

Octopus Titan VCT plc

Half-Yearly Results

Octopus Titan VCT plc announces the half-yearly results for the six months ended 30 June 2024.

Titan's mission is to invest in the people, ideas and industries that will change the world.

Octopus Titan VCT plc (the "Titan" or the "Company") is managed by Octopus AIF Management Limited (the "Manager"), which has delegated investment management to Octopus Investments Limited (the "Octopus" or "Portfolio Manager") via its investment team Octopus Ventures.

Key financials

£	HY2024	HY2023	FY2023
Net assets (£'000)	£892,520	£1,055,683	£993,744
Loss after tax (£'000)	£(116,233)	£(87,609)	£(149,499)
NAV per share	53.5p	68.2p	62.4p
Total value per share ¹	157.4p	168.2p	164.4p
Total return per share (p) ²	(7.0)p	(5.7)p	(9.5)p
Total return per share % ³	(11.2)%	(7.4)%	(12.4)%
Dividends paid in the period	1.9p	3.0p	5.0p
Dividend yield % ⁴	3.0%	3.9%	6.5%
Dividend declared	1.2p	2.0p	1.9p

1. Total value is an alternative performance measure, calculated as NAV plus cumulative dividends paid since launch.
2. Total return is an alternative performance measure, calculated as movement in NAV per share in the period plus dividends paid in the period.
3. Total return % is an alternative performance measure, calculated as total return/opening NAV.
4. Dividend yield is an alternative performance measure, calculated as dividends paid/opening NAV.

Interim Management Report

Chair's statement

Titan's Total Return for the six months to 30 June 2024 was -11.2% with net assets at the period end totalling £892.5 million.

The Net Asset Value (NAV) per share at 30 June 2024 was 53.5p which, adjusting for dividends paid of 1.9p per share in 30 May 2024, represents a net decrease of 7.0p per share from 31 December 2023 or a total return of -11.2%.

This decline in value has been caused by the decrease in the valuation multiples applied to some of the Company's more mature portfolio companies as well as ongoing private market volatility and the associated impact on capital availability for our portfolio companies. Many of the portfolio companies have experienced lower revenue growth rates as they have prioritised extending cash runway, looking to either achieve profitability or delay fundraising until more favourable market conditions return. The Mergers and Acquisitions (M&A) and Initial Public Offerings (IPO) markets for private companies remain substantially below the levels seen in recent years, and as a result, we have seen a marked decline in realisations from the Titan portfolio with cash receipts from exits in the first half totalling only £0.8 million.

With this further decline in NAV the 10-year tax-free annual compound return for shareholders is now 2%. Since the high watermark as at 31 December 2021, Titan's total return per share has been -38.1% with which the Board are, and shareholders will be, deeply disappointed.

Considering the ongoing challenges in the early-stage venture market to which the Company is exposed, and the resultant performance issues faced, the Board, in conjunction with the Manager, are currently reviewing the strategy of Titan. This review, which will have the benefit of independent external advice, will consider a wide range of issues including but not limited to Titan's investment strategy, dividend and share buy back policies and fund raising plans. We look forward to sharing the results of this review ahead of any potential fund raise in the 2024/25 or 2025/26 tax years.¹

In the six months to 30 June 2024, the fund utilised £90.4 million of its cash resources, comprising £24.5 million in new and follow-on investments, £24.1 million in dividends (net of the Dividend Reinvestment Scheme (DRIS)), £28.0 million in share buybacks and £13.8 million in investment management fees and other running costs, and the fund received disposal proceeds of £0.8 million. The cash and corporate bond balance of £184.6 million at 30 June 2024 represented 21% of net assets at that date, compared to 20% at 31 December 2023.

The total value (NAV plus cumulative dividends paid per share since launch) at the end of the period was 157.4p (31 December 2023: 164.4p).

Dividends

Since inception, the Company has now paid 103.9p in tax-free dividends per share. Following careful consideration and recognising the value that shareholders' place on receiving tax-free dividends, I am pleased to confirm that the Board has decided to declare an interim dividend of 1.2p

per share (2023: 2.0p per share). This will be paid on 19 December 2024 to shareholders on the register as at 29 November 2024, which equates to 2% of the Company's NAV as at 31 December 2023.

The Board has concluded, however, that in light of the review being undertaken, the DRIS in respect of this interim dividend will be suspended.

Fundraise and buybacks

We were pleased to raise over £107 million in the fundraise which closed on 5 April 2024, which represented the largest VCT fundraise in the market for the 2023/24 tax year. We would like to take this opportunity to thank all shareholders for their support.

During the period, Titan repurchased 47.8 million shares for £28 million (representing 3% of the net asset value as at 31 December 2023). Further details can be found in Note 6 of the financial statements. The Board will review the policy and operation of any future share buy backs during the aforementioned review.

The Board has also determined that decisions on any future fundraising will take place at the end of the review currently underway.

Principal Risks and Uncertainties

The Board continues to review the risk environment in which Titan operates on a regular basis. The principal risks as set out in the Annual Report for the year ended 31 December 2023 on pages 46 to 49 remain. However, the risks around investment performance, loss of key people, valuations and liquidity have all increased since the year end. All the principal risks will be reported on in detail in the annual report to 31 December 2024.

VCT Status

In November 2023, a ten-year extension was announced to the "sunset clause" (a retirement date for the VCT scheme), meaning VCT tax reliefs will be available until 5 April 2035. This extension passed through Parliament in February 2024 and on 3 September 2024 His Majesty's Treasury brought the extension into effect through The Finance Act 2024.

Board of Directors and Portfolio Manager

As announced in our annual report, Rupert Dickinson was appointed to the Board with effect from 1 May 2024 and was elected by shareholders at the Annual General Meeting (AGM) held in June. Rupert has over 20 years' experience in the wealth and investment management industries. We look forward to benefiting from his extensive experience.

In March 2024, Jo Oliver was appointed as lead Fund Manager and Adviser to the Board on fund and strategy on an interim basis. In August 2024, Jo stepped down from this interim role. We wish to take this opportunity to thank Jo for his contribution to the Company and wish him well for the future.

Outlook

The further decline in NAV is disappointing and has mainly been driven by a decrease in the value of the Company's largest holdings. These holdings are typically valued using comparable market multiples which fell significantly over the six-month period. This is also evidenced by the Bessemer Index (a US technology index) showing a 12% decline over this time². This has been driven by factors such as high interest rates and economic and political uncertainty.

The priority for our portfolio companies has remained cash preservation to extend their runway to achieve profitability whilst the fundraising and exit environment has been subdued. A side-effect of this focus has, in some cases, been to reduce growth rates. Titan's largest companies have also had to focus on profitability due to the funding scarcity. In the short term, this has meant their valuations have been reduced to reflect this slowed growth, but in the long run the disciplined focus on sustainable growth should be beneficial. In these difficult conditions, we have unfortunately seen more companies underperform or fail as they have struggled to raise further funding or successfully conclude an exit.

Despite this, the Board remains reasonably optimistic about the potential within what is unquestionably a diversified portfolio, with over 145 companies spanning a wide range of sectors, business models and investment stages. Furthermore, despite this slowing in growth across the portfolio, recent analysis shows 23% of the portfolio generated an increase in revenue of over 100% when comparing year-on-year 2023 to 2022 and the portfolio overall saw 19% revenue growth³. Additionally, over 50% of the portfolio NAV is comprised of companies not expecting to need further funding to achieve profitability. This figure rises to 88% when including those companies with more than 12 months' cash runway. This demonstrates that, despite the decline in NAV, the portfolio is showing a degree of resilience. Some companies have shown great agility and modified their business models to take advantage of new opportunities, as we have seen examples of more willingness to adopt new technologies in these turbulent times. As detailed in the Portfolio Manager's report, the Octopus Ventures team is now focusing its resource on follow-on funding opportunities within the portfolio to drive improved performance in the short to mid-term.

In due course we will update you on the progress of the strategic review, and ultimately share the results, but this is not expected to be until early in 2025. I would like to conclude by thanking both the Board and the Octopus team on behalf of all shareholders for their hard work during this very challenging period.

Tom Leader
Chair

I The information contained within this paragraph is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) (which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018). Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

Portfolio Manager's review

Focus on performance

The NAV of 53.5p per share at 30 June 2024 represents a decrease in NAV of 7.0p per share versus a NAV of 62.4p per share as at 31 December 2023, after adding back dividends paid during the year of 1.9p per share, a decrease of 11.2% in the period.

The performance over the five and a half years to 30 June 2024 is shown below:

Â	Period ¹ ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023	Period ended 30 June 2024
NAV (p)	95.2	97.0	105.7	76.9	62.4	53.5
Cumulative dividends paid (p)	76.0	81.0	92.0	97.0	102.0	103.9
Total Value (p)	171.2	178.0	197.7	173.9	164.4	157.4
Total return ²	7.6%	7.1%	20.3%	(22.5)%	(12.4)%	(11.2)%
Dividend yield ³	5.4%	5.3%	11.3%	4.7%	6.5%	3.0%
Equivalent dividend yield for a higher rate tax payer ⁴	8.0%	7.8%	16.8%	7.0%	9.8%	4.6%

1 The period to 31 December 2019 was 14 months.

2 Total return % is an alternative performance measure, calculated as total return/opening NAV.

3 Dividend yield is an alternative performance measure, calculated as dividends paid/opening NAV.

4 The equivalent dividend yield for higher rate taxpayers has been calculated based on current tax rates and allowances. This information is provided for illustrative purposes only and does not constitute investment advice.

The decrease in valuation over the six month period has been driven by downward valuation movements across 67 companies which saw a collective decrease in valuation of Â£141.8 million. The businesses that contributed most significantly to this were Ampliance, ManyPets and Big Health. Ampliance has been through some senior management changes and has led a cost reduction exercise to increase its cash runway. The decline in valuation reflects the lower market comparables and lower growth rate of the business. ManyPets is focusing on stabilisation and has implemented a range of initiatives to drive higher efficiency and target profitability in the short term at the expense of growth. The decline in valuation is driven by increased loss ratios and a decline in its gross written premium. For Big Health, due to high competition in the mental health space in the US and economic pressures meaning a reduction in benefits being offered by employers, the company has had to make cost reductions and reforecast its growth plans. These three valuation movements account for 33.2% of the total decline in the reporting period.

Octopus Ventures believes that many of the companies which have seen decreased valuations in the period have the potential to overcome the issues they face and get their growth plans back on track. Octopus Ventures will continue to work with them to help them realise their ambitions. In some cases, the support offered could include further funding, to ensure a business has the capital it needs to execute on its strategy.

Conversely, 38 companies saw an increase in valuation in the period, delivering a collective increase in valuation of Â£34.9 million. These valuation increases reflect businesses which have successfully concluded further funding rounds at increased prices, grown revenues or met certain important milestones. Notable strong performers in the portfolio include Vitesse and BondAval, both of which have shown impressive capital efficient growth. These strong performers demonstrate that there are opportunities available for companies to thrive, and Titan's diverse portfolio allows different routes for each company to succeed in their market.

The gain on Titan's uninvested cash reserves was Â£4.3Â million in the six months to 30 June 2024, primarily driven by a fair value movement of Â£1.8 million in the corporate bond portfolio and a return of Â£2.5 million on the money market funds. The objective for the money market funds is to earn appropriate market rates on highly-liquid treasury holdings, at limited risk to capital.

Disposals

In June 2024, Taxfix (a European focused tax return technology platform) acquired TaxScouts, for a combination of cash and equity, which has allowed it to enter the UK market. As a result, Titan now holds shares in Taxfix. Outside of the reporting period in July, cash consideration was received for the disposal of Taxscouts and Foodsteps. Foodsteps was acquired by Registrar Corp (a provider of regulatory and compliance software for the food, cosmetic and life sciences industry). This transaction was also for a combination of cash and equity, and has offered Registrar Corp access to Foodsteps' global market platform of over 32,000 companies in 190 countries. In June, it was agreed that Cobee will be acquired by Pluxee Group (an employee benefits and engagement platform) as part of its strategic growth plan. The transaction has now been approved by the Spanish regulatory authorities, so we look forward to reporting further after completion has taken place.

In the six months, Titan also received deferred proceeds from the sale of Calastone (to The Carlyle Group in 2020) which was held in Octopus Zenith Holding Company, and iSize (to Sony Interactive Entertainment in 2023). In the six months, disposals and deferred proceeds have returned Â£0.8 million to Titan in cash during the period, including deferred amounts received in cash relating to disposals from previous periods.

There have been two disposals made at a loss: Titan sold its remaining shares in Cazoo, which was listed on the New York Stock Exchange, and Unmade was acquired by High-Tech Apparel. In aggregate, these losses generated negligible proceeds compared to an investment cost of £8.8 million.

Unfortunately, Audiotelligence, Stackin (now fully dissolved), Contingent, Phoelex, Excession and Dead Happy were placed into administration having all been unsuccessful in securing further funding and having explored and exhausted all available options. In the six months since December 2023, Third Eye and LifeBook were fully dissolved having been placed into administration in previous reporting periods.

The underperformance of a portfolio company is always disappointing for Octopus and shareholders alike, but it is a key characteristic of a venture capital portfolio, and we believe the successful disposals will continue to outweigh the losses over the medium to long-term.

	Period ¹ ended		Period ended				
£	31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023	30 June 2024	Total
Disposal proceeds ² (£'000)	26,334	23,915	221,504	62,213	45,637	767	380,370

¹ The period to 31 December 2019 was 14 months.

² This table includes proceeds received in the period.

VCT qualifying status

Shoosmiths LLP provides both the Board and Octopus with advice concerning ongoing compliance with HMRC rules and regulations concerning VCTs and has advised that Titan continues to be compliant with the conditions set by HMRC for maintaining approval as a VCT.

As at 30 June 2024, over 91% of the portfolio (as measured by HMRC rules) was invested in VCT-qualifying investments, above the 80% current VCT-qualifying threshold.

New and follow-on investments

Titan completed 6 new investments and made 9 follow-on investments in the reporting period. Together, these totalled £24.5 million (made up of £16.2 million into new companies and £8.3 million invested into the existing portfolio).

Below are details on our new investments:

Health

Manual is looking to become the go-to global platform to increase healthy lifespan and build a series of direct-to-consumer health brands for high importance, non-critical areas of health. To achieve this, it will provide easy to access advice and medical support for diagnosis, custom treatment plans and holistic care to induce long-term behaviour change.

Bio

Expression Edits is using a proprietary AI algorithm to design DNA sequences, named introns, which boost the expressions of proteins in mammalian cells.

Climate

Drift Energy is designing sailing vessels and the routing algorithms required to capture deep water wind energy and convert it into onboard hydrogen gas. This would then be transported back to shore using a fully integrated desalination, electrolysis and storage system.

Fintech

Swiipr has developed a digital payments platform specifically for the airline industry. The platform enables airlines to instantly compensate passengers in cases of disrupted or cancelled flights, using virtual or pre-paid cards. Swiipr aims to streamline payment processing for airlines and improve the reimbursement experience for affected passengers.

Bio

LabGenius is a next-generation platform leveraging machine learning to develop novel therapeutic antibodies.

Fintech

Remofirst is an Employer of Record (EOR) and compliance platform that allows companies to hire and pay employees globally.

With a further decline in Titan's NAV, the Octopus Ventures team is highly focused on improving performance and driving greater returns to shareholders. Given Titan's scale, the greatest returns are expected to be driven by its existing, largest holdings, and brand-new investments will have less impact in the near-term. As such, Titan will predominantly be looking to invest to build value in its existing portfolio for at least the coming six to twelve months. This will allow capital to be prioritised on existing companies where the route to success is clearer, as we have been closely involved with the businesses for some time already. We believe that this will drive positive near-term NAV performance as these portfolio companies are more established, so have a greater potential to secure a successful exit and drive meaningful returns, while significant investment in more than 80 new companies in the last three years also provides the foundations for targeting long-term returns.

Valuations

Titan's unquoted portfolio companies are valued in accordance with UK Generally Accepted Accounting Principles (GAAP) accounting standards and the International Private Equity and Venture Capital (IPEV) valuation guidelines. This means we value the portfolio at Fair Value,

which is the price we expect people would be willing to buy or sell an asset for at the reference date, assuming they had all the information available we do, are knowledgeable parties with no pre-existing relationship, and that the transaction is carried out under the normal course of business.

The data below illustrates the split of valuation methodology (shown as a percentage of portfolio value and number of companies). “External price” includes valuations based on funding rounds that typically completed in the last 12 months to the period end or shortly after the period end, and exits of companies where terms have been agreed with an acquirer. “External price” also includes quoted holdings, which are held at their quoted price as at the valuation date. “Multiples” is predominantly used for valuations that are based on a multiple of revenues for portfolio companies. Where there is uncertainty around the potential outcomes available to a company, a probability weighted “scenario analysis” is considered.

Valuation methodology “by value:

- Multiples: 53%
- External price: 29%
- Scenario analysis: 18%

Valuation methodology “by number of companies:

- Multiples: 33%
- External price: 23%
- Scenario analysis: 23%
- Write off: 21%

Top 20 investments

We are disappointed to report a net decrease in the value of the portfolio of £106.9 million since 31 December 2023, excluding additions and disposals. This represents a decline of 13.6% on the value of the portfolio at the start of the year. Here, we set out the cost and valuation of the top 20 holdings, which account for over 57.0% of the value of the portfolio.

			Total valuation including cost	
	Company	Investment cost		Investment focus
1	Skin+Me	£11.5m	£45.8m	Health
2	Pelago ¹	£17.9m	£38.9m	Health
3	Permutive	£19.0m	£30.8m	B2B software
4	Vitesse	£10.1m	£30.6m	Fintech
5	Amplience	£13.6m	£28.3m	B2B software
6	ManyPets	£10.0m	£26.2m	Fintech
7	Elliptic	£9.9m	£22.6m	Fintech
8	vHive	£8.0m	£21.2m	Deep tech
9	Orbex	£12.0m	£17.7m	Deep tech
10	Token	£12.6m	£16.4m	Fintech
11	Legl	£7.3m	£16.2m	B2B software
12	Ometria	£11.5m	£13.9m	B2B software
13	Automata	£12.3m	£12.4m	Health
14	Seatfrog	£9.6m	£12.3m	Consumer
15	Full Circle	£5.5m	£12.3m	B2B software
16	XYZ	£15.3m	£12.2m	Consumer
17	Lapse	£8.0m	£11.8m	Consumer
18	Taster	£8.1m	£11.6m	Consumer
19	Bondaval	£7.1m	£10.6m	Fintech
20	Ibex	£11.8m	£10.0m	Health

1. Digital Therapeutics, Inc., formerly Quit Genius, has rebranded as Pelago.

Outlook

Some of the Company’s largest holdings have seen their valuations decrease as market multiples have declined and their growth rates have fallen. These early-stage companies require significant investment to develop, however as investors have retreated from the market over the last two years, it has been increasingly challenging for such companies to raise funding, so the focus has been on cash preservation to achieve profitability.

Against this backdrop, the Octopus Ventures team have undertaken a deep review of the entire portfolio, including each company’s funding

and exit plans, and worked to ascertain and establish the most impactful actions which Octopus can support to best drive performance. Titan's capital and resource will be prioritised for those portfolio companies which have the potential to drive the greatest returns. The in-house People and Talent team will be utilised to build high performing portfolio company teams and support on key recruitment initiatives.

This portfolio focus will leverage the advantages Titan has of being a very large and mature VCT holding a highly diversified portfolio. With over 80 investments having been made in the last three years, there is the opportunity for long term returns to the Company. The ongoing focus will be optimising growth plans for the portfolio and taking advantage of exit opportunities.

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; and
- the half-yearly report includes a fair review of the information required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules, being:
 - we have disclosed 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;
 - we have disclosed a description of the principal risks and uncertainties for the remaining six months of the year; and
 - we have disclosed 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

Tom Leader
Chair

Income statement

	Unaudited			Unaudited			Audited		
	Six months to 30 June 2024			Six months to 30 June 2023			Year to 31 December 2023		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Loss on disposal of fixed asset investments	â€"	(572)	(572)	â€"	(1,922)	(1,922)	â€"	(1,870)	(1,870)
Gain on disposal of current asset investments	â€"	17	17	â€"	â€"	â€"	â€"	355	355
Loss on valuation of fixed asset investments	â€"	(106,859)	(106,859)	â€"	(72,556)	(72,556)	â€"	(131,655)	(131,655)
Gain on valuation of current asset investments	â€"	1,836	1,836	â€"	589	589	â€"	8,098	8,098
Investment income	2,446	â€"	2,446	1,543	â€"	1,543	4,467	â€"	4,467
Investment management fees	(504)	(9,585)	(10,089)	(522)	(9,917)	(10,439)	(1,054)	(20,028)	(21,082)
Other expenses	(3,022)	â€"	(3,022)	(3,168)	â€"	(3,168)	(6,264)	â€"	(6,264)
Foreign exchange translation	â€"	10	10	â€"	(1,656)	(1,656)	â€"	(1,548)	(1,548)
Loss before tax	(1,080)	(115,153)	(116,233)	(2,147)	(85,462)	(87,609)	(2,851)	(146,648)	(149,499)
Tax	â€"	â€"	â€"	â€"	â€"	â€"	â€"	â€"	â€"
Loss after tax	(1,080)	(115,153)	(116,233)	(2,147)	(85,462)	(87,609)	(2,851)	(146,648)	(149,499)
Loss per share â€" basic and diluted	(0.1)p	(7.0)p	(7.1)p	(0.1)p	(5.9)p	(6.0)p	(0.2)p	(9.7)p	(9.9)p

- 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 financial statements.

Balance sheet

	Unaudited As at 30 June 2024	Unaudited As at 30 June 2023	Audited As at 31 December 2023
	£'000	£'000	£'000
Fixed asset investments	705,407	819,886	791,403*
Current assets:			
Corporate bonds	103,393	105,196	108,669
Cash at bank	551	228	2,970
Applications cash ¹	21	338	17,842
Debtors	3,396	4,246	1,218*
Money market funds	80,619	127,037	91,172
	187,980	237,045	221,871*
Current liabilities	(867)	(1,248)	(19,530)
Net current assets	187,113	235,797	202,341*
Net assets	892,520	1,055,683	993,744
Share capital	1,667	1,548	1,594
Share premium	120,552	248,511	45,780
Special distributable reserve	965,730	823,000	1,025,614
Capital redemption reserve	122	52	74
Capital reserve realised	(105,731)	(65,269)	(89,570)
Capital reserve unrealised	(47,328)	88,667	51,674
Revenue reserve	(42,492)	(40,826)	(41,422)
Total equity shareholders' funds	892,520	1,055,683	993,744
Net asset value per share	53.5p	68.2p	62.4p

1. Cash held but not yet allotted.

* In line with accounting best practice, the opening balance of accrued loan interest has been reclassified to be included in the fair value of investments. This reclassification amends the balance previously reported as of 31 December 2023.

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

The statements were approved by the Directors and authorised for issue on 28 September 2024 and are signed on their behalf by:

Tom Leader

Chair

Company Number 06397765

Statement of changes in equity

	Share capital	Share premium	Capital redemption reserve	Special distributable reserve ¹	Capital reserve realised ¹	Capital reserve unrealised	Revenue reserve ¹	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2024	1,594	45,780	74	1,025,614	(89,570)	51,674	(41,422)	993,744
Comprehensive income for the year:								
Management fees allocated as capital expenditure	â€"	â€"	â€"	â€"	(9,585)	â€"	â€"	(9,585)
Current year loss on disposal of fixed asset investments	â€"	â€"	â€"	â€"	(572)	â€"	â€"	(572)

Current year gain on disposal of current asset investments	â€”	â€”	â€”	â€”	17	â€”	â€”	17
Loss on fair value of fixed asset investments	â€”	â€”	â€”	â€”	â€”	(106,859)	â€”	(106,859)
Gain on fair value of current asset investments	â€”	â€”	â€”	â€”	â€”	1,836	â€”	1,836
Loss after tax	â€”	â€”	â€”	â€”	â€”	â€”	(1,080)	(1,080)
Foreign exchange translation	â€”	â€”	â€”	â€”	â€”	â€”	10	10
Total comprehensive income for the period	â€”	â€”	â€”	â€”	(10,140)	(105,023)	(1,070)	(116,233)
Contributions by and distributions to owners:	Â	Â	Â	Â	Â	Â	Â	Â
Share issue (includes DRIS)	121	76,665	â€”	â€”	â€”	â€”	â€”	76,786
Share issue costs	â€”	(1,893)	â€”	â€”	â€”	â€”	â€”	(1,893)
Repurchase of own shares	(48)	â€”	48	(28,008)	â€”	â€”	â€”	(28,008)
Dividends paid (includes DRIS)	â€”	â€”	â€”	(31,876)	â€”	â€”	â€”	(31,876)
Total contributions by and distributions to owners	73	74,772	48	(59,884)	â€”	â€”	â€”	15,009
Other movements:	Â	Â	Â	Â	Â	Â	Â	Â
Prior year fixed asset losses now realised	â€”	â€”	â€”	â€”	(5,998)	5,998	â€”	â€”
Prior year current asset losses now realised	â€”	â€”	â€”	â€”	(23)	23	â€”	â€”
Total other movements	â€”	â€”	â€”	â€”	(6,021)	(6,021)	â€”	â€”
Balance as at 30 June 2024	1,667	120,552	122	965,730	(105,731)	(47,328)	(42,492)	892,520

1. Reserves available for distribution.

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

	Share capital	Share premium	Capital redemption reserve	Special distributable reserve ¹	Capital reserve realised ¹	Capital reserve unrealised	Revenue reserve ¹	Total
	Â Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
As at 1 January 2023	1,368	92,896	27	887,288	(53,430)	160,634	(37,023)	1,051,760
Comprehensive income for the period:	Â	Â	Â	Â	Â	Â	Â	Â
Management fees allocated as capital expenditure	â€”	â€”	â€”	â€”	(9,917)	â€”	â€”	(9,917)
Current year loss on disposal of fixed asset investments	â€”	â€”	â€”	â€”	(1,922)	â€”	â€”	(1,922)
Loss on fair value of fixed asset investments	â€”	â€”	â€”	â€”	â€”	(72,556)	â€”	(72,556)
Gain on fair value of current asset investments	â€”	â€”	â€”	â€”	â€”	589	â€”	589
Loss after tax	â€”	â€”	â€”	â€”	â€”	â€”	(2,147)	(2,147)
Foreign exchange translation	â€”	â€”	â€”	â€”	â€”	â€”	(1,656)	(1,656)
Total comprehensive income for the period	â€”	â€”	â€”	â€”	(11,839)	(71,967)	(3,803)	(87,609)
Contributions by and distributions to owners:	Â	Â	Â	Â	Â	Â	Â	Â
Share issue (includes DRIS)	205	160,895	â€”	â€”	â€”	â€”	â€”	161,100
Share issue costs	â€”	(5,280)	â€”	â€”	â€”	â€”	â€”	(5,280)
Repurchase of own shares	(25)	â€”	25	(18,161)	â€”	â€”	â€”	(18,161)
Dividends paid (includes DRIS)	â€”	â€”	â€”	(46,127)	â€”	â€”	â€”	(46,127)
Total contributions by and distributions to owners	180	155,615	25	(64,288)	â€”	â€”	â€”	91,532
Balance as at 30 June 2023	1,548	248,511	52	823,000	(65,269)	88,667	(40,826)	1,055,683

1. Reserves available for distribution.

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

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve ¹ £'000	Capital reserve realised ¹ £'000	Capital reserve unrealised £'000	Revenue reserve ¹ £'000	Total £'000
As at 1 January 2023	1,368	92,896	27	887,288	(53,430)	160,634	(37,023)	1,051,760
Comprehensive income for the year:								
Management fees allocated as capital expenditure	â€"	â€"	â€"	â€"	(20,028)	â€"	â€"	(20,028)
Current year loss on disposal of fixed asset investments	â€"	â€"	â€"	â€"	(1,870)	â€"	â€"	(1,870)
Current year gain on disposal of current asset investments	â€"	â€"	â€"	â€"	355	â€"	â€"	355
Loss on fair value of fixed asset investments	â€"	â€"	â€"	â€"	â€"	(131,655)	â€"	(131,655)
Gain on fair value of current asset investments	â€"	â€"	â€"	â€"	â€"	8,098	â€"	8,098
Loss after tax	â€"	â€"	â€"	â€"	â€"	â€"	(2,851)	(2,851)
Foreign exchange translation	â€"	â€"	â€"	â€"	â€"	â€"	(1,548)	(1,548)
Total comprehensive income for the year	â€"	â€"	â€"	â€"	(21,543)	(123,557)	(4,399)	(149,499)
Contributions by and distributions to owners:								
Share issue (includes DRIS)	273	207,132	â€"	â€"	â€"	â€"	â€"	207,405
Share issue costs	â€"	(5,737)	â€"	â€"	â€"	â€"	â€"	(5,737)
Repurchase of own shares	(47)	â€"	47	(32,422)	â€"	â€"	â€"	(32,422)
Dividends paid (includes DRIS)	â€"	â€"	â€"	(77,763)	â€"	â€"	â€"	(77,763)
Total contributions by and distributions to owners	226	201,395	47	(110,185)	â€"	â€"	â€"	91,483
Other movements:								
Share premium cancellation	â€"	(248,511)	â€"	248,511	â€"	â€"	â€"	â€"
Prior year current asset losses now realised	â€"	â€"	â€"	â€"	(355)	355	â€"	â€"
Transfer between reserves	â€"	â€"	â€"	â€"	(14,242)	14,242	â€"	â€"
Total other movements	â€"	(248,511)	â€"	248,511	(14,597)	14,597	â€"	â€"
Balance as at 31 December 2023	1,594	45,780	74	1,025,614	(89,570)	51,674	(41,422)	993,744

1. Reserves are available for distribution.

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

Cash flow statement

Unaudited Unaudited Audited

	Six months to 30 June	Six months to 30 June	Year to 31 December
	2024	2023	2023
	£'000	£'000	£'000
Reconciliation of profit to cash flows from operating activities			
Loss before tax	(116,233)	(87,609)	(149,499)
Decrease in debtors	129	1,246	3,671
Decrease in creditors	(842)	(1,217)	(440)
Gain on disposal of current asset investments	(17)	–	(355)
Gain on valuation of current asset investments	(1,836)	(589)	(8,098)
Loss/(gain) on disposal of fixed asset investments	572	1,922	(1,111)
Loss on valuation of fixed asset investments	106,859	72,556	131,655
Outflow from operating activities	(11,368)	(13,691)	(24,177)
Cash flows from investing activities			
Purchase of current asset investments	–	(364)	–
Sale of current asset investments	7,129	–	4,028
Purchase of fixed asset investments	(24,509)	(64,993)	(97,650)
Sale of fixed asset investments	767	39,960	45,637
Outflow from investing activities	(16,613)	(25,397)	(47,985)
Cash flows from financing activities			
Movement in applications account	(17,821)	(22,961)	(5,457)
Dividends paid (net of DRIS)	(24,115)	(34,378)	(58,210)
Purchase of own shares	(28,008)	(18,161)	(32,422)
Share issues (net of DRIS)	69,025	149,351	187,852
Share issues costs	(1,893)	(5,280)	(5,737)
Inflow/(outflow) from financing activities	(2,812)	68,571	86,026
Increase/(decrease) in cash and cash equivalents	(30,793)	29,483	13,864
Opening cash and cash equivalents	111,984	98,120	98,120
Closing cash and cash equivalents	81,191	127,603	111,984
Cash and cash equivalents comprise of:			
Cash at bank	551	228	2,970
Applications cash	21	338	17,842
Money market funds	80,619	127,037	91,172
Closing cash and cash equivalents	81,191	127,603	111,984

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

Condensed notes to the financial statements

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 30 June 2024 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting (January 2024) and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in July 2022.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 30 June 2024 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 2023 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. Loss per share

The loss per share is based on 1,630,116,808 Ordinary shares (30 June 2023: 1,458,917,593 and 31 December 2023: 1,506,111,802), being the weighted average number of shares in issue during the period. There are no potentially dilutive capital instruments in issue and so no diluted returns per share figures are relevant. The basic and diluted earnings per share are therefore identical.

4. Net asset value per share

	Â Â	30 June 2024	30 June 2023	31 December 2023
Net assets (Â£â€™000)		892,520	1,055,683	993,744
Ordinary shares in issue		1,666,741,092	1,547,797,287	1,593,601,092
Net asset value per share		53.5p	68.2p	62.4p

5. Dividends

The interim dividend declared of 1.2p (2%) per share for the six months ending 30 June 2024 will be paid on 19 December 2024 to those shareholders on the register as at 29 November 2024.

On 30 May 2024, a 1.9p second interim dividend relating to the 2023 financial year was paid.

6. Buybacks and allotments

During the six months to 30 June 2024, the Company bought back 47,758,782 Ordinary shares at a weighted average price of 58.6p per share (six months ended 30 June 2023: 24,948,066 Ordinary shares at a weighted average price of 72.8p per share; year ended 31 December 2023: 46,895,882 Ordinary shares at a weighted average price of 69.1p per share).

During the six months to 30 June 2024, 120,898,782 shares were issued at a weighted average price of 65.5p per share (six months ended 30 June 2023: 204,539,959 shares at a weighted average price of 81.0p per share; year ended 31 December 2023: 272,547,045 shares at a weighted average price of 78.6p 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% 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 Â£10,089,000 payable to Octopus (30 June 2023: Â£10,439,000; 31 December 2023: Â£21,082,000), which were fully settled by 30 June 2024.

Octopus provides non-investment services to the Company and receives a fee for these services which is capped at the lower of (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 December 2020 with inflation increases in line with the Consumer Price Index. During the period, the Company incurred non-investment services fees of Â£1,047,000 payable to Octopus (30 June 2023: Â£1,046,000; 31 December 2023: Â£2,020,000), which were fully settled by 30 June 2024.

In addition, Octopus is entitled to performance-related incentive fees. The incentive fee arrangements were designed to make sure 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. There were no performance-related fees accrued for the six months to 30 June 2024 (30 June 2023: Â£nil; 31 December 2023: Â£nil).

Titan owns Zenith Holding Company Limited, which owns a share in Zenith LP, a fund managed by Octopus.

In the period, Octopus Investments Nominees Limited (OINL) purchased Titan shares from shareholders to correct administrative issues, with the intention that the shares will be sold back to Titan in subsequent share buybacks. As at 30 June 2024, no Titan shares were held by OINL (30 June 2023: no shares; 31 December 2023: no shares) as beneficial owner. Throughout the period to 30 June 2024, OINL purchased 7,840 shares (30 June 2023: 1,602,591; 31 December 2023: 1,883,000 shares) at a cost of Â£5,000 (30 June 2023: Â£1,372,000; 31 December 2023: Â£1,563,000) and sold 7,840 shares (30 June 2023: 1,602,591; 31 December 2023: 1,883,000 shares) for proceeds of Â£5,000 (30 June 2023: Â£1,171,000; 31 December 2023: Â£1,353,000). This is classed as a related party transaction as Octopus, the Portfolio Manager, and OINL are part of the same group of companies. Any such future transactions, where OINL takes over the legal and beneficial ownership of Company shares, will be announced to the market and disclosed in annual and half-yearly reports.

Several members of the Octopus investment team hold non-executive directorships as part of their monitoring roles in Titan's portfolio companies, but they have no controlling interests in those companies.

The Directors received the following dividends from Titan:

Â Â	Period to 30 June 2024	Period to 30 June 2023	Year to 31 December 2023
Tom Leader (Chair)	1,792	1,625	1,889
Matt Cooper ¹	19,893	70,597	â€”
Jane O'Riordan	4,268	4,428	6,901

Lord Rockley	2,945	2,126	2,776
Julie Nahid Rahman	85	â€”	89
Gaenor Bagley	904	733	901
Rupert Dickinson ²	â€”	â€”	â€”

1. Matt Cooper stepped down as a Director on 14 June 2023.
2. Rupert Dickinson was appointed as a Director on 1 May 2024.

8. Voting rights and equity management

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

Investments	% voting rights held by Titan
Mr & Mrs Oliver Ltd (trading as Skin+Me) ¹	20.6%
Digital Therapeutics (trading as Pelago, formerly Quit Genius)	14.0%
Permutive Inc. ¹	17.8%
Vitesse PSP Limited	14.6%
Amplience Limited	20.5%
Many Group Limited (trading as Many Pets) ¹	7.5%
Elliptic Enterprises Limited ¹	11.3%
vHive Tech Limited	19.0%
Orbital Express Launch Limited (trading as Orbex)	10.0%
Token.IO Limited ¹	13.5%

¹ These companies have also been invested in by other funds managed by Octopus.

9. Post balance sheet events

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

- a final order to cancel share premium amounting to Â£120.6 million was granted on 30 July 2024.

10. Half-Yearly Report

The unaudited half-yearly report for the six months ended 30 June 2024 will shortly be available to view at octopus.titan.vct.com

A copy of the report will be submitted to the National Storage Mechanism and will shortly be available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

For further information please contact:

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