

Octopus Apollo VCT plc

Half-Yearly Results

Octopus Apollo VCT plc today announces its unaudited half-yearly results for the six months ended 31 July 2024.

Octopus Apollo VCT plc (the "Apollo" 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 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

£	HY 2024	HY 2023	FY2024
Net assets (£'000)	£438,796	£385,519	£390,294
Profit/(loss) after tax (£'000)	£4,546	£9,059	£(435)
NAV per share ¹	49.7p	53.1p	50.5p
Cumulative dividends paid since launch	88.7p	86.0p	87.4p
Total value per share ²	138.4p	139.1p	137.9p
Dividends paid in the year	1.3p	1.3p	2.7p
Dividend yield ³	2.6%	2.4%	5.1%
Dividend declared	1.3p	1.4p	1.3p
Total return per share % ⁴	1.0%	2.3%	0.0%

1. NAV per share is an alternative performance measure (APM) calculated as net assets divided by total number of shares, as described in the glossary of terms.

2. Total value per share is an APM calculated by adding together NAV per share and cumulative dividends paid since launch.

3. Dividend yield is an APM, calculated as dividends paid in the period, divided by the NAV at the beginning of the period.

4. Total return per share % is an APM calculated as movement in NAV in the period plus dividends paid in the period, divided by the NAV at the beginning of the period, as described in the glossary of terms.

Interim Management Report

Chair's statement

Performance

I am pleased to present the half-yearly report for Apollo for the six months ended 31 July 2024. The net asset value (NAV) plus cumulative dividends per share at 31 July 2024 was 138.4p, an increase of 0.5p per share from 31 January 2024. The NAV Total Return was 1.0% for the six months. This outcome highlights the Company's overall resilience, especially given the backdrop of a challenging global macro environment and declining comparative market multiples.

In the six months to 31 July 2024, we utilised £40.4 million of our cash resources, comprising £22.3 million in new and follow-on investments, £8.4 million in dividends (net of the dividend reinvestment scheme), £4.1 million in management fees, £3.9 million in share buybacks, and £1.7 million in other running costs such as accounting and administration services and trail commissions. The cash and cash equivalents balance of £89.5 million at 31 July 2024 represented 20.4% of net assets at that date, compared to 15.7% at 31 January 2024.

Dividends

It is your Board's policy to maintain a regular dividend flow where possible to take advantage of the tax-free distributions a VCT can provide, and work towards the targeted 5% annual dividend yield policy.

I am pleased to confirm that the Board has decided to declare an interim dividend of 1.3p per share in respect of the period ended 31 July 2024. The dividend will be payable on 20 December 2024 to shareholders on the register at 6 December 2024.

Apollo's dividend reinvestment scheme (DRIS) was introduced in November 2014 and to date 20.4% of shareholders take advantage of it as it is an attractive scheme for investors who would prefer to benefit from additional income tax relief on their reinvested dividend.

I hope that shareholders will find this scheme beneficial. During the six months to 31 July 2024, 5,084,140 shares were issued under the DRIS, equating to a reinvested amount of £2.5 million.

Fundraise and share buybacks

On 19 March 2024, the Company closed its offer to raise £50 million and this led the Board to increase the offer to £85 million from £50 million, and I am pleased to report that we successfully raised the full amount, closing the offer on 24 September 2024. Following on from this, on

4 October 2024, the Company announced its intention to launch a new fundraise later this year. We would like to take this opportunity to welcome all new shareholders and thank all existing shareholders for their continued support.

Apollo has continued to offer a share buyback scheme in line with our policy. In the six months to 31 July 2024, the Company bought back 8,053,434 shares for a total consideration of £3.9 million.

Dividends, whether paid in cash or reinvested under the DRIS, and share buybacks are always at the discretion of the Board, are never guaranteed and may be reviewed when necessary.

VCT qualifying status and sunset clause

Shoosmiths LLP provides the Board and Portfolio Manager with advice concerning ongoing compliance with His Majesty's Revenue & Customs (HMRC) rules and regulations concerning VCTs. The Board has been advised that Apollo is complying with the conditions set by HMRC for maintaining approval as a VCT. A key requirement is to maintain at least an 80% qualifying investment level. As at 31 July 2024, 100% of the portfolio, as measured by HMRC rules, was invested in VCT qualifying investments.

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 in September 2024 the Treasury brought into effect the extension through The Finance Act 2024. This offers long-term stability on the tax efficient status of an investment for investors participating in a VCT scheme.

Principal risks and uncertainties

The Board continues to review the risk environment in which the Company operates on a regular basis. There have been no significant changes to the key risks which were described on pages 35 to 38 of the Annual Report for the year ended 31 January 2024. The Board does not anticipate any significant changes to these risks.

Alternative Investment Fund (AIF)

As announced on 30 September 2024, the Company is now classified as a full scope AIF under the European Union's AIF Managers Directive (AIFMD). This is due to the Company's success and continued growth in assets under management (AUM). This regulation is in place to ensure greater transparency and risk mitigation to protect investors. It is an exciting milestone for the Company and the Board is working closely with Octopus to ensure all reporting requirements and management protocols are adopted.

Portfolio Manager

Apollo's lead fund manager, Richard Court, has taken on a new role as Head of VCTs and Enterprise Investment Schemes (EIS) at Octopus, so will continue to be involved with the Company. Paul Davidson, a Partner in the Octopus Ventures team, will replace Richard as lead fund manager. Paul brings with him more than seven years of experience, focussing on Apollo, and has worked closely with the Board alongside Richard for over three of these years. The Board would like to take this opportunity to both congratulate Paul on his new role and to thank Richard for his contribution to the Company and wish him well in his new position.

Murray Steele
Chair

Portfolio Manager's review

Investment strategy

Most companies in the portfolio operate in sectors where there is a strong opportunity for growth whilst also offering some degree of resilience in terms of demand. In general, we invest in business-to-business (B2B) technology companies operating in the software-as-a-service (SaaS) space that have recurring revenues from a diverse base of customers. We also seek to invest in companies that will provide an opportunity for Apollo to realise its investment, typically within three to seven years.

Apollo total value growth

The total value has seen a significant increase over this period, from 118.2p to 138.4p at 31 July 2024. This increase in total value of 20.2p represents a 42.9% increase on the NAV of 47.1p as at 31 January 2019. A total of over £88 million has also been distributed back to shareholders in the form of tax-free dividends. This includes dividends reinvested as part of the DRIS.

Focus on performance

In the six months to 31 July 2024, the NAV total return (NAV plus cumulative dividends) increased to 138.4p per share, giving a total return of 1.0% for the period. We are pleased with this modest uplift considering the backdrop of a challenging macroeconomic environment that our portfolio companies are having to operate within.

The performance over the period to 31 July 2024 is shown below:

£	NAV	Dividends paid in year	Cumulative dividends	NAV + cumulative dividends	Total return %
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Year ended 31 January 2019	47.1p	3.1p	71.1p	118.2p	(0.8)%
Year ended 31 January 2020	45.7p	3.0p	74.1p	119.8p	3.4%
Year ended 31 January 2021	49.2p	2.3p	76.4p	125.6p	12.7%
Year ended 31 January 2022	50.2p	5.7p	82.1p	132.3p	13.6%
Year ended 31 January 2023	53.2p	2.6p	84.7p	137.9p	11.2%
Year ended 31 January 2024	50.5p	2.7p	87.4p	137.9p	0.0%
Period ended 31 July 2024	49.7p	1.3p	88.7p	138.4p	1.0%

Over the six months, there have been valuation increases across 23 portfolio companies, delivering a collective increase of Â£27.0 million. These increases reflect businesses which have successfully grown their customer base and revenues through the period. Most of the contributing companies are the B2B technology focused ones that Apollo has invested in over recent years, with some notable strong performers including Lodgify, ValueBlue and TRI.

Conversely, 20 companies saw a decrease in valuation, collectively totalling Â£17.4 million. The businesses that saw the most significant reductions were Synchtank, Edge10 and Delio. Edge10 operates in a competitive market and has struggled to scale effectively which has resulted in slowing growth. Both Delio and Synchtank have prioritised reaching cash flow breakeven over growth. In most of the companies with a decline in value, growth has decelerated due to lengthening enterprise software sales cycles, as well as there being some company-specific performance issues.

As part of liquidity management, Apollo regularly invests in and withdraws from Money Market Funds (MMFs) in order to meet cash requirements. During the period, on a net basis, an additional Â£28.0 million was invested in MMFs. These investments, in combination with the previously held investments in SEQI (an OEIC) and the MMFs, took the total liquid investments at 31 July 2024 to Â£85.8 million (including interest earned during the year on MMF deposits).

Disposals

One profitable disposal completed in the six months period was Dyscova Ltd (trading as Care & Independence (C&I)) being acquired by GBUK Group, a company which designs, develops and distributes a portfolio of own and third-party branded acute-setting medical devices. Apollo first invested in C&I in 2016, and the exit offered Apollo a 1.7x total return on its investment.

One disposal resulted in a partial loss on investment when Ryte GmbH, a marketing software technology platform, was acquired by Semrush Holdings Inc. 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 significantly outweigh the losses over the medium to long term.

In the six months, all disposals, including loan repayments, have in aggregate returned Â£11.3 million to Apollo.

Outside of the reporting period in September, we were pleased to exit our holding in Countrywide Healthcare Supplies Holdings which was acquired by Personnel Hygiene Services Ltd, a hygiene services provider. The Company first invested in 2014, prior to the strategic change of investment focus on B2B SaaS businesses, and we were pleased that the acquisition offered a 4.4x return on our initial investment.

						Six months ended 31 July 2024	Total
Â	Year ended 31 January 2020	Year ended 31 January 2021	Year ended 31 January 2022	Year ended 31 January 2023	Year ended 31 January 2024		
Dividends (Â£'000)	8,345	7,471	28,366	14,323	19,165	10,901	88,571
Disposal proceeds (Â£'000)	17,794	3,356	53,939	3,591	18,292	11,301	108,273

New and follow-on investments

Apollo completed follow-on investments in six companies and made three new investments, including follow-on tranches of investments committed to in prior periods. Together, these totalled Â£22.3 million (made up of Â£12.8 million invested in the existing portfolio and Â£9.5 million in new companies).

Apollo's new investments (not including follow-on tranches of investments committed to in prior periods) were in:

Definely

AI based legal technology software company supporting legal professionals in contract drafting and reviewing, increasing the accuracy and speed of production.

Switchee

Smart thermostat hardware and software provider focused on improving outcomes for social housing and housing associations.

Cambri

A research and data insights platform that increases the quality, speed and cost effectiveness of research for new product launches.

Valuations

Methodologies include:

â€¢ Price of Recent Investmentâ€™ (PRI) is utilised when there has been a recent transaction which is generally assessed to be the best indicator of Fair Value as of the transaction date;

â€¢ Market approachâ€™ involves the application of an appropriate multiple to a performance measure (typically a revenue metric, but potentially also profit) to derive the value of the business. The multiple is derived by referring to comparable listed companies or comparable transactions; and

â€¢ Scenario analysisâ€™ is utilised where there is uncertainty around the potential outcomes available to a company, so a probability-weighted scenario analysis is considered.

Valuation methodology as at 31 July 2024	By value	By number of companies
Market Approach	81%	76%
Scenario analysis	15%	12%
PRI	4%	10%
Write-off	-	2%

Top ten investments by value as at 31 July 2024

The below table sets out the cost and valuation of the top ten holdings, which account for over 57% of the value of the portfolio.

Â	Portfolio	Investment cost (Â£â€™000)	Total valuation including cost (Â£â€™000)
1	Natterbox	Â£17,490	Â£39,530
2	Lodgify	Â£12,611	Â£26,308
3	Ubisecure	Â£9,075	Â£21,238
4	Sova	Â£12,250	Â£19,324
5	TRI	Â£3,800	Â£17,947
6	Interact	Â£308	Â£17,364
7	FableData	Â£8,600	Â£16,865
8	ValueBlue	Â£10,071	Â£15,439
9	Mention Me	Â£15,000	Â£15,000
10	Fuse Universal	Â£8,000	Â£14,254

Outlook

We are pleased to report the small uplift in Apolloâ€™s NAV for the six months, as this is a testament to the overall stability and resilience of the portfolio companies we have invested into, many of which have seen slowing growth and have had to prioritise extending their cash runways to reduce their ongoing funding requirements. The challenging market backdrop the companies are operating in is evidenced by the Bessemer Index (a US technology index) showing a 12% decline in the first half of the year¹. Most companies have been affected by the challenging macro-economic headwinds, with high interest rates and economic and political uncertainty; some of our companies have found sales cycles more protracted, with a higher risk of customer churn as customers look to cut their operating costs, although there are signs that this trend is stabilising.

Despite these challenges, we are pleased to have completed two profitable realisations (one outside of the reporting period) and we are starting to see signs of the exit market recovering. For instance, Initial Public Offerings (IPOs) had their strongest first six months since the peak of 2021, bringing renewed optimism to the market². While an IPO is just one potential route to exit and often not typically the main exit route for our portfolio companies, the improving sentiment is encouraging. We plan to leverage these emerging opportunities by selling companies to trade buyers or strategic acquirers when it makes commercial sense, as demonstrated in the past six months. Our goal is to capitalise on all available opportunities for our portfolio companies to maximise returns for shareholders.

Alongside this, we were delighted with the support weâ€™ve received from Apolloâ€™s new and existing investors, with the extended fundraise closing fully subscribed. These funds will allow Apollo to continue to support the existing portfolio in their growth plans and invest in new opportunities, which have great potential to become successful and deliver good returns to shareholders.

The ongoing need for exciting, high-growth companies to raise funding provides ample opportunity to make successful future investments in line with Apolloâ€™s strategy. The recent decrease in inflation and the commencement of a cycle of interest rate reduction should create an improved trading environment for our existing portfolio companies and any new investments, allowing them to prosper. We therefore remain optimistic and confident about Apolloâ€™s future investment prospects and its current portfolio providing opportunities for the continued success of the fund.

Paul Davidson
Partner and Apollo Lead Fund Manager

¹ <https://cloudindex.bvp.com/>

² Pitchbook, European Venture Report Q2 2024.

Directorsâ€™ responsibilities statement

The Directors confirm that to the best of their knowledge:

- the half-yearly financial statements have been prepared in accordance with the 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's 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.

By order of the Board

Murray Steele
Chair

Income statement

	Unaudited six months to 31 July 2024			Unaudited six months to 31 July 2023			Audited year to 31 January 2024		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Realised (loss)/gain on disposal of fixed asset investments	£"	(1,066)	(1,066)	£"	98	98	£"	(876)	(876)
Change in fair value of fixed asset investments	£"	10,685	10,685	£"	15,155	15,155	£"	9,317 ¹	9,317 ¹
Change in fair value of current asset investments	£"	(61)	(61)	£"	(205)	(205)	£"	16	16
Investment income	1,899	£"	1,899	1,932	£"	1,932	2,576 ¹	£"	2,576 ¹
Investment management fees	(1,021)	(4,202)	(5,223)	(877)	(4,954)	(5,831)	(1,862)	(5,601)	(7,463)
Other expenses	(1,688)	£"	(1,688)	(2,091)	£"	(2,091)	(4,006)	£"	(4,006)
Foreign currency translation	£"	£"	£"	1	£"	1	1	£"	1
(Loss)/profit before tax	(810)	5,356	4,546	(1,035)	10,094	9,059	(3,291)¹	2,856¹	(435)
Tax	£"	£"	£"	£"	£"	£"	£"	£"	£"
(Loss)/profit after tax	(810)	5,356	4,546	(1,035)	10,094	9,059	(3,291)¹	2,856¹	(435)
(Loss)/earnings per share	(0.1p)	0.7p	0.6p	(0.2p)	1.5p	1.3p	(0.5p)¹	0.4p¹	(0.1p)
£" basic and diluted									

- The Total column of this statement is the profit and loss account of Apollo; the 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.
- Apollo has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.

¹ Following advice from Apollo's auditors, BDO, the presentation and classification of accrued loan interest was updated to be part of the fair value of investments. This balance is therefore an amendment to the balance presented in the 31 January 2024 accounts.

Apollo has no other comprehensive income for the period.

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

Balance sheet

	Unaudited as at 31 July 2024		Unaudited as at 31 July 2023		Audited as at 31 January 2024	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments	£	352,450	£	321,855	£	

					331,878 ¹
Current assets:	Â	Â	Â	Â	Â
Investments		8,428 Â		3,766 Â	8,486 Â
Money market funds		77,342 Â		56,515 Â	47,950 Â
Debtors		881 Â		5,110 Â	244 ¹ Â
Cash at bank		3,708 Â		3,026 Â	4,868 Â
Applications cash		2,894 Â		3,056 Â	8,852 Â
Total current assets		93,253 Â		71,473 Â	70,400¹ Â
Current liabilities		(6,907) Â		(7,809) Â	(11,984) Â
Net current assets	Â	86,346 Â		63,664 Â	58,416¹
Net assets	Â	438,796 Â		385,519 Â	390,294
Â	Â	Â	Â	Â	Â
Share capital	Â	883 Â		725 Â	773
Share premium	Â	86,073 Â		117,977 Â	27,476
Special distributable reserve	Â	251,373 Â		161,415 Â	266,132
Capital redemption reserve	Â	180 Â		167 Â	172
Capital reserve realised	Â	(21,374) Â		(17,618) Â	(15,275)
Capital reserve unrealised	Â	128,482 Â		126,608 Â	117,027 ¹
Revenue reserve	Â	(6,821) Â		(3,755) Â	(6,011) ¹
Total shareholders' funds	Â	438,796 Â		385,519 Â	390,294
Net asset value per share - basic and diluted	Â	49.7p Â		53.1p Â	50.5p

¹ Following advice from Apollo's auditors, BDO, the presentation and classification of accrued loan interest was updated to be part of the fair value of investments. This balance is therefore an amendment to the balance presented in the 31 January 2024 accounts.

The statements were approved by the Directors and authorised for issue on 14 October 2024 and are signed on their behalf by:

Murray Steele

Chair

Company Number: 05840377

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

Statement of changes in equity

Â	Share capital Â£â€™000	Share premium Â£â€™000	Special distributable reserves ¹ Â£â€™000	Capital redemption reserve Â£â€™000	Capital reserve realised ¹ Â£â€™000	Capital reserve unrealised Â£â€™000	Revenue reserve ¹ Â£â€™000	Total Â£â€™000
As at 1 February 2024	773	27,476	266,132	172	(15,275)	117,027²	(6,011)²	390,294
Total comprehensive income for the year	â€“	â€“	â€“	â€“	(5,268)	10,624	(810)	4,546
Contributions by and distributions to owners:	Â	Â	Â	Â	Â	Â	Â	Â
Repurchase and cancellation of own shares	(8)	â€“	(3,858)	8	â€“	â€“	â€“	(3,858)
Issue of shares	118	62,138	â€“	â€“	â€“	â€“	â€“	62,256
Share issue cost	â€“	(3,541)	â€“	â€“	â€“	â€“	â€“	(3,541)
Dividends paid	â€“	â€“	(10,901)	â€“	â€“	â€“	â€“	(10,901)
Total contributions by and distributions to owners	110	58,597	(14,759)	8	â€“	â€“	â€“	43,956
Other movements:	Â	Â	Â	Â	Â	Â	Â	Â
Prior year fixed asset gains now realised	â€“	â€“	â€“	â€“	(831)	831	â€“	â€“
Total other movements	â€“	â€“	â€“	â€“	(831)	831	â€“	â€“
Balance as at 31 July 2024	883	86,073	251,373	180	(21,374)	128,482	(6,821)	438,796

¹ Reserves considered distributable to shareholders per the Companies Act.

² Following advice from Apollo's auditors, BDO, the presentation and classification of accrued loan interest was updated to be part of the fair

value of investments. This balance is therefore an amendment to the balance presented in the 31 January 2024 accounts.

Â	Share capital Â£â€™000	Share premium Â£â€™000	Special distributable reserves ¹ Â£â€™000	Capital redemption reserve Â£â€™000	Capital reserve realised ¹ Â£â€™000	Capital reserve unrealised Â£â€™000	Revenue reserve ¹ Â£â€™000	Total Â£â€™000
As at 1 February 2023	657	78,440	174,061	159	(20,136)	119,032	(2,720)	349,493
Total comprehensive income for the year	â€“	â€“	â€“	â€“	(4,856)	14,950	(1,035)	9,059
Contributions by and distributions to owners:	Â	Â	Â	Â	Â	Â	Â	Â
Repurchase and cancellation of own shares	(8)	â€“	(3,907)	8	â€“	â€“	â€“	(3,907)
Issue of shares	76	41,858	â€“	â€“	â€“	â€“	â€“	41,934
Share issue cost	â€“	(2,321)	â€“	â€“	â€“	â€“	â€“	(2,321)
Dividends paid	â€“	â€“	(8,739)	â€“	â€“	â€“	â€“	(8,739)
Total contributions by and distributions to owners	68	39,537	(12,646)	8	â€“	â€“	â€“	26,967
Other movements:	Â	Â	Â	Â	Â	Â	Â	Â
Prior year fixed asset losses now realised	â€“	â€“	â€“	â€“	7,374	(7,374)	â€“	â€“
Total other movements	â€“	â€“	â€“	â€“	7,374	(7,374)	â€“	â€“
Balance as at 31 July 2023	725	117,977	161,415	167	(17,618)	126,608	(3,755)	385,519

¹ Reserves considered distributable to shareholders per the Companies Act.

Â	Share capital Â£â€™000	Share premium Â£â€™000	Special distributable reserves ¹ Â£â€™000	Capital redemption reserve Â£â€™000	Capital reserve realised ¹ Â£â€™000	Capital reserve unrealised Â£â€™000	Revenue reserve ¹ Â£â€™000	Total Â£â€™000
As at 1 February 2023	657	78,440	174,061	159	(20,136)	119,032	(2,720)	349,493
Total comprehensive income for the year	â€“	â€“	â€“	â€“	(6,477)	9,333 ²	(3,291) ²	(435)
Contributions by and distributions to owners:	Â	Â	Â	Â	Â	Â	Â	Â
Repurchase and cancellation of own shares	(13)	â€“	(6,743)	13	â€“	â€“	â€“	(6,743)
Issue of shares	129	70,927	â€“	â€“	â€“	â€“	â€“	71,056
Share issue cost	â€“	(3,912)	â€“	â€“	â€“	â€“	â€“	(3,912)
Dividends paid	â€“	â€“	(19,165)	â€“	â€“	â€“	â€“	(19,165)
Total contributions by and distributions to owners	116	67,015	(25,908)	13	â€“	â€“	â€“	41,236
Other movements:	Â	Â	Â	Â	Â	Â	Â	Â
Prior year fixed asset losses now realised	â€“	â€“	â€“	â€“	11,338	(11,338)	â€“	â€“
Cancellation of Share Premium	â€“	(117,979)	117,979	â€“	â€“	â€“	â€“	â€“
Total other movements	â€“	(117,979)	117,979	â€“	11,338	(11,338)	â€“	â€“
Balance as at 31 January 2024	773	27,476	266,132	172	(15,275)	117,027²	(6,011)²	390,294

¹ Reserves considered distributable to shareholders per the Companies Act.

² Following advice from Apolloâ€™s auditors, BDO, the presentation and classification of accrued loan interest was updated to be part of the fair value of investments. This balance is therefore an amendment to the balance presented in the 31 January 2024 accounts.

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

Cash flow statement

	Unaudited six months to 31 July 2024 £'000	Unaudited six months to 31 July 2023 £'000	Audited year to 31 January 2024 £'000
Cash flows from operating activities			
(Loss)/ profit before tax	4,546	9,059	(435)
Adjustments for:			
Decrease/(increase) in debtors	(637)	(244)	4,622 ¹
(Decrease)/increase in creditors	879	(6,869)	(8,490)
Loss/(gain) on disposal of fixed asset investments	1,066	(98)	876
Gain on valuation of fixed asset investments	(10,685)	(15,155)	(9,317) ¹
(Gain)/loss on valuation of current asset investments	61	205	(17)
Transfer of accrued loan interest receivable ¹	â€‘	â€‘	(1,824) ¹
Net cash utilised in operating activities	(4,770)	(13,102)	(14,585)
Cash flows from investing activities			
Purchase of fixed asset investments	(22,255)	(14,417)	(32,975)
Proceeds on sale of fixed asset investments	11,301	14,744	18,292
Purchase of current asset investments	â€‘	â€‘	(4,499)
Net cash utilised in investing activities	(10,954)	327	(19,182)
Cash flows from financing activities			
Movement in applications account	(5,958)	(6,206)	(409)
Purchase of own shares	(3,858)	(3,907)	(6,743)
Proceeds from share issues	59,754	39,838	66,543
Cost of share issues	(3,541)	(2,321)	(3,912)
Dividends paid (net of DRIS)	(8,399)	(6,643)	(14,653)
Net cash generated from financing activities	37,998	20,761	40,826
Increase/(decrease) in cash and cash equivalents	22,274	7,986	7,059
Opening cash and cash equivalents	61,670	54,611	54,611
Closing cash and cash equivalents	83,944	62,597	61,670
Cash and cash equivalents comprise			
Cash at bank	3,708	3,026	4,868
Applications cash	2,894	3,056	8,852
Money market funds	77,342	56,515	47,950
Closing cash and cash equivalents	83,944	62,597	61,670

¹ Following advice from Apollo's auditors, BDO, the presentation and classification of accrued loan interest was updated to be part of the fair value of investments. This balance is therefore an amendment to the balance presented in the 31 January 2024 accounts. The accompanying notes are 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 31 July 2024 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 July 2022.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 July 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 January 2024 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

	31 July 2024			31 July 2023			31 January 2024		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/profit attributable to ordinary shareholders (£'000)	(810)	5,356	4,546	(1,035)	10,094	9,059	(3,291)	2,856	(435)
Earnings per ordinary share (p)	(0.1p)	0.7p	0.6p	(0.2p)	1.5p	1.3p	(0.5p)	0.4p	(0.1p)

The (loss)/earnings per share is based on 826,113,752 Ordinary shares (31 January 2024: 709,769,066; 31 July 2023: 675,679,749), being the weighted average of shares in issue during the year.

There are no potentially dilutive capital instruments in issue and, as such, the basic and diluted earnings per share are identical.

4. Net asset value per share

Â	31 July 2024 Ordinary shares	31 July 2023 Ordinary shares	31 January 2024 Ordinary shares
Net assets (Â£)	438,796,000	385,519,000	390,294,000
Shares in issue	882,596,265	725,536,421	772,743,612
Net asset value per share (p)	49.7	53.1	50.5

There are no potentially dilutive capital instruments in issue and, as such, the basic and diluted NAV per share are identical.

5. Dividends

The interim dividend of 1.3p per share will be paid on 20 December 2024 to shareholders on the register on 6 December 2024.

6. Buybacks and allotments

During the six months to 31 July 2024, Apollo bought back 8,053,434 Ordinary shares at a weighted average price of 47.9p per share (six months ended 31 July 2023: 7,709,237 Ordinary shares at a weighted average price of 50.7p per share; year ended 31 January 2024: 13,332,183 Ordinary shares at a weighted average price of 50.6p per share).

During the six months to 31 July 2024, 117,906,087 shares were issued at a weighted average price of 49.8p per share (six months ended 31 July 2023: 76,006,405 shares at a weighted average price of 52.1p per share; year ended 31 January 2024: 128,836,542 shares at a weighted average price of 52.1p per share).

7. Transactions with the Portfolio Manager

Octopus acts as the Portfolio Manager of Apollo. Under the management agreement, the Manager receives a fee, payable quarterly in arrears, based on 2% of the NAV calculated daily from 31 January for the investment management services.

Apollo has incurred management fees of Â£4,084,000 during the period to 31 July 2024 (31 July 2023: Â£3,510,000; 31 January 2024: Â£7,449,000). During the period Apollo has also accrued performance fees of Â£1,139,000 (31 July 2023: Â£2,322,000; 31 January 2024: Â£14,000).

The Portfolio Manager also provides accounting and administration services to Apollo, payable quarterly in arrears, for a fee of 0.3% of the NAV calculated daily. In addition, the Portfolio Manager also provides company secretarial services for a fee of Â£20,000 per annum.

8. Related party transactions

As at 31 July 2024, Octopus Investments Nominees Limited (OINL) held 315 shares (31 July 2023: 315; 31 January 2024: 315) in Apollo as beneficial owner, having purchased these from shareholders to protect their interests after delays or errors with shareholder instructions and other similar administrative issues. Throughout the period to 31 July 2024 OINL purchased nil shares (31 July 2023: 315; 31 January 2024: 315) at a cost of nil (31 July 2024: Â£163; 31 January 2024: Â£163) and sold nil shares (31 July 2023: 173,900; 31 January 2024: 173,900) for proceeds of nil (31 July 2023: Â£87,993; 31 January 2024: Â£87,993). This is classed as a related party transaction as per the Listing Rules, 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.

9. Voting rights and equity management

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

	% voting rights held by Apollo ¹
Investments	
N2JB Limited (trading as Natterbox)	8.5%
Codebay Solutions Limited (trading as Lodgify)	15.3%
Ubisecure Holdings Limited	73.2%
Sova Assessment Limited	37.2%
Triumph Holdings Limited	52.0%
Hasgrove Limited (trading as Interact)	5.9%
Fable Data Limited	14.2%
ValueBlue BV	20.3%
Mention Me Limited	19.4%
Fuse Universal Limited	0.0%

¹ Under VCT regulations, Apollo is unable to control more than 49.99% of the voting rights attached to its shareholding in a portfolio company.

10. 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 £65.2 million was granted on 20 September 2024; and

• on 30 September 2024, Apollo became a full scope AIF under the European Union's AIF Managers Directive (AIFMD) and moved under the management of Octopus AIF Management Limited.

11. Half Yearly Report

The unaudited half-yearly report for the six months ended 31 July 2024 will shortly be available to view on the Company's website octopusinvestments.com/apollo-vct/

A copy of the half-yearly 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 enquiries, please contact:

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