set out below the cost and valuation of the top ten holdings which account for over 55% of the value of the portfolio.

Investments	Investment cost at 30 June 2021* (£'000)	Valuation at 30 June 2021 (£'000)
Bought By Many Limited	9,978	126,960
Cazoo Limited	5,000	121,991
DePop Limited	8,766	97,361
Amplience Limited	13,634	59,956
Permutive Inc.	11,839	43,152
Chronext AG	7,708	32,157

Digital Therapeutics	6,494	22,754
Chiaro Technology Limited	6,417	22,062
Big Health Limited	10,571	20,775
Elliptic Enterprises Limited	4,913	19,710
<b>Total</b>	<b>85,320</b>	<b>566,878</b>

\*In the case of Amplience, it reflects the amount invested 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 Titans 1, 3, 4 and 5 to Titan 2 (now Titan) during the merger, as Titan received these assets at fair value.

During the six months, the uplift in valuation has been driven by the strength of performance of a number of companies in the portfolio, including in particular, Bought By Many, Cazoo, Chronext, Depop, Permutive and WaveOptics. Collectively, 40 investee companies drove an uplift of £323 million, including valuation uplifts on companies disposed of in the period. Many of our portfolio companies have made great progress over this period and hit exciting milestones, including launching new partnerships, entering new markets and rolling out new products. For example, Bought By Many raised \$350 million of additional funding at a valuation of \$2 billion in June, and (post period end) Cazoo listed on the New York Stock Exchange in August, valuing the group at \$8 billion, both incredible achievements. Titan first invested in Cazoo in November 2018 and the value of our holding has increased by more than 24 times based on the value of the business upon its listing in August.

Titan has also benefitted from an impressive number of exits during the period including: Skew being sold to Coinbase Global Inc. in April; the acquisition of WaveOptics by Snap Inc. for over \$500 million in May; and in June Depop announced its acquisition by Etsy for \$1.625 billion (which completed in July) and Semafone was majority acquired by Livingbridge enabling Titan to realise its investment, also completing in July. Collectively, these companies received investment of £31 million from Titan and the combined realised consideration totalled £207 million (in cash, shares and/or deferred amounts), with some further details on each below:

- WaveOptics: Titan first invested in WaveOptics in December 2015 and then further in 2017 and 2018 to support the company's design and development of a set of components for use in Augmented Reality (AR) glasses that allow for the creation of AR displays. Its acquisition by Snap Inc, best known for its mobile application Snapchat, represented one of the UK's largest ever deep tech acquisitions in history;
- Depop: Etsy, the e-commerce company focussing on handmade and vintage items, acquired Depop, a mobile-first marketplace connecting those looking to buy and sell streetwear, for \$1.625 billion to enhance its offering as the resale home for Gen Z consumers. Titan first invested in Depop in January 2018 and further invested in 2019;

- Skew: Titan invested in Skew, which has built a data and trading platform to help financial institutions participate in the crypto market, in 2020 and it was acquired by Coinbase Global Inc., an early client; and
- Semafone: The leading provider of Payment Card Industry Data Security Standard compliance solutions for payment and data security for call and contact centres, first received investment from Titan in 2010 and undertook a number of further funding rounds. Titan's investment was realised through the company's transaction with Livingbridge at a valuation equal to 8.5x our initial investment price. Post period end, we also saw the exit of Conversocial to Verint Systems Inc. for \$50 million in August.

Conversely, as is to be expected when investing in early-stage companies, 31 companies saw a collective decrease in valuation of £37 million. The significant contributors were Trouva, Dead Happy, Property Partner, Stackin and Streetbees where trading performance has been more challenging for various reasons, including, in some cases, the sector being affected by the Coronavirus pandemic and/or adapting to Brexit legislation changes. 12 of these 31 companies saw a reduction in value of 5% or less, typically due to fluctuations in the FX rates or net cash levels in the companies. Octopus believes that a number of these businesses have the potential to overcome the issues they face and return to their ambitious growth plans and continues to work with these companies to help them achieve their ambitions. Where appropriate, this will include providing further funding to ensure the business has sufficient capital to execute on its strategy.

Unfortunately, having been unsuccessful in securing further funding and having explored and exhausted all other options, System Inc. was placed into liquidation in the period. Slightly out of the reporting period, Titan also realised its investments in Mush, through a sale to Mumsnet, and Property Partner was acquired by Better HoldCo Inc. both at a loss, but these transactions will allow the businesses to continue and potentially thrive under new corporate ownership. The disposal value of these holdings was reflected in the period end valuations. While it is disappointing to see unprofitable realisations in the portfolio, we continue to expect some such losses when making investments into early stage, high risk, but potentially high growth businesses and remain confident that the high performers in the portfolio should outweigh the failures.

Turning to investments made during the six months to 30 June 2021, £46.5 million was invested into 10 new companies and £5.9 million was invested in seven follow-on investments into existing portfolio companies. At the year end, the portfolio comprised 91 technology or tech-enabled companies, across the five investment focussed pods.

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

- Avione, which aims to help retail investors create wealth by giving them the ability to invest into a leveraged long-term portfolio of public equities;

- CoMind, which is building the next generation non-invasive Brain Computer Interface;
- Ibex, which has developed a clinical-grade, artificial intelligence-based solution for rapid, accurate, and objective cancer diagnostics and analysis in histopathology (the microscopic study of tissue with the aim of informing a medical diagnosis);
- iSize, a software platform to optimise video quality while substantially reducing the video size and therefore bandwidth making it cheaper and quicker to transmit;
- Legl, a cloud platform offering an operating system for legal businesses;
- Overture, which is developing a suite of products to improve and automate key parts of assisted reproductive technology, which refers to medical procedures used primarily to address infertility;
- Raylo, a subscription-based business for new and refurbished electronic devices, offering insurance and upgrades through the same subscription;
- Sprout.ai, which offers insurers a claims automation and fraud filtering software system;
- Taster, a family of delivery-only restaurant brands bringing unique street foods to European consumers; and
- XYZ Reality, a cloud-based engineering-grade augmented reality software platform and hardware for the construction industry.

Furthermore, since 30 June 2021, eleven new and six follow-on investments have been completed, amounting to £29.5 million. The new investments were into:

- Anansi, delivers automated insurance products for ecommerce businesses;
- Collectv, a fresh food end-to-end supply chain business connecting food-service operators directly with produce suppliers;
- Nanosyrinx, which has used synthetic biology principles to develop a targeted biologic therapeutic delivery platform, opening a new range of targets for drug development;
- Walking on Earth, which is building a holistic health platform for the workforce;
- Integrated Finance, which helps fintech companies connect various parts of their financial services stack through a single integration;
- Mojo Men, a sexual wellbeing platform for men;
- Commazero, an open banking bulk payment system;

- Pngme, which is aiming to be the source of data to build a complete consumer financial profile for banks, fintechs, and credit bureaus;
- Troglo, a digital clinic to address some of the most important and underserved areas for health and wellbeing in the LGBTQIA+ community;
- Hapi, which is aiming to empower every family to build financial freedom for their children and transfer wealth to the next generation in the most seamless, tax efficient manner possible; and
- Imophoron is building a novel vaccine development platform to make vaccines that are stable at temperatures of up to 50°C, tackling the cold-chain problem in the vaccines industry.

## Dividends

As shareholders will know, our ambition is to pay an annual dividend of 5.0p per share, supplemented by special dividends when justified through particularly profitable realisations. Following careful consideration, I am pleased to confirm that your Board has now decided to declare an interim dividend of 2.0p (2020 2.0p) per share supplemented by a special dividend of 6.0p per share in respect of the current financial year, which will be paid on 20 December 2021 to shareholders on the register as at 3 December 2021. This represents a tax-free yield of 8% on the opening NAV. The announcement of the payment of a special dividend is a demonstration of the extraordinary performance of some of the portfolio companies and the successful exits which have completed over the period.

If you are one of the 27% of shareholders who take advantage of the Dividend Reinvestment Scheme (DRIS), your dividend will be receivable in Titan shares. This is an excellent way for those of you who prefer the capital value of your investment to grow to achieve your investment objectives.

As shareholders will be aware, since inception, we have paid 84p in dividends per share, excluding the interim and special dividends mentioned above. After undertaking a review of outstanding dividends, it has shown that there is a significant sum of unclaimed dividends. As such, if shareholders are in any doubt whether they have received all dividends due to them, they should visit the Computershare Investor Centre at: **[www.investorcentre.co.uk](http://www.investorcentre.co.uk)**. Here you will also be able to view your full dividend history, download dividend confirmations for each dividend paid after 2017, download any income tax certificates (from both dividends and allotments after 2017), view your current dividend preferences and add your bank mandate details if you have not done so already. Alternatively, you can contact Computershare by calling **0370 703 6324**.

## 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 are fully described on pages 22 to 24 of the Annual Report for the year ended 31 December 2020. The Board does not anticipate there will be significant changes to these risks.

## VCT Qualifying Status

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

As at 30 June 2021, over 92% of the portfolio (as measured by HMRC rules) was invested in VCT-qualifying investments, significantly above the 80% current VCT-qualifying threshold.

## Outlook

I am pleased to be able to announce such an impressive uplift in NAV over the last six months, as well as the payment of a special dividend. This is a credit to both the investment team's experience and the portfolio's resilience and ability to adapt in rapidly changing circumstances. The Coronavirus pandemic has created an extremely challenging environment, especially in certain sectors such as travel, retail and leisure; however, it has also offered opportunities. This can be seen with the number and range of exciting new investments made, as well as the remarkable array of realisations successfully completed over the past six months, as companies look to enhance their technology offerings, enter new markets or seek better ways to work and do business. As already announced, we intend to issue a prospectus to raise further funds and details are expected to be announced later in the Autumn.

Our most recent fundraising offer, and the completion of the aforementioned successful exits, mean that we have £220 million in cash and cash equivalents as at 30 June 2021. This will allow us to move towards our target for all cash outlays, excluding investments, to be funded by realisations, as well as to continue to support the most promising companies in our portfolio and back the people, ideas and industries that will change the world. To support this ambitious goal, Octopus has increased the investment and operational support team to ensure it continues to be able to make new investments and manage the expanding portfolio appropriately.

As described in the annual report to December 2020, when investing into new companies and some of those already in the portfolio, it was to be expected that Titan would invest along with funds from Octopus' new Enterprise Investment Scheme (EIS) service, Octopus Ventures EIS, launched in Autumn 2020. In March 2021, the first such co-investment was completed, and as at 30 June 2021, 6 of these co-investments have been made in total, all of which have been into new companies to the portfolio. As a reminder, Titan will retain its pre-emption rights, including rights of first refusal, on all existing holdings. We are pleased with how Octopus is managing this process in accordance with the allocation policy which has been agreed with the Board.

One of the challenges the team faces is the competitive nature of the investment market, as more Venture Capital firms look to enter the early-stage space. New businesses with exceptional management teams and leading technologies regularly receive multiple offers of investment. The pod structure that Octopus has in place, allowing team members to be experts in their specific area of focus, as well as the additional value the Portfolio Talent team can offer to entrepreneurs, puts Octopus in a strong position to be able to stand out in such a competitive market. The diversity and volume of exciting new deals completed in the last six months and the upcoming pipeline of investment opportunities is testament to the work the investment team continues to put into sourcing, securing and working with such business successfully. VCTs have long provided a compelling opportunity for UK investors to provide funding for such businesses in a tax-efficient way, and we look forward to Titan continuing to do so in the coming year.

I would like to conclude by thanking both the Board and the Octopus team on behalf of all shareholders for their hard work, without which our fund would not continue to achieve such performance.



John Hustler  
Chairman  
28 September 2021

# Investment Portfolio

Investments	Pod	Investment cost at 30 June 2021* (£'000)	Amount invested in the six months ending 30 June 2021 (£'000)
Amplience Limited	B2B Software	13,634	-
LHE Holdings Limited (trading as Property Partner)	Fintech	13,600	-
Permutive Inc.	B2B Software	11,839	-
Sofar Sounds Limited	Consumer	11,400	482
Smartkem Limited	Deep tech	10,753	-
Big Health Limited	Health	10,571	-
PLU&M limited	Consumer	10,500	-
Streethub Limited (trading as Trouva)	Consumer	10,363	-
Bought By Many Limited	Fintech	9,978	-
Digital Shadows Ltd	B2B Software	9,702	-
Uniplaces Limited	Consumer	9,491	188
Zenith Holding Company Limited**	Consumer	8,963	-
Ometria Limited	B2B Software	8,800	-
DePop Limited	Consumer	8,766	-
Appear Here Limited	Consumer	8,509	-
XYZ Reality Limited	Consumer	8,500	8,500
Token.IO Ltd	Fintech	8,422	-
CurrencyFair Limited	Fintech	8,381	-
Antidote Technologies Ltd	Health	8,251	-
Seatfrog UK Holdings Limited	Consumer	7,800	-
Chronext AG	Consumer	7,708	-
Iovox Limited	B2B Software	7,206	-
Ibex Medical Analytics	Health	7,148	7,148
Surrey NanoSystems Limited	Deep tech	6,918	-
Stackin Inc	Fintech	6,840	-
By Miles Limited	Fintech	6,732	-
Allplants Limited	Consumer	6,650	-
Digital Therapeutics (trading as Quit Genius)	Health	6,494	-
Chiaro Technology Limited (trading as Elvie)	Health	6,417	-
Context-Based 4Casting (C-B4) Ltd	B2B Software	6,096	-
Casual Speakers Limited (trading as Jolt)	Consumer	6,069	1,300
Conversocial Limited	B2B Software	6,064	-

Phoelex Ltd	Deep tech	6,025	-
Sprout.ai Limited	Fintech	6,000	6,000
Origami Energy Limited	Deep tech	5,947	414
Overture Life, Inc	Health	5,813	5,813
Picsoneye Segmentation Innovation Limited (trading as Pixoneye)	Deep tech	5,808	-
Artesian Solutions Limited	B2B Software	5,481	-
Memrise Inc	Consumer	5,144	-
Cazoo Limited	Consumer	5,000	-
Vitesse PSP Ltd	Fintech	5,000	2,321
Elliptic Enterprises Limited	Fintech	4,913	-
OpenSignal Inc	B2B Software	4,862	-
Michelson Diagnostics Limited	Health	4,795	-
Impatients N.V. (trading as MyTomorrows)	Health	4,705	-
Orbital Express Launch Limited	Deep tech	4,550	-
Olio Exchange Limited	Consumer	4,500	-
ThoughtRiver Limited	Deep tech	4,500	-
Raylo Group Limited	Fintech	4,500	4,500
The Faction Collective SA	Consumer	4,461	-
We Farm	Consumer	4,350	-
Secret Escapes Limited	Consumer	4,256	-
Behaviometrics AB	Deep tech	4,229	-
Patch Gardens Limited	Consumer	4,172	-
Eve Sleep Plc	Consumer	4,151	-
Mr & Mrs Oliver Ltd (trading as Skin+Me)	Health	4,000	-
The Justice Platform Inc (trading as Legl)	B2B Software	4,000	4,000
AudioTelligence Limited	Deep tech	4,000	-
Positron Technologies Limited	Fintech	4,000	-
vHive Tech Ltd	Deep tech	3,996	-
Glofox	B2B Software	3,812	-
Altitude Angel Ltd	Deep tech	3,800	-
Dead Happy Limited	Fintech	3,700	-
AllTaster Limited t/a Taster	Consumer	3,684	3,684
Medisafe Project Limited	Health	3,664	-
CoMind Technologies Limited	Deep tech	3,375	3,375
Dogtooth Technologies Limited	Deep tech	3,278	-
Anikin Ltd	Consumer	3,000	-

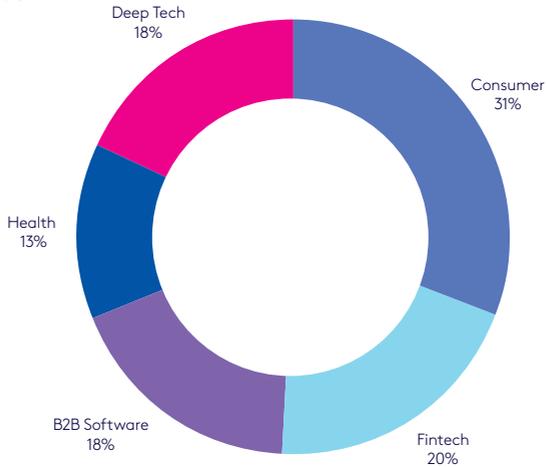
Whirli Limited	Consumer	3,000	-
Unmade Ltd	Deep tech	3,000	-
Trafi Limited	Deep tech	2,965	-
Ecrebo Limited	B2B Software	2,857	-
Metrasens Limited	Deep tech	2,819	-
Mosaic Smart Data Limited	Fintech	2,780	-
iSize Limited	Deep tech	2,625	2,625
Slamcore Limited	Deep tech	2,550	-
CRED Investment Holdings Limited	Fintech	2,500	500
Inrupt Inc.	Fintech	2,372	-
Fluidly Limited	B2B Software	2,299	-
Streetbees.com Limited	B2B Software	2,086	-
Uniq Health Limited	Health	1,900	-
Ori Biotech	Health	1,548	-
Thirdeye Labs Limited	Deep tech	1,500	-
Quantum Motion Technologies Limited	Deep tech	1,498	-
Segura Systems Limited	B2B Software	1,470	-
Aire Labs Limited	Fintech	1,332	-
Intrepid Owls Limited (trading as Rest-Less)	Fintech	1,285	735
Multiply AI Limited	Fintech	1,283	-
Avione Saving & Investment Ltd	Fintech	850	850
Minimum Corporation	Fintech	759	-
M10	Fintech	626	-
Excession Technologies Limited	Deep tech	298	-
<b>Total</b>		<b>486,238</b>	<b>52,435</b>

\*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 and 5 to Titan 2 (now Titan) during the merger, as Titan purchased these assets at fair value.

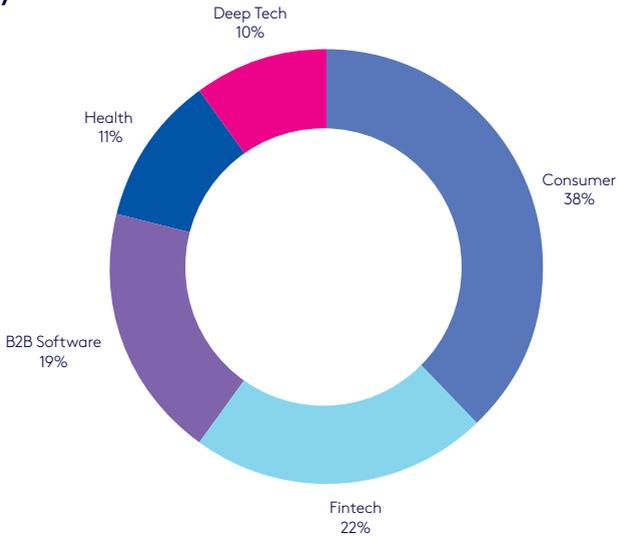
\*\*Owns stake in Secret Escapes Limited.

## Sector analysis – as at 30 June 2021

### Investment by cost



### Investments by value



# 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 description 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  
28 September 2021

# Income Statement

	Unaudited Six months to 30 June 2021			Unaudited Six months to 30 June 2020			Audited Year to 31 December 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on disposal of fixed asset investments	-	34,475	34,475	-	(672)	(672)	-	3,783	3,783
Gains on disposal of current asset investments	-	-	-	-	-	-	-	-	-
Gains/(losses) on valuation of fixed asset investments	-	251,697	251,697	-	(15,680)	(15,680)	-	104,930	104,930
(Losses)/gains on valuation of current asset investments	-	(57)	(57)	-	(66)	(66)	-	4,352	4,352
Investment income	504	-	504	274	-	274	843	-	843
Investment management fees	(474)	(9,007)	(9,481)	(381)	(7,230)	(7,611)	(764)	(14,508)	(15,272)
Performance fee	-	(55,632)	(55,632)	-	-	-	-	(18,402)	(18,402)
Other expenses	(2,991)	-	(2,991)	(2,418)	-	(2,418)	(5,070)	-	(5,070)
FX translation	-	65	65	-	157	157	-	159	159
<b>(Loss)/profit before tax</b>	<b>(2,961)</b>	<b>221,541</b>	<b>218,580</b>	<b>(2,525)</b>	<b>(23,491)</b>	<b>(26,016)</b>	<b>(4,991)</b>	<b>80,314</b>	<b>75,323</b>
Tax	-	-	-	-	-	-	-	-	-
<b>(Loss)/profit after tax</b>	<b>(2,961)</b>	<b>221,541</b>	<b>218,580</b>	<b>(2,525)</b>	<b>(23,491)</b>	<b>(26,016)</b>	<b>(4,991)</b>	<b>80,314</b>	<b>75,323</b>
(Loss)/earnings per share – basic and diluted	<b>(0.3)p</b>	<b>20.2p</b>	<b>19.9p</b>	<b>(0.3)p</b>	<b>(2.4)p</b>	<b>(2.7)p</b>	<b>(0.5)p</b>	<b>8.3p</b>	<b>7.8p</b>

- 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 As at 30 June 2021		Unaudited As at 30 June 2020		Audited As at 31 December 2020	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments		1,024,358		663,587		820,699
Current assets:						
Corporate bonds	91,385		86,456		89,882	
Cash at bank	40,822		4,105		9,348	
Applications cash*	363		26		3,613	
Debtors	87,129		5,839		6,178	
Money market funds	88,125		147,114		137,170	
	307,824		243,540		246,191	
Current liabilities	(57,077)		(909)		(23,655)	
Net current assets		250,747		242,631		222,536
<b>Net assets</b>		<b>1,275,105</b>		906,218		1,043,235
Share capital		111,925		101,272		107,502
Share premium		621,152		616,952		564,308
Special distributable reserve		100,392		69,413		150,007
Capital redemption reserve		8,015		4,879		6,377
Capital reserve realised		(44,689)		(47,811)		(66,167)
Capital reserve unrealised		509,704		187,547		309,706
Revenue reserve		(31,394)		(26,034)		(28,498)
<b>Total equity shareholders' funds</b>		<b>1,275,105</b>		906,218		1,043,235
<b>Net asset value per share</b>		<b>113.9p</b>		89.5p		97.0p

\*Cash held but not yet allotted.

The statements were approved by the Directors and authorised for issue on 28 September 2021 and are signed on their behalf by:



John Hustler  
Chairman

# Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Revenue reserve* £'000	Total £'000
<b>As at 1 January 2021</b>	<b>107,502</b>	<b>564,308</b>	<b>6,377</b>	<b>150,007</b>	<b>(66,167)</b>	<b>309,706</b>	<b>(28,498)</b>	<b>1,043,235</b>
<b>Comprehensive income for the period:</b>								
Management fees allocated as capital expenditure	-	-	-	-	(9,007)	-	-	(9,007)
Current year gain on disposal of fixed asset investments	-	-	-	-	34,475	-	-	34,475
Current year gains on disposal of current asset investments	-	-	-	-	-	-	-	-
Gains on fair value of fixed asset investments	-	-	-	-	-	251,697	-	251,697
Losses on fair value of current asset investments	-	-	-	-	-	(57)	-	(57)
Loss after tax	-	-	-	-	-	-	(2,961)	(2,961)
Performance fee	-	-	-	-	(55,632)	-	-	(55,632)
Total comprehensive income for the period	-	-	-	-	(30,164)	251,640	(2,961)	218,515
<b>Contributions by and distributions to owners:</b>								
Share issue (includes DRIS)**	6,061	56,844	-	-	-	-	-	62,905
Repurchase of own shares	(1,638)	-	1,638	(15,986)	-	-	-	(15,986)
Dividends paid (includes DRIS)	-	-	-	(33,629)	-	-	-	(33,629)
Total contributions by and distributions to owners	4,423	56,844	1,638	(49,615)	-	-	-	13,290
<b>Other movements:</b>								
Prior year fixed asset gains now realised	-	-	-	-	51,642	(51,642)	-	-
FX translation	-	-	-	-	-	-	65	65
Total other movements	-	-	-	-	51,642	(51,642)	65	65
<b>Balance as at 30 June 2021</b>	<b>111,925</b>	<b>621,152</b>	<b>8,015</b>	<b>100,392</b>	<b>(44,689)</b>	<b>509,704</b>	<b>(31,394)</b>	<b>1,275,105</b>

\*Reserves available for distribution.

\*\*This is net of allotment fees of £1.7 million.

The accompanying notes form an integral part of the financial statements.

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Revenue reserve* £'000	Total £'000
<b>As at 1 January 2020</b>	<b>95,161</b>	<b>559,972</b>	<b>4,074</b>	<b>106,915</b>	<b>(45,705)</b>	<b>209,089</b>	<b>(23,666)</b>	<b>905,840</b>
<b>Comprehensive income for the period:</b>								
Management fees allocated as capital expenditure	-	-	-	-	(7,230)	-	-	(7,230)
Current year gain on disposal of fixed asset investments	-	-	-	-	(672)	-	-	(672)
Losses on fair value of fixed asset investments	-	-	-	-	-	(15,680)	-	(15,680)
Losses on fair value of current asset investments	-	-	-	-	-	(66)	-	(66)
Loss after tax	-	-	-	-	-	-	(2,525)	(2,525)
Total comprehensive loss for the period	-	-	-	-	(7,902)	(15,746)	(2,525)	(26,173)
<b>Contributions by and distributions to owners:</b>								
Share issue**	6,916	56,980	-	-	-	-	-	63,896
Repurchase of own shares	(805)	-	805	(7,008)	-	-	-	(7,008)
Dividends paid	-	-	-	(30,494)	-	-	-	(30,494)
Total contributions by and distributions to owners	6,111	56,980	805	(37,502)	-	-	-	26,394
<b>Other movements:</b>								
Prior year fixed asset gains now realised	-	-	-	-	5,796	(5,796)	-	-
FX translation	-	-	-	-	-	-	157	157
Total other movements	-	-	-	-	5,796	(5,796)	157	157
<b>Balance as at 30 June 2020</b>	<b>101,272</b>	<b>616,952</b>	<b>4,879</b>	<b>69,413</b>	<b>(47,811)</b>	<b>187,547</b>	<b>(26,034)</b>	<b>906,218</b>

\*Reserves available for distribution.

\*\*This is net of allotment fees of £9.9 million.

The accompanying notes form an integral part of the financial statements.

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Revenue reserve* £'000	Total £'000
<b>As at 1 January 2020</b>	<b>95,161</b>	<b>559,972</b>	<b>4,074</b>	<b>106,915</b>	<b>(45,705)</b>	<b>209,089</b>	<b>(23,666)</b>	<b>905,840</b>
<b>Comprehensive income for the year:</b>								
Management fees allocated as capital expenditure	-	-	-	-	(14,508)	-	-	(14,508)
Current year gain on disposal of fixed asset investments	-	-	-	-	3,783	-	-	3,783
Current year losses on disposal of current asset investments	-	-	-	-	-	-	-	-
Gains on fair value of fixed asset investments	-	-	-	-	-	104,930	-	104,930
Gains on fair value of current asset investments	-	-	-	-	-	4,352	-	4,352
Loss after tax	-	-	-	-	-	-	(4,991)	(4,991)
Performance fee	-	-	-	-	(18,402)	-	-	(18,402)
Total comprehensive income for the year	-	-	-	-	(29,127)	109,282	(4,991)	75,164
<b>Contributions by and distributions to owners:</b>								
Share issue (includes DRIS)**	14,644	118,740	-	-	-	-	-	133,384
Repurchase of own shares	(2,303)	-	2,303	(19,994)	-	-	-	(19,994)
Dividends paid (includes DRIS)	-	-	-	(51,318)	-	-	-	(51,318)
Total contributions by and distributions to owners	12,341	118,740	2,303	(71,312)	-	-	-	62,072
<b>Other movements:</b>								
Share premium cancellation	-	(114,404)	-	114,404	-	-	-	-
Transfer between reserves	-	-	-	-	6,402	(6,402)	-	-
Prior year fixed asset gains now realised	-	-	-	-	2,263	(2,263)	-	-
Prior year current asset losses now realised	-	-	-	-	-	-	-	-
Foreign exchange translation	-	-	-	-	-	-	159	159
Total other movements	-	(114,404)	-	114,404	8,665	(8,665)	159	159
<b>Balance as at 31 December 2020</b>	<b>107,502</b>	<b>564,308</b>	<b>6,377</b>	<b>150,007</b>	<b>(66,167)</b>	<b>309,706</b>	<b>(28,498)</b>	<b>1,043,235</b>

\*Reserves available for distribution.

\*\*This is net of allotment fees of £3.5 million.

The accompanying notes form an integral part of the financial statements.

# Cash Flow Statement

	Unaudited Six months to 30 June 2021 £'000	Unaudited Six months to 30 June 2020 £'000	Audited Year to 31 December 2020 £'000
<b>Reconciliation of profit to cash flows from operating activities</b>			
Profit/(loss) before tax	218,580	(26,016)	75,323
Increase in debtors	(786)	(2,854)	(3,193)
Increase/(decrease) in creditors	36,672	(18,669)	490
Gains on disposal of current asset investments	–	–	–
Losses/(gains) on valuation of current asset investments	57	66	(4,352)
(Gains)/losses on disposal of fixed asset investments	(34,475)	672	(3,783)
(Gains)/losses on valuation of fixed asset investments	(251,697)	15,680	(104,930)
<b>Outflow from operating activities</b>	<b>(31,649)</b>	<b>(31,121)</b>	<b>(40,445)</b>
<b>Cash flows from investing activities</b>			
Purchase of current asset investments	(1,560)	(6,197)	(5,205)
Sale of current asset investments	–	–	–
Purchase of fixed asset investments	(52,434)	(52,827)	(95,792)
Sale of fixed asset investments	29,782	12,997	23,915
Zenith distribution	25,000	–	–
<b>Inflow/(outflow) from investing activities</b>	<b>788</b>	<b>(46,027)</b>	<b>(77,082)</b>
<b>Cash flows from financing activities</b>			
Applications Inflows allotted	(3,250)	(5,539)	(1,952)
Purchase of own shares	(15,986)	(7,008)	(19,994)
Net proceeds from share issues	54,365	63,896	128,103
Dividends Paid (net of DRIS)	(25,089)	(30,494)	(46,037)
<b>Inflow from financing activities</b>	<b>10,040</b>	<b>20,855</b>	<b>60,120</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(20,821)</b>	<b>(56,293)</b>	<b>(57,407)</b>
Opening cash and cash equivalents	150,131	207,538	207,538
<b>Closing cash and cash equivalents</b>	<b>129,310</b>	<b>151,245</b>	<b>150,131</b>
<b>Cash and cash equivalents comprise</b>			
Cash at Bank	40,822	4,105	9,348
Applications cash	363	26	3,613
Money Market Funds	88,125	147,114	137,170
	<b>129,310</b>	<b>151,245</b>	<b>150,131</b>

# Condensed Notes to the Half-Yearly Report

## 1. Basis of preparation

The unaudited half-yearly results which cover the six months to 30 June 2021 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 April 2021.

## 2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 30 June 2021 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 December 2020 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 1,097,460,102 ordinary shares (30 June 2020 – 986,288,321 and 31 December 2020 – 965,043,861), being the weighted average of 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

	30 June 2021	30 June 2020	31 December 2020
Net assets (£'000)	1,275,105	906,218	1,043,235
Shares in issue	1,119,250,514	1,012,719,355	1,075,024,098
Net asset value per share	113.9p	89.5p	97.0p

## 5. Dividends

The second interim dividend declared of 2.0 pence per share and special dividend of 6.0 pence per share for the six months ending 30 June 2021 will be paid on 20 December 2021 to those shareholders on the register as at 3 December 2021.

On 30 April 2021 a 3.0p interim dividend relating to the 2020 financial year was paid.

## 6. Buybacks and allotments

During the six months ended 30 June 2021 the Company bought back 16,386,650 Ordinary shares at a weighted average price of 97.6 pence per share (six months ended 30 June 2020: 8,046,813 Ordinary shares at a weighted average price of 87.1 pence per share; year ended 31 December 2020: 23,027,750 Ordinary shares at a weighted average price of 86.8 pence per share).

During the six months to 30 June 2021, 60,613,066 shares were issued at a weighted average price of 109.5 pence per share (six months ended 30 June 2020: 69,158,971 shares at a weighted average price of 98.2 pence per share; year ended 31 December 2020: 146,444,651 shares at a weighted average price of 96.5 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, but in respect of funds raised by the Company under the 2018 Offer and thereafter (and subject to the Company having a cash reserve of 10% of its NAV), the annual management charge on uninvested cash will be the lower of either (i) the actual return that the Company receives on its cash and funds that are the equivalent of cash subject to a 0% floor and (ii) 2%. During the period, the Company incurred management fees of £9,481,000 payable to Octopus (30 June 2020: £7,611,000; 31 December 2020: £15,272,000), which was fully settled by 30 June 2021.

Octopus provides accounting and administration services to the Company and receives a fee for these services which will be capped at the lower of either (i) 0.3% per annum of the Company's NAV or (ii) the administration and accounting costs of the Company for the year ended 31 October 2018 with inflationary increases. During the period, the Company incurred administration and accounting fees of £845,000 payable to Octopus (30 June 2020: £835,000; 31 December 2020: £1,674,000), which was fully settled by 30 June 2021.

In addition, Octopus is entitled to performance-related incentive fees. The incentive fees were designed to ensure that there were significant tax-free dividend payments made to Shareholders as well as strong performance in terms of capital and income growth, before any performance-related fee payment was made. As at 30 June 2021 £55,632,000 was accrued relating to the performance fee (30 June 2020: £nil; 31 December 2020: £18,402,000). The performance fee is payable following the audit and publication of the annual report.

Octopus received £0.06 million in the six months to 30 June 2021 (six months ended 30 June 2020: £0.09 million; year ended 31 December 2020: £0.19 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
Bought By Many Limited	9.2%
Cazoo Limited	2.8%
DePop Limited	10.2%
Amplience Limited	37.9%
Permutive Inc.	23.4%
Chronext AG	9.2%
Digital Therapeutics	18.4%
Chiaro Technology Limited	13.7%
Big Health Limited	18.2%
Elliptic Enterprises Limited	18.7%

## 9. Post balance sheet events

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

- Eleven new investments completed totalling £18.8 million.
- Six follow-on investments completed totalling £10.7 million.
- Full disposal of Depop for a consideration of £97.4 million.
- Full disposal of Conversocial for a consideration of £8.4 million.
- Full disposal of Property Partner for a consideration of £3.4 million.
- Full disposal of Mush for a nominal consideration.
- Cazoo listed on the New York Stock Exchange in August, valuing the group at \$8 billion. There was a partial disposal of Cazoo on listing for a consideration of £0.7 million.

- Proceeds of £39.6 million were received in July in relation to the Waveoptics disposal. This amount formed part of the debtor balance as at 30 June 2021.
- A final order to cancel Share Premium amounting to £621.2 million was granted on 16 July 2021.

#### **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:

20 December 2021	2021 interim dividend to be paid
April 2022	Annual results for the year to 31 December 2021 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/](http://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 8.30am and 5.30pm, 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
31 October 2018	93.1p	2.0p	164.1p
30 April 2019	92.4p	3.0p	166.4p
31 December 2019	95.2p	2.0p	171.2p
30 June 2020	89.5p	3.0p	168.5p
31 December 2020	97.0p	2.0p	178.0p
30 June 2021	113.9p	3.0p	197.9p

The interim dividend of 2.0p per share and special dividend of 6.0p per share for the six months ending 30 June 2021 will be paid on 20 December 2021, to those shareholders on the register as at 3 December 2021.

## Share Price

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

<b>Ordinary shares</b>	
TIDM/EPIC code	OTV2
Latest share price (27 September 2021)	95.5p 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 [octopustitanvct.com](http://octopustitanvct.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)  
Matt Cooper  
Jane O'Riordan  
Tom Leader  
Lord Rockley  
Gaenor Bagley

## Company Number

Registered in England & Wales  
No. 06397765

## Secretary and Registered Office

Octopus Company Secretarial Services  
Limited  
33 Holborn  
London, EC1N 2HT

## Portfolio Manager

Octopus Investments Limited  
33 Holborn  
London, EC1N 2HT  
Tel: 0800 316 2295  
[www.octopusinvestments.com](http://www.octopusinvestments.com)

## Manager

Octopus AIF Management Limited  
33 Holborn  
London, EC1N 2HT  
Tel: 0800 316 2295  
[www.octopusinvestments.com](http://www.octopusinvestments.com)

## Corporate Broker

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

## Independent Auditor

BDO LLP  
55 Baker Street  
London, W1U 7EU

## Tax Adviser

James Cowper Kreston  
Reading Bridge House  
George Street  
Reading, RG1 8LS

## 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](http://www.computershare.com/uk)  
[www-uk.computershare.com/investor/](http://www-uk.computershare.com/investor/)

## Depositary

BNP Paribas Securities Services  
10 Avenue  
London, NW1A 6AA



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33 Holborn,  
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