**OCTOPUS TITAN VCT PLC**

**Annual report and financial statements for the year ended 31 December 2024**

Octopus Titan VCT plc announces the final results for the year to 31 December 2024 as below.

Octopus Titan VCT plc (â€˜Titanâ€™ or the â€˜Companyâ€™) is managed by Octopus AIF Management Limited (the â€˜Managerâ€™), which has delegated investment management to Octopus Investments Limited (â€˜Octopusâ€™ or â€˜Portfolio Managerâ€™) via its investment team Octopus Ventures.

**Key financials**

| | Â | **2024** | 202 |
|---|---|---|---|
| Net assets (Â£â€™000) | | **Â£831,358** | Â£993,74 |
| Loss after tax (Â£â€™000) | | **Â£(147,649)** | Â£(149,49 |
| NAV per share | | **50.5p** | 62.4 |
| Total value per share[1] | | **155.6p** | 164.4 |
| Total return per share[2] | | **(8.8)p** | (9.5 |
| Total return per share %[3] | | **(14.1)%** | (12.4) |
| Dividends paid in the year | | **3.1p** | 5. |
| Dividend yield %[4] | | **5.0%** | 6.5 |
| Dividend declared | | **0.5p** | 1. |

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

**Chairâ€™s statement**

Titanâ€™s total return for the year to 31 December 2024 was -14.1% with net assets at the end of the period totalling Â£831 million.

The Net Asset Value (NAV) per share at 31 December 2024 was 50.5p which, adjusting for dividends paid in the year, represents a net decrease of 8.8p per share from 31 December 2023 or a total return of â€“14.1%.

This further decline in value has been driven by several factors, including company-specific performance issues and tougher trading conditions, which have reduced revenue growth across a range of sectors. As a result, many companies in the portfolio have not met performance expectations, leading to lower valuation multiples being applied compared to those at recent points of investment. This situation has been exacerbated by a continued slow private market fundraising environment, leading to more limited capital availability. Consequently, companies have prioritised extending their cash runway, aiming to achieve profitability or delay fundraising until market conditions improve. In the short term, this has led to reduced valuations due to slower growth, but in the long run, the disciplined focus on sustainable growth should be beneficial.

With this further decline in NAV, the 5-year tax-free annual compound return for shareholders is now -3.5%. Since the high watermark as at 31 December 2021, Titanâ€™s total return per share has been â€“39.8% with which the Board and Manager are, and shareholders will be, deeply disappointed. The scale of shareholder dissatisfaction has been made abundantly clear following the recently conducted survey.

In the 12 months to 31 December 2024, the Company utilised Â£137 million of its cash resources, comprising Â£30 million in new and follow-on investments, Â£44 million in dividends (net of the Dividend Reinvestment Scheme (DRIS)), Â£38 million in share buybacks and Â£25 million in annual investment management fees and other running costs. The cash and corporate bond balance of Â£184 million at 31 December 2024 represented 22% 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 155.6p (31 December 2023: 164.4p). Titanâ€™s one-year total return of -8.8p (-14.1%) five-year total return of -15.6p (-16.4%) and ten-year total return of 6.7p (6.6%) evidences the disappointing decline in performance in recent years.

**Strategic Review**

As shareholders will be aware, in the half-yearly report issued at the end of September 2024, we announced a review of strategy to ensure a thorough retrospective analysis took place and a plan be drawn up for how the Company can be best structured for sustainability and improved performance in the future. A significant amount of work has been undertaken by Octopus and our appointed external advisers, Smith Square Partners LLP, across a number of different workstreams. This includes a detailed analysis of historical investment performance, ongoing sustainability, the forward-looking pipeline for realisations, future investment strategy, investment team resources and, finally, investment managerâ€™s culture and governance. The significant performance challenges and the early-stage nature of much of the portfolio mean that it will take some time for changes to have an impact on performance and a longer-term approach to shaping the future of the Company is needed. We are making reasonably good progress, and more can be read about the steps which have been taken in the Spotlight section. The response to our shareholder survey is included below. From this it is clear that there is widespread and deep dissatisfaction with the past performance of Titan, both in absolute and relative terms and an understandable frustration with the lack of capital growth in recent years. The Board also acknowledges the recent press coverage, particularly in respect of shareholdersâ€™ views on the fees that Titan pays. We would like to thank those that participated in the survey, as well as those that have provided their feedback to both the Board and Octopus. The Board wishes to assure shareholders that it is considering the results and feedback alongside the review.

We expect to provide a further update on the review at, or prior to, our Annual General Meeting (AGM) on 19 June 2025. However, we do not anticipate the process to be completed by this point, so any proposals for the future of the Company will likely be put to shareholders at a later date.

**Performance incentive fees**
As the 2024 total return has been negative, and total value per share has declined since 31 December 2021, no performance fee is payable. To remind you, the performance fee is calculated as 20% on net gains above the high-water mark (the highest total value per share as at previous year ends), which is currently set as 197.7p as at 31 December 2021.

**Dividends**
Following careful consideration and recognising the value that shareholdersâ€™ place on receiving tax-free dividends, I am pleased to confirm that the Board has decided to declare a second interim dividend of 0.5p per share (2023: 1.9p per share). This will be paid on 29 May 2025 to shareholders on the register as at 25 April 2025. This second interim dividend, in addition to the 1.2p per share interim dividend paid in December 2024 brings the total dividends declared to 1.7p per share in respect of 2024. However, this 0.5p per share dividend is lower than that paid in previous years because of the ongoing performance challenges and dividends are typically a distribution of achieved performance. Considering dividends paid during 2024 (totalling 3.1p), the total dividend yield for the year is 5%, therefore meeting the Companyâ€™s target.

Dividends, whether paid in cash or reinvested under the DRIS, are always at the discretion of the Board, are never guaranteed, and are subject to regular review reflecting the returns generated by the Company, the timing of investment realisations, cash and distributable reserves and continuing compliance with VCT rules.

The Board will consider any further dividends to be paid in 2025 in the second half of the year at, or around, the release of the interim accounts for the six months ending 30 June 2025, subject to Titanâ€™s performance, both realised and unrealised, improving and, as ever, Titan holding sufficient cash reserves.

As with the dividend paid to shareholders on 19 December 2024, and in light of the ongoing review of Titanâ€™s strategy, the Board continues to suspend the Companyâ€™s dividend reinvestment scheme for the dividend to be paid on 29 May 2025, with the dividend being paid to shareholders in cash.

**Fundraise and buybacks**
We were pleased to raise over Â£107 million in the fundraise which closed on 5 April 2024. As stated in the half-yearly review, the Board will decide on the approach to future fundraising at the conclusion of the review of strategy.

During the year, Titan repurchased 67 million shares for Â£38 million (representing 4.2% of the net asset value as at 31 December 2023). Further details can be found in Note 14 of the financial statements. Details of the share buybacks undertaken during the year can be found in the Directorsâ€™ Report.

**VCT status**
In November 2023, a ten-year extension was announced to the â€˜sunset clauseâ€™ (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 Majestyâ€™s Treasury brought the extension into effect through The Finance Act 2024. The Board is delighted that this has brought clarity to the status of VCTs.

**Board of Directors**
Rupert Dickinson was appointed to the Board with effect from 1 May 2024 and was elected by shareholders at the AGM held in June 2024. Rupert has over 20 yearsâ€™ experience in the wealth and investment management industries. We are already benefitting from his extensive experience.

All the other Directors have indicated their willingness to remain on the Board, and Jane Oâ€™Riordan and Lord Rockley will be seeking re-election at the AGM.

**Portfolio Manager and team**
In March 2024, Malcolm Ferguson, Octopusâ€™ lead Fund Manager for Titan, resigned and 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 both Jo and Malcolm for their contributions to the Company and wish them well for the future. We are pleased that, despite Malcolmâ€™s resignation, he continues to support with portfolio management on a contractual basis. The process to appoint a replacement lead Fund Manager will commence once the review of strategy is completed.

Shareholders may be aware that there has been considerable turnover over the past twelve months in the Octopus Ventures team, which is responsible for managing Titan. As part of the on-going strategic review, Octopus is assessing the team structure, size, culture and experience to ensure it is aligned with its future investment strategy proposals. In the interim, the Octopus Ventures team is receiving additional senior support from across the business to ensure adequate resources are available.

**AGM and shareholder event**
The AGM will take place on 19 June 2025 from 12.00 noon and will be held at the offices of Octopus Investments Limited, 33 Holborn, London, EC1N 2HT. Full details of the business to be conducted at the AGM are given in the Notice of AGM.

Shareholdersâ€™ views are important, and the Board encourages shareholders to vote on the resolutions within the Notice of AGM using the proxy form, or electronically at www.investorcentre.co.uk/eproxy. Shareholders are invited to send any questions they may have via email to TitanAGM@octopusinvestments.com. The Board has carefully considered the business to be approved at the AGM and recommends shareholders to vote in favour of all the resolutions being proposed, as the Board will be doing.

Currently, we do not anticipate the strategic review process will have been fully completed by the date of the AGM. As a result, we will issue a further communication to shareholders in due course setting a date for a shareholder event and, if applicable, a General Meeting at which shareholders will be able to vote on any proposals for the future direction of the Company.

**Outlook**
The further decline in NAV to 31 December 2024 is extremely disappointing, especially when set against the backdrop of the recent recovery of some of the comparable markets and other VCTs. This decline has been primarily driven by specific portfolio performance issues and sectoral downturns, leading to cash constraints exacerbated by a challenging fundraising environment. Some portfolio companies attempted to raise funds but were unsuccessful, resulting in several being placed into administration or accepting acquisition offers on unfavourable terms. More details on these disposals can be found in the Portfolio Managerâ€™s review. Others had to complete funding rounds at lower valuations or in ways that negatively impacted the value of the Companyâ€™s shareholding.

The Company returned Â£29 million in cash proceeds from exits in 2024, in addition to Â£12.4 million distributed from Zenith Holding Company to Titan. This is a disappointing outcome as it is below the level achieved in 2023, and does not accomplish the Companyâ€™s long-term sustainability target. Despite the Managerâ€™s initiatives to increase the number of realisations of portfolio companies and return cash proceeds to Titan, we have not yet seen any profitable realisations in 2025. This sustained focus on achieving regular liquidity is an important step towards ensuring the ongoing sustainability of the Company.

Despite this, the Board retains a degree of optimism about the potential of some of the companies within what is undoubtedly a diversified portfolio, with over 135 companies spanning a wide range of sectors, business models and investment stages. Furthermore, Titanâ€™s portfolio remains well funded with circa 42% of the portfolio NAV being comprised of companies not expecting to need further funding. This figure rises to 67% when including those companies with more than 12 monthsâ€™ cash runway.

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

**Spotlight on the review of strategy**

On 30 September 2024, the Board, in conjunction with the Manager, announced a strategic review. This was catalysed by the ongoing challenges in the early-stage venture market to which the Company is exposed and the resultant performance issues faced. Since this date, the Board and Manager have undertaken numerous actions to identify the areas of focus and potential changes which could be made to drive the best performance for the Company and outcome for shareholders. Below is a summary of the steps taken to date by both the Board and Manager.

| **Date** | **Investment Managerâ€™s actions** | **Titan VCT Boardâ€™s actions** | **Board meetings held** |
|---|---|---|---|
| **Sep 2024** | Â | Announcement of review of strategy. | Four Board meetings |
| **Oct 2024** | Establish internal review committee comprised of different areas of the business.<br><br>Co-ordinating information packs for the external advisers. | External adviser selection process concluded and terms agreed. | Â |
| **Nov 2024** | Recruitment process for senior Portfolio Management roles commences.<br><br>Internal review committee submits scope of work to the Board. | External advisers, Smith Square Partners, appointed.<br><br>Board reviews Octopusâ€™ scope of work. | Two Board meetings |
| **Dec 2024** | Internal review committee submits information pack on sustainability and fund performance workstreams to the Board. | Shareholder and adviser survey launched.<br><br>Board reviews information pack on sustainability and fund performance.<br><br>Board reviews external advisersâ€™ analysis of performance and benchmarking. | One Board meeting |
| **Jan 2025** | Survey results analysed.<br><br>External specialists commence review of Consumer Duty.<br><br>Internal review committee submits information pack on team and culture and risk and governance work streams to the Board. | Board reviews external advisersâ€™ progress report including analysis of the realisations pipeline.<br><br>Board reviews information pack on team and culture and risk and governance work streams.<br><br>Survey results analysed. | Two Board meetings |
| **Feb 2025** | Internal review committee presents first part of the go-forward investment strategy and further sustainability analysis and metrics. | Board reviews goâ€‘forward strategy and sustainability analysis and metrics. | One Board meeting |
| | | | |

| | | | |
|---|---|---|---|
| **Mar 2025** | Results of Consumer Duty Review analysed. | Board reviews external advisersâ€™ progress report.<br><br>Results of Consumer Duty Review analysed.<br><br>Unaudited NAV released with update on progress of review. | Two Board meetings |
| **Apr 2025** | Internal review committee presents follow up detail on the go-forward investment strategy, as well as proposals for future team and resourcing plan.<br><br>Proposal submitted to Board regarding ongoing fees. | External advisersâ€™ interim report shared with the Board.<br><br>Annual report published.<br><br>Board considers proposal on future team and resourcing strategy and fees.<br><br>Board commences fee negotiations with Octopus. | Two Board meetings |

**Summary of the Manager's internal review workstreams:**

***1. Fund performance***
Working to understand the most appropriate investment and divestment strategy looking at past performance metrics, benchmarks and future objectives.

***2. Fund strategy***
Investigating potential future options for Titanâ€™s strategy which could drive improved performance. Some potential options were included in the shareholder survey to canvas views.

***3. Sustainability***
Working on past performance and future forecasting to ensure Titan operates sustainably, returning funds through realisations.

***4. Team & culture***
Reviewing the team structure, size, culture and experience (past and present) and how it maps to the successful management of the Company. Full Octopus Ventures strategy refresh in line with new Chief Executive Officer (CEO) Erin Platts joining.

***5. Consumer Duty***
External consultants appointed to carry out a review of Consumer Duty. This is to understand shareholdersâ€™ expected outcomes and assessing how the Company has delivered against them.

***6. Risk & governance***
Work led by the compliance team updating Titanâ€™s risk register. Review and enhancement of governance processes and procedures, where relevant.

**Whatâ€™s next**
1. Final Smith Square Partners report presented to the Board.
2. Finalise fee proposal, as well as review of the Investment Management Agreement and Non-Investment Services Agreement.

**Octopus Venturesâ€™ new CEO**

Erin Platts joined Octopus Ventures as CEO in January 2025.

Previously, she held the role of CEO at HSBC Innovation Banking UK, formerly Silicon Valley Bank UK & EMEA. Over two decades in leadership roles with the institution, she established Silicon Valley Bank UK as a standalone, regulated subsidiary before leading the organisation through the transition period following its sale to HSBC in 2023, scaling operations to over 800 people, across six countries and into the market leading position across the sector.

With a career spent in the US, UK and European tech ecosystems, Erin is an active and vocal spokesperson, championing Diversity, Equity and Inclusion through partnerships with organisations including Tech Nation, Founders Forum and the Newton Venture Program.

**Portfolio Managerâ€™s review**

At Octopus, our focus is on managing your investments and providing open communication. Our annual and half-year updates are designed to keep you informed about the progress of your investment.

**Focus on performance**
The NAV of 50.5p per share at 31 December 2024 represents a decrease in NAV of 8.8p per share versus a NAV of 62.4p per share as at 31 December

2023, after adding back dividends paid during the year of 3.1p (2023: 5p) per share, a negative total return per share of 14.1% in the year.

The performance over the five years to 31 December 2024 is shown below:

| Â | Year ended 31 December 2020 | Year ended 31 December 2021 | Year ended 31 December 2022 | Year ended 31 December 2023 | **Year ended 31 December 2024** |
|---|---|---|---|---|---|
| NAV, p | 97.0 | 105.7 | 76.9 | 62.4 | **50.5** |
| Cumulative dividends paid, p | 81.0 | 92.0 | 97.0 | 102.0 | **105.1** |
| Total value, p | 178.0 | 197.7 | 173.9 | 164.4 | **155.6** |
| Total return[1] | 7.1% | 20.3% | (22.5)% | (12.4)% | **(14.1)%** |
| Dividend yield[2] | 5.3% | 11.3% | 4.7% | 6.5% | **5.0%** |

1. Total return % is an alternative performance measure, calculated as total return/opening NAV.
2. Dividend yield is an alternative performance measure, calculated as dividends paid/opening NAV.

We are deeply disappointed by the negative total return of 14.1% in 2024 which has been driven by a decline of Â£193 million across 72 companies. The businesses that contributed most significantly to this decline were Pelago, Many Pets and Big Health. Whilst these companies continue to look to scale, they have underperformed the high expectations set at their last funding round, and so have seen their valuations decline.

These three valuation movements account for around a third of the total decline in NAV over the twelve-month 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 continues to work with them to help them realise their potential. In some cases, the support offered could include further funding to ensure a business has the capital it needs to execute on its strategy. Our in-house Talent team is being utilised to build high-performing teams and support on key recruitment initiatives. This team, as well as our expert network of consultants, support companies on project work and can also work part-time with the businesses.

More positively, 39 companies saw an increase in valuation in the period, delivering a collective increase in valuation of Â£56 million. These valuation increases reflect businesses which have successfully concluded further funding rounds at increased valuations, grown revenues or met certain important milestones. Notable strong performers in the portfolio include Legl, Taster and Katkin â€“ all of which have increased their market reach through new product launches. These strong performers demonstrate that there are opportunities available for companies to thrive, and Titanâ€™s diverse portfolio allows different routes for each company to succeed in their market.

The gain on Titanâ€™s uninvested cash reserves was Â£9.2 million in the year to 31 December 2024, primarily driven by a fair value movement of Â£4.4 million in the corporate bond portfolio and a return of Â£4.2 million on the money market funds. The objective for the money market funds is to earn appropriate market rates on highly liquid treasury holdings, with limited risk to capital.

**Titan total value growth from inception**
The table below highlights the compound annual growth rate across different holding periods.

Despite the reduction in NAV in the year, the total value has seen an increase since the end of Titanâ€™s first year, from 89.9p to 155.6p at 31 December 2024. Since Titan launched, a total of over Â£557 million has been distributed back to shareholders in the form of tax-free dividends. This includes dividends reinvested as part of the DRIS.

| Holding period | Total return | Tax-free compound annual growth rate |
|---|---|---|
| Since October 2008 | 73.1% | 3.4% |
| 10 years | 6.6% | 0.6% |
| 5 years | (16.4)% | (3.5)% |
| 1 year | (14.1)% | (14.1)% |

**Disposals**
Disposals and deferred proceeds have returned Â£29 million in cash during the period. In addition, Â£12.4 million was distributed from Zenith Holding Company to the Company.

**Exits**
In June, 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.

In July, 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 Foodstepsâ€™ global market platform of over 32,000 companies in 190 countries.

In November, Cobee was acquired by Pluxee Group (an employee benefits and engagement platform) as part of its strategic growth plan. Pluxee is a global leader in employee benefits and engagement, operating in 31 countries with over 5,000 employees. Pluxee is uniquely positioned to support Cobeeâ€™s continued growth.

In November, nCino (a cloud-based software company that provides a platform for financial institutions to manage their business lines) acquired FullCircl. This will enhance nCinoâ€™s data and automation capabilities and allow it to expand its reach across the UK and Europe.

In December, Behavox (a leading provider of AI powered archiving, compliance and security solutions) acquired Mosaic Smart Data.

**Partial exits**
Two partial exits completed in October with Neat (an embedded insurance platform that enables merchants to offer tailored insurance bundles to their customers at competitive rates) completing a â‚¬50 million Series A funding round, and Vitesse (a global domestic settlement and liquidity management system to hold funds and execute cross-border payments) completing a 93 million Series C investment round. As part of both of these rounds, Titan sold a portion of its shares. We are pleased to have realised some value for shareholders in these transactions, but also excited to maintain a holding in the companies and to be able to continue to support their growth journeys.

**Deferred proceeds**
In the year, Titan also received deferred proceeds from the sale of Calastone (to The Carlyle Group in 2020) which was held via Octopus Zenith Holding Company, iSize (to Sony Interactive Entertainment in 2023), Conversocial (to Verint), Glofox (to ABC Fitness), Comma (to Weavr) and Foodsteps (to Registrar).

**Exits at a loss**
There have been four disposals made at a loss: Titan sold its remaining shares in Cazoo, which was listed on the New York Stock Exchange, Unmade was acquired by High-Tech Apparel, and Titanâ€™s shares in Appear Here were converted to deferred shares and divested, as there was not seen to be a chance of recovery of any funds. Vinter was acquired by Kaiko (a leading provider of cryptocurrency market data, analytics and indices) for equity. As a result, Titan now holds shares in Kaiko, which are currently valued below Titanâ€™s initial cost of investment, but these will be subject to re-valuation at least twice annually as per our normal process. In aggregate, these losses generated negligible proceeds compared to an investment cost of Â£19 million.

**Companies placed into administration**
Unfortunately, Audiotelligence, Stackin (now fully dissolved), Contingent, Phoelex, Excession, Dead Happy, Pulse Platform and Allplants were placed into administration having all been unsuccessful in securing further funding and having explored and exhausted all available options. In aggregate, the investment cost of the companies placed into administration totalled Â£26 million.

In the year to 31 December 2024, 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 an inherent characteristic of a venture capital portfolio, and we believe the successful disposals will continue to outweigh the losses over the medium to long-term.

| Â | Year ended 31 December 2020 | Year ended 31 December 2021 | Year ended 31 December 2022 | Year ended 31 December 2023 | Year ended 31 December 2024 | **Total** |
|---|---|---|---|---|---|---|
| Disposal proceeds[1] (Â£'000) | 23,915 | 221,504 | 62,213 | 45,637 | 41,432 | **394,701** |

1. This table includes cash and retention proceeds received in the period.

**New and follow-on investments**
Titan completed 8 new investments and made 14 follow-on investments in the reporting period. Together, these totalled Â£30 million (made up of Â£19 million into new companies and Â£11 million invested into the existing portfolio).

Please see a summary of some of the new investments we made in the year.

- **DRIFT Energy:** Designing sailing vessels and routing algorithms required to capture deep water wind energy and convert it into onboard hydrogen gas for transportation back to shore.
- **ExpressionEdits:** Using a proprietary AI algorithm to design DNA sequences and intronization technology to enhance the expression of proteins in mammalian cells.
- **Forefront:** Developing a tuneable Radio Frequency Front-End (RFFE) module for mobile devices which is smaller, cheaper, and more flexible than currently available products sold.
- **LabGenius:** A next-generation platform leveraging machine learning to develop novel therapeutic antibodies**.**
- **Manual:** Provides innovative treatments for a range of health conditions.
- **Remofirst** is an Employer of Record (EOR) and compliance platform that allows companies to hire and pay employees globally.
- **SWiiPR:** Developed a digital payments platform specifically for the airline industry.

As explained in the half-yearly report, the Octopus Ventures team is focused on improving performance from the existing portfolio and driving improved returns to shareholders. Given Titanâ€™s scale, the greatest returns are expected to be driven by its existing, largest holdings. Over the last nine months, Titan has focused on building value in its existing portfolio, allowing capital and time to be prioritised on existing companies. No term sheets for new investments have been signed since the summer of 2024. The five follow-on investments which completed in the second half of 2024 have all increased in value in the December valuation round, on average seeing an increase of 10%. We believe that this focus will drive positive future NAV performance as these portfolio companies are more established, so have a greater potential to secure further investment, or are closer to an exit.

**Shareholder survey results**
Octopus regularly seeks feedback from Titan's investor and adviser base either through local Business Development Managers or after webinars with the Investment Managers. Considering the ongoing review of Titan's strategy, which is looking at a wide range of areas such as investment strategy, fundraising and dividend policies, Octopus and the Board wanted to give investors and advisers an extra opportunity to share feedback and help shape the future strategic direction of Titan. In conjunction with an external research firm, between December 2024 and January 2025, Octopus surveyed Titanâ€™s investor and adviser base to try to better understand investorsâ€™ priorities, areas of concern and opportunities which may be of interest.

We were pleased to see significant engagement, having received over 3,000 responses from investors and advisers. As stated in the Chair's statement, the results emphasise that the greatest areas of dissatisfaction are around past performance and the capital growth opportunity, as highlighted below. Octopus and the Board share investorsâ€™ frustration with the recent poor performance, and have been reviewing Titan's investment strategy with the aim to improve shareholder returns.

The Board intends to communicate to investors any strategic changes once they are agreed in due course.

To understand investors' priorities when making their investment decision we asked the following:

**When you first chose to invest in Titan VCT, how important were the following factors?**
The results were as follows in order of importance:

1. Tax reliefs available on your investment (income tax relief, tax free dividends and tax free capital gains)
2. 5% annual target dividend
3. Capital growth opportunity
4. Past performance of fund
5. Access to early-stage, unlisted tech enabled companies with high growth potential
6. Ability to sell your shares back to the VCT via the share buyback facility
7. Size of fund
8. Fees and charges

Octopus asked investors to rank their level of satisfaction against each of the top eight factors and the results were as follows:

| Â | **Satisfied** | **Dissatisfied** | **Neutral or not sure** |
|---|---|---|---|
| **Tax reliefs available on your investment** | 88% | 2% | 10% |
| **5% annual target dividend** | 50% | 22% | 28% |
| **Capital growth opportunity** | 18% | 60% | 22% |
| **Past performance of fund** | 21% | 52% | 27% |
| **Access to early-stage, unlisted tech enabled companies with high growth potential** | 39% | 10% | 51% |
| **Ability to sell your shares back to the VCT via the share buyback facility** | 29% | 8% | 63% |
| **Size of fund** | 34% | 6% | 60% |
| **Fees and charges** | 22% | 18% | 60% |

Survey results based on responses from 1,093 direct investors and 2,195 advised investors, does not include responses from advisers.

**Valuations**
Titanâ€™s unquoted portfolio companies are valued in accordance with UK 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, assuming they had all the information available that we do, are knowledgeable parties with no pre-existing relationship, and that the transaction is carried out under the normal course of business.

The table below illustrates the split of valuation methodology (shown as a percentage of portfolio value and number of companies). â€˜External priceâ€™ includes valuations based on funding rounds that typically completed by the year end or shortly after the year end, and exits of companies where terms have been issued with an acquirer. â€˜External priceâ€™ also includes quoted holdings, which are held at their quoted price as at the valuation date. As at 31 December 2024, Titan only held one quoted holding. â€˜Multiplesâ€™ 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 â€˜scenario analysisâ€™ is considered.

| **Valuation methodology** | **By value** | **By number of companies** |
|---|---|---|
| External price | 17% | 25 |
| Multiples | 53% | 30 |
| Scenario analysis | 16% | 33 |
| Milestone analysis | 14% | 25 |
| Write-off | - | 25 |

**Case studies**

***MANUAL***
https://www.manual.co/
Making high-quality care more accessible and stigma-free

MANUAL provides innovative treatments for a range of conditions, from hair loss and low testosterone to weight management and diagnostics.

With over 800,000 patients served across the UK and Brazil, MANUAL continues to expand its impact. The company's weight loss brand, Voy, has helped over 70,000 people lose weight. In 2024, MANUAL acquired Menopause Care â€“ the UKâ€™s second largest menopause clinic â€“ furthering its mission to support underserved areas of health.

Following the company's Â£29 million Series B raise in 2024, the company is accelerating its growth, with a 140% revenue Compound Annual Growth Rate

(CAGR) since 2019. With this investment, MANUAL is scaling its reach and pioneering new healthcare solutions, ensuring more people get the treatments they need to improve their quality of life.

- Nearly 90% of men do not seek help unless they have a serious problem
- Served more than 800,000 patients to date

***Legl***
https://legl.com/
Revolutionising Legal Services with AI and Data-Driven Insights

Legl delivers a world-class client experience for UK law firms by reducing risk, improving cash flow, and enabling them to bill and collect payments faster. With actionable client intelligence, their customers are empowered to make smarter decisions and drive business growth.

By leveraging cutting-edge technology and data insights, Legl creates seamless onboarding experiences and superior payment processing capabilities. Beyond onboarding, they provide intelligence and audit functionality to help firms manage risk intelligently in a complex and ever-changing environment. Its embedded finance stack, which has been built specifically for law firms, makes collecting payments, reducing debt, and fostering exceptional client relationships effortless. In turn, providing a step-change for internal cash flow and treasury management.

- Helped firms manage risk for over one million clients
- Processed over 500 million in payments

***BondAval***
https://www.bondaval.com/
Transforming non-payment risk protection

Founded in 2020, B2B insurtech Bondaval protects companies when their customers buy now, but don't pay later, and is already serving some of the largest companies in the world. While existing options are opaque, inflexible or limited, Bondaval's range of insurance products are made more powerful via their proprietary technology platform, which translates policy obligations into clear tasks, helps aggregate and monitor risk signals, and makes limit management effortless for credit managers. With their receivables secured, businesses can grow faster with more peace of mind, achieve more predictable financial performance, and even access new lines of financing.

- Offices in London, New York and Dallas
- Licensed in 30+ countries

***Taster***
https://taster.com/
Food innovators redefining quick-service dining

Taster was founded with the goal of revolutionising the quick-service food experience globally. In 2017, the company raised â,¬8 million, and by 2021, they secured an additional â,¬30 million. By the end of 2023, Taster had grown to 400 online restaurants, with its franchise network expanding across France, the UK, Spain, the Netherlands, and Belgium. Taster collaborates closely with co-creators and kitchen partners, from launching new brands to creating special edition menu items. Their strategy focuses on building social media-first brands that engage audiences and cultivate communities around their digital restaurants.

- Operating in over 90 cities across Europe

We are disappointed to report a net decrease in the value of the portfolio of Â£137 million since 31 December 2023, excluding additions and disposals. This represents a decline of 17% 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 61% of the value of the portfolio and 47% of the total NAV.

| Â | **Portfolio:** | **Investment focus:** | **Investment cost:** | **Total valuation including cost:** |
|---|---|---|---|---|
| 1 | Skin+Me | Health | Â£11.5m | Â£44.9m |
| 2 | Amplience | B2B Software | Â£13.6m | Â£35.0m |
| 3 | Permutive | B2B Software | Â£19.0m | Â£31.0m |
| 4 | Elliptic | Fintech | Â£9.9m | Â£26.2m |
| 5 | Vitesse | Fintech | Â£8.8m | Â£25.8m |
| 6 | ManyPets | Fintech | Â£10.0m | Â£24.6m |
| 7 | Pelago[1] | Health | Â£17.9m | Â£23.2m |
| 8 | Legl | B2B Software | Â£7.3m | Â£18.6m |
| 9 | Orbex | Deep tech | Â£12.0m | Â£17.8m |
| 10 | Token | Fintech | Â£12.6m | Â£16.5m |
| 11 | Taster | Consumer | Â£8.1m | Â£15.4m |
| 12 | vHive | Deep tech | Â£8.0m | Â£14.9m |
| 13 | Ometria | B2B Software | Â£11.5m | Â£14.0m |
| 14 | SeatFrog | Consumer | Â£9.6m | Â£13.5m |
| 15 | KatKin | Consumer | Â£8.2m | Â£13.2m |
| 16 | Automata | Health | Â£12.3m | Â£12.4m |
| 17 | XYZ | Consumer | Â£15.3m | Â£10.7m |
| 18 | BondAval | Fintech | Â£7.1m | Â£10.6m |
| 19 | Iovox | B2B Software | Â£7.2m | Â£10.4m |

| | | | | |
|---|---|---|---|---|
| 20 | Ibex | Health | Â£11.8m | Â£9.5m |

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

**Top 10 investments in detail**[1]

***1***

*Skin+Me*

Skin+Me offers direct-to-consumer, personalised skincare.
*www.skinandme.com*

| | | |
|---|---|---|
| Initial investment date: | | **September 2019** |
| Investment cost: | | **Â£11.5m** |
| | Â | (2023: Â£11.5m) |
| Valuation: | | **Â£44.9m** |
| | Â | (2023: Â£48.5m) |
| Last submitted accounts: | | **31 August 2023** |
| Turnover: | | **Â£28.7m** |
| | | (2023: Â£14.3m) |
| Profit/(loss) before tax: | | **Â£1.8m** |
| | Â | (2023: Â£(3.3)m) |
| Net assets: | | **Â£12.8m** |
| | Â | (2023: Â£(0.7m) |
| Valuation methodology: | | **Multiple** |
| | | 2023: Multiple |

***2***

*Amplience*

Amplience is a leading headless content management system, which powers retailersâ€™ digital channels.
www.amplience.com

| | | |
|---|---|---|
| Initial investment date: | | **December 2010** |
| Investment cost: | | **Â£13.6m** |
| | Â | (2023: Â£13.6m) |
| Valuation: | | **Â£35.0m** |
| | Â | (2023: Â£41.8m) |
| Last submitted accounts: | | **30 June 2024** |
| Turnover: | | **Â£16.0m** |
| | Â | (2023: Â£14.9m) |
| Loss before tax: | | **Â£(5.5)m** |
| | Â | (2023: Â£(8.1)m) |
| Net assets: | | **Â£(22.8)m** |
| | Â | (2023: (Â£17.4m) |
| Valuation methodology: | | **Multiple** |
| | | 2023: Multiple |

***3***

*Permutive*

Permutiveâ€™s publisher data platform gives its customers an in-the-moment view of everyone on their site.
*www.permutive.com*

| | | |
|---|---|---|
| Initial investment date: | | **May 2015** |
| Investment cost: | | **Â£19.0m** |
| | Â | (2023: Â£19.0m) |
| Valuation: | | **Â£31.0m** |
| | Â | (2023: Â£41.2m) |
| Last submitted accounts: | | **31 January 2023** |
| Turnover: | | **Not available**[2] |
| | Â | (2023: Â£9.8m) |
| Loss before tax: | | **Not available**[2] |
| | Â | (2023: Â£(19.3)m) |
| Net assets: | | **Not available**[2] |
| | Â | (2023: Â£(40.2)m) |
| Valuation methodology: | | **Multiple** |
| | Â | 2023: Multiple |

***4***

*Elliptic*

Crypto compliance and forensic investigation solutions used by financial institutions, crypto businesses, law enforcement, and regulators to detect and prevent financial crime.
*www.elliptic.co*

| | | |
|---|---|---|
| Initial investment date: | | **July 2014** |
| Investment cost: | | **Â£9.9m** |
| | Â | (2023: Â£9.9m) |
| Valuation: | | **Â£26.2m** |
| | Â | (2023: Â£19.0m) |
| Last submitted accounts: | | **31 March 2024** |
| Turnover: | | **Â£13.7m** |
| | Â | (2023: Â£9.6m) |
| Loss before tax: | | **Â£(16.4)m** |
| | Â | (2023: Â£(27.1)m) |
| Net assets: | | **Â£(3.8)m** |
| | Â | (2023: Â£10.6m) |
| Valuation methodology: | | **Multiple** |
| | | 2023: Multiple |

*5*
*Vitesse*

A settlement and liquidity management platform to hold funds and deliver international payments globally, using domestic, in-country processing.
*www.vitesse.io/*

| | | |
|---|---|---|
| Initial investment date: | | **June 2020** |
| Investment cost: | | **Â£8.8m** |
| | Â | (2023: Â£10.1m) |
| Valuation: | | **Â£25.8m** |
| | Â | (2023: Â£26.6m) |
| Last submitted accounts: | | **31 March 2024** |
| Consolidated turnover: | | **Â£24.8m** |
| | Â | (2023: Â£11.2m) |
| Consolidated profit/(loss) before tax: | | **Â£0.6m** |
| | Â | (2023: Â£(5.7)m) |
| Net assets: | | **Â£17.3m** |
| | Â | (2023: Â£16.2m) |
| Valuation methodology: | | **Multiple** |
| | | 2023: Last Round |

*6*
*ManyPets*

An award-winning insurtech company with a specific focus on providing better pet insurance for everyone.
*www.manypets.com*

| | | |
|---|---|---|
| Initial investment date: | | **October 2016** |
| Investment cost: | | **Â£10.0m** |
| | Â | (2023: Â£10.0m) |
| Valuation: | | **Â£24.6m** |
| | Â | (2023: Â£47.1m) |
| Last submitted accounts: | | **31 March 2024** |
| Turnover: | | **Â£29.6m** |
| | Â | (2023: Â£35.9m) |
| Loss before tax: | | **Â£(34.1)m** |
| | Â | (2023: Â£(67.5)m) |
| Net assets: | | **Â£79.9m** |
| | Â | (2023: Â£110.6m) |
| Valuation methodology: | | **Multiple** |
| | | 2023: Multiple |

*7*
*Pelago*

A digital health solution for managing substance use disorders.
*www.pelagohealth.com*

| | | |
|---|---|---|
| Initial investment date: | | **January 2020** |
| Investment cost: | | **Â£17.9m** |
| | | (2023: Â£17.9m) |

| | | |
|---|---|---|
| Valuation: | | **Â£23.2m** |
| | Â | (2023: Â£38.6m) |
| Last submitted accounts: | | **Not available[2]** |
| Turnover: | | **Not available[2]** |
| | | 2023: Not available[2]: |
| Loss before tax: | | **Not available[2]** |
| | | 2023: Not available[2] |
| Net assets: | | **Not available[2]** |
| | | 2023: Not available[2] |
| Valuation methodology: | | **Multiple** |
| | | 2023: Last round |

***8***

*Legl*

Cloud based legal workflow automation platform.

*www.legl.com*

| | | |
|---|---|---|
| Initial investment date: | | **January 2021** |
| Investment cost: | | **Â£7.3m** |
| | Â | (2023: Â£7.3m) |
| Valuation: | | **Â£18.6m** |
| | Â | (2023: Â£13.8m) |
| Last submitted accounts: | | **31 December 2023** |
| Turnover: | | **Not available[2]** |
| | Â | 2023: Not available[2] |
| Profit/(loss) before tax: | | **1.5m** |
| | Â | (2023: (0.1)m) |
| Net assets: | | **30.4m** |
| | Â | (2023: 28.8m) |
| Valuation methodology: | | **Multiple** |
| | | 2023: Multiple |

***9***

*Orbex*

Focused on providing low-cost orbital launch services for small satellites.

*www.orbex.space*

| | | |
|---|---|---|
| Initial investment date: | | **December 2020** |
| Investment cost: | | **Â£12.0m** |
| | Â | (2023: Â£10.3m) |
| Valuation: | | **Â£17.8m** |
| | Â | (2023: Â£15.3m) |
| Last submitted group accounts: | | **31 December 2023** |
| Turnover: | | **Not available[2]** |
| | | 2023: Not available[2] |
| Consolidated loss before tax: | | **Â£(17.2)m** |
| | | (2023:(8.8)m) |
| Consolidated net assets: | | **Â£16.3m** |
| | Â | (2023: Â£31.8m) |
| Valuation methodology: | | **Scenario Analysis** |
| | | 2023: Scenario Analysis |

***10***

*Token*

A leading open banking solution, focused on payments.

*www.token.io*

| | | |
|---|---|---|
| Initial investment date: | | **March 2017** |
| Investment cost: | | **Â£12.6m** |
| | Â | (2023: Â£12.6m) |
| Valuation: | | **Â£16.5m** |
| | Â | (2023: Â£17.1m) |
| Last submitted group accounts: | | **31 December 2023** |
| Turnover: | | **Not available[2]** |
| | | 2023: Not available[2] |
| Loss before tax: | | |

| | | |
|---|---|---|
| | | **Not available[2]** |
| | | 2023: Not available[2] |
| Net assets: | | **Â£0.9m** |
| | Â | (2023: Â£0.7m) |
| Valuation methodology: | | **Multiple** |
| | | 2023: Multiple |

1. These are numbers per latest public filings. More recent figures have not yet been disclosed.
2. Information not publicly available.

**Outlook**
Our portfolio companies have been navigating a turbulent few years and global geoâ€'political and economic conditions remain uncertain. Due to the earlyâ€'stage nature of the portfolio companies, any improvement in conditions will not be felt immediately.

The fundraising environment remains challenging for portfolio companies, with 2024 seeing both a decline in the number of investments completed at the seed and Series A stages and many rounds completing at decreased valuations. This is largely a function of a reset in venture-backed valuations which began in 2022, with many companies having no option but to accept a reduced valuation to bring in new capital to survive or scale. We have also seen in the year that the venture landscape has been reshaped by AI, which captured a 37% share in all funding in 2024 and 17% of all deals.[1] However, when AI investments are excluded, global deal activity dropped to its lowest levels since 2016.

With some of our portfolio companies struggling to secure new investors and requiring significant investment to develop, many have had to focus on cash preservation and limit their growth. As such, the valuation multiples being applied have declined in line with this. We have also seen some companies being unable to achieve the milestones Octopus set out when the initial investment was completed and so we have seen more declines in value.

Looking to the future, the Octopus Ventures team has been focusing on driving both improved performance and distributions to Titan. In the year, we have been able to realise Â£29 million in cash proceeds to the Company from exits. This includes deferred amounts received in cash relating to disposals from previous periods. In addition, Â£12.4 million was distributed from Zenith Holding Company to the Company. The team is actively involved in its portfolio companies and during the year developed specific workstreams to support the portfolio with value-adding activities, as summarised below:

- **Capital allocation**: aims to optimise financial planning by fostering stronger alignment between each companyâ€™s strategic objectives and their financial plans, reducing the risk of unexpected cash issues and value-eroding insolvencies or emergency down-rounds. Improving financial planning will ensure efficient resource allocation, minimise risks and enhance profitability, ultimately leading to sustainable growth and long-term success.
- **Return**: looking to drive exits or other liquidity events as part of a clear aim of regularly recycling capital back into the Company.
- **Raise**: to improve fundraising outcomes for portfolio companies, through initiatives such as supporting the creation of fundraising material, network introductions for potential investors or timeframe planning. Raising additional funding is crucial to provide the necessary capital to expand operations, invest in new technologies and seize available growth opportunities, ensuring a company's long-term viability and competitive edge.
- **Talent and board**: to drive performance in companies by supporting and influencing the build of high performing leadership teams and effective boards. This workstream is driven by Octopus Ventures in-house People and Talent team. Building talented teams drives innovation, enhances productivity and contributes to a positive work culture, all of which lead to a companyâ€™s overall success.

Titanâ€™s capital and resources have been prioritised on those portfolio companies which have the potential to drive the greatest returns. This portfolio focus has been leveraging the advantages Titan has of being a very large and mature VCT holding a highly diversified portfolio. Having made over 80 investments in the preceding few years, there remains the opportunity for long-term returns to the Company. The ongoing focus for the team will be optimising growth plans for the portfolio and taking advantage of exit opportunities.

1. https://www.cbinsights.com/research/report/venture-trends-2024/

**Risks and risk management**

The Board assesses the risks faced by Titan and, as a board, reviews the mitigating controls and actions, and monitors the effectiveness of these controls and actions.

**Emerging and principal risks, and riskÂ management**

***Emerging risks***

The Board has considered emerging risks. The Board seeks to mitigate emerging risks and those noted below by setting policy, regular review of performance and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies the principles detailed in the Financial Reporting Councilâ€™s Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The following are some of the potential emerging risks that management and the Board are currently monitoring:

- adverse changes in global macroeconomic environment;
- challenging market conditions for private company fundraising and exits;
- geo-political instability; and
- climate change.

***Principal risks***

| ***Risk*** | ***Mitigation*** | ***Change*** |
|---|---|---|
| *Investment performance:* | Â | Â |
| The focus of Titanâ€™s investments is into unquoted, small and mediumâ€'sized VCT qualifying companies which, by their nature, entail a higher level of risk and | Octopus has significant experience of investing in early-stage unquoted companies, and appropriate due diligence is undertaken on every new investment. | Risk exposures continue to increase due to the difficult macro environment and challenging trading conditions for some portfolio companies continuing. |

| | | |
|---|---|---|
| shorter cash runway than investments in larger quoted companies. | A member of the Octopus Ventures team is appointed to the board of a portfolio company using a risk-based approach, considering the size of the company within the Titan portfolio and the engagement levels of other investors. Regular board reports are prepared by the portfolio companyâ€™s management and examined by the Manager. This arrangement, in conjunction with its Portfolio Talent teamâ€™s active involvement, allows Titan to play a prominent role when necessary in a portfolio companyâ€™s ongoing development and strategy. The overall risk in the portfolio is mitigated by maintaining a wide spread of holdings in terms of financing stage, age, industry sector and business model. The Board reviews the investment portfolio with the Portfolio Manager on a regular basis. The Portfolio Manager is incentivised via a performance incentive fee for exceeding certain performance hurdles. The Board and Octopus are reviewing the fee structure. | |

| ***Risk*** | ***Mitigation*** | ***Change*** |
|---|---|---|
| *VCT qualifying status:* | Â | Â |
| Titan is required at all times to observe the conditions for the maintenance of approved VCT status. The loss of such approval could lead to Titan and its investors losing access to the various tax benefits associated with VCT status and investment. | Octopus tracks Titanâ€™s qualifying status regularly throughout the year, and reviews this at key points including investment realisation. This status is reported to the Board at each Board meeting. The Board has also engaged external independent advisers to undertake an independent VCT status monitoring role. | Decreased exposures reflected in the previous period remain. VCT status monitoring by independent advisers continues to reduce the risk of an issue causing a loss of VCT status. |

| ***Risk*** | ***Mitigation*** | ***Change*** |
|---|---|---|
| *Loss of key people:* | Â | Â |
| The loss of key investment staff by the Portfolio Manager could lead to poor fund management and/or performance due to lack of continuity or understanding of Titan. | The Portfolio Manager has a broad team, experienced in and focused on early-stage investing and portfolio company management. Various mitigants exist to assist in managing key person risk. These include frameworks that review succession, remuneration and career progression. Workforce planning is continuous and reviews skillsets and team structures. To reduce the exposure further, the core team is also supplemented by part-time venture partners with sector or functional specialism. | The increased exposures reflected in the previous period remain due to the loss of the lead fund manager and other leadership positions at the Portfolio Manager. The absence of a performance fee and lack of new investments or deal-making opportunities compared to previous periods are also factors. |

| ***Risk*** | ***Mitigation*** | ***Change*** |
|---|---|---|
| *Operational:* | Â | Â |
| The Board is reliant on the Portfolio Manager to manage investments effectively, and manage the services of a number of third parties, in particular the registrar, depositary and tax advisers. A failure of the systems or controls at Octopus or third-party providers could lead to an inability to provide accurate reporting and accounting and to ensure adherence to VCT rules. | The Board reviews the system of internal controls, both financial and non-financial, operated by Octopus (to the extent the latter are relevant to Titanâ€™s internal controls). These include controls designed to make sure that Titanâ€™s assets are safeguarded and that proper accounting records are maintained. | No overall change in risk exposure on balance. |

| ***Risk*** | ***Mitigation*** | ***Change*** |
|---|---|---|
| *Information security:* | Â | Â |
| A loss of key data could result in a data breach and fines. The Board is reliant on Octopus and third parties to take appropriate measures to prevent a loss of confidential customer information. | Annual due diligence is conducted on third parties which includes a review of their controls for information security. Octopus has a dedicated information security team and a third party is engaged to provide continual protection in this area. A security framework is in place to help prevent malicious events. | No overall change on balance, although cyber threat remains a significant risk area faced by all service providers. The appropriateness of mitigants in place are continuously reassessed to adapt to new risk exposures, such as those posed by artificial intelligence. |

| ***Risk*** | ***Mitigation*** | ***Change*** |
|---|---|---|
| *Economic:* | Â | Â |
| Events such as an economic recession and movement in interest rates could adversely affect some smaller companiesâ€™ valuations, as they may be more vulnerable to changes in trading conditions or the sectors in which they operate. This could result in a reduction in the value of Titanâ€™s assets. | Titan invests in a diverse portfolio of companies, across a range of sectors, which helps to mitigate against the impact on any one sector. Titan also maintains adequate liquidity to make sure it can continue to provide followâ€‘on investment to those portfolio companies which require it and which is supported by the individual investment case. | Increased exposures reflected in the previous periods remain and have heightened further as economic uncertainty persists through high inflation, high interest rates and other economic factors. |

| Risk | Mitigation | Change |
|---|---|---|
| *Legislative:* | Â | Â |
| A change to the VCT regulations could adversely impact Titan by restricting the companies Titan can invest in under its current strategy. Similarly, changes to VCT tax reliefs for investors could make VCTs less attractive and impact Titanâ€™s ability to raise further funds. | The Portfolio Manager engages with HM Treasury and industry bodies to demonstrate the positive benefits of VCTs in terms of growing early-stage companies, creating jobs and increasing tax revenue, and to help shape any change to VCT legislation. | Risk exposure has continued to reduce since the previous period following the extension of the sunset clause to 2035 being agreed. |

| Risk | Mitigation | Change |
|---|---|---|
| *Liquidity:* | Â | Â |
| The risk that Titanâ€™s available cash will not be sufficient to meet its financial obligations. Titan invests in smaller unquoted companies, which are inherently illiquid as there is no readily available market for these shares. Therefore, these may be difficult to realise for their fair market value at short notice. | Titanâ€™s liquidity risk is managed on a continuing basis by Octopus in accordance with policies and procedures agreed by the Board. Titanâ€™s overall liquidity risks are monitored on a quarterly basis by the Board, with frequent budgeting and close monitoring of available cash resources. Titan maintains sufficient investments in cash and readily realisable securities to meet its financial obligations. At 31 December 2024, these investments were valued at Â£183,770,000 (2023: Â£199,841,000), which represents 22% (2023: 20%) of the net assets of Titan. The Board also reviews the cash runway in the portfolio. | Risk exposure has continued to increase, reflecting economic uncertainty, the impact on fundraising and the risk of failing to exit portfolio companies. |

| Risk | Mitigation | Change |
|---|---|---|
| *Valuation:* | Â | Â |
| The portfolio investments are valued in accordance with International Private Equity and Venture Capital (IPEV) valuation guidelines. This means companies are valued at fair value. As the portfolio comprises smaller unquoted companies, establishing fair value can be difficult due to the lack of a readily available market for the shares of such companies and the potentially limited number of external reference points. | Valuations of portfolio companies are performed by appropriately experienced staff, with detailed knowledge of both the portfolio company and the market it operates in. These valuations are then subject to review and approval by Octopusâ€™ Valuation Committee, comprised of staff who are independent of Octopus Ventures with relevant knowledge of unquoted company valuations, as well as Titanâ€™s Board of Directors. | Risk exposure remains unchanged from the previous period due to economic uncertainty within valuation modelling. |

| Risk | Mitigation | Change |
|---|---|---|
| *Foreign currency exposure:* | Â | Â |
| Investments held and revenues generated in other currencies may not generate the expected level of returns due to changes in foreign exchange rates. | Octopus and the Board regularly review the exposure to foreign currency movement to make sure the level of risk is appropriately managed. Investments are primarily made in GBP, EUR and USD so exposure is limited to a small number of currencies. On realisation of investments held in foreign currencies, cash is converted to GBP shortly after receiving the proceeds to limit the amount of time exposed to foreign currency fluctuations. | Risk exposure has not changed since the previous period. |

**Viability statement**

In accordance with the FRC UK Corporate Governance Code published in 2018 and provision 36 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of Titan over a period of five years, consistent with the expected investment hold period of a VCT investor. Under VCT rules, subscribing investors are required to hold their investment for a five-year period in order to benefit from the associated tax reliefs. The Board regularly considers strategy, including investor demand for Titanâ€™s shares, and a five-year period is considered to be a reasonable time horizon for this.

The Board carried out a robust assessment of the emerging and principal risks facing Titan and its current position, including risks which may adversely impact its business model, future performance, solvency or liquidity, and focused on the major factors which affect the economic, regulatory and political environment. Particular consideration was given to Titanâ€™s reliance on, and close working relationship with, the Portfolio Manager.

The Board has carried out robust stress testing of cash flows which included assessing the resilience of portfolio companies, including the requirement for any future financial support and the ability to pay dividends, and buybacks.

The Board has additionally considered the ability of Titan to comply with the ongoing conditions to make sure it maintains its VCT qualifying status under its current Investment policy.

Based on this assessment the Board confirms that it has a reasonable expectation that Titan will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 December 2029. The Board is mindful of the ongoing risks and will continue to make sure that appropriate safeguards are in place, in addition to monitoring the cash flow forecasts to ensure Titan has sufficient liquidity.

**Directorsâ€™ responsibilities statement**

The Directors are responsible for preparing the Strategic Report, the Directorsâ€™ Report, the Directorsâ€™ Remuneration Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report and financial statements include information required by the Listing Rules of the Financial Conduct Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP), including Financial Reporting Standard 102 â€“ â€˜The Financial Reporting Standard Applicable in the United Kingdom and Republic of Irelandâ€™ (FRS 102), (United Kingdom accounting standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic Report, Directorsâ€™ Report and Directorsâ€™ Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Companyâ€™s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors is aware:

- there is no relevant audit information of which the Companyâ€™s auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Directors are of the opinion that this report as a whole provides the necessary information to assess the Companyâ€™s performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Companyâ€™s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that, to the best of their knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the annual report and financial statements (including the Strategic Report), give a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

**Tom Leader**
Chair

**Income statement**

| Â | Â | **Year to 31 December 2024** | | | Year to 31 December 2023 | | |
|---|---|---|---|---|---|---|---|
| Â | Â | **Revenue** | **Capital** | **Total** | Revenue | Capital | Total |
| Â | Â | **Â£â€™000** | **Â£â€™000** | **Â£â€™000** | Â£â€™000 | Â£â€™000 | Â£â€™000 |
| Gain/(loss)/gain on disposal of fixed asset investments | Â | **â€”** | **5,184** | **5,184** | â€” | (1,870) | (1,870) |
| Gain on disposal of current asset investments | Â | **â€”** | **563** | **563** | â€” | 355 | 355 |
| Loss on valuation of fixed asset investments | Â | **â€”** | **(136,894)** | **(136,894)** | â€” | (131,655) | (131,655) |
| Gain on valuation of current asset investments | Â | **â€”** | **4,439** | **4,439** | â€” | 8,098 | 8,098 |
| Investment income | Â | **4,215** | **â€”** | **4,215** | 4,467 | â€” | 4,467 |
| Investment management fee | Â | **(954)** | **(18,125)** | **(19,079)** | (1,054) | (20,028) | (21,082) |
| Other expenses | Â | **(6,072)** | **â€”** | **(6,072)** | (6,264) | â€” | (6,264) |
| Foreign exchange translation | Â | **â€”** | **(5)** | **(5)** | â€” | (1,548) | (1,548) |
| **Loss before tax** | Â | **(2,811)** | **(144,838)** | **(147,649)** | (2,851) | (146,648) | (149,499) |
| Tax | Â | **â€”** | **â€”** | **â€”** | â€” | â€” | â€” |
| **Loss after tax** | Â | **(2,811)** | **(144,838)** | **(147,649)** | (2,851) | (146,648) | (149,499) |
| **Loss per share â€“ basic and diluted** | Â | **(0.2)p** | **(8.8)p** | **(9.0)p** | (0.2)p | (9.7)p | (9.9)p |

- The â€˜Totalâ€™ column of this statement is the profit and loss account of Titan. 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.

- Titan 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**

| Â | | Â | **As at 31 December 2024** | | As at 31 Decemb 2023 | |
|---|---|---|---|---|---|---|
| Â | | Â | **Â£â€™000** | **Â£â€™000** | Â£â€™000 | Â£â€™ |
| Fixed asset investments | | Â | Â | **640,797** | Â | 791 |
| Current assets: | | Â | Â | Â | Â | |
| Money market funds | | Â | **93,523** | Â | 91,172 | |
| Corporate bonds | | Â | **90,247** | Â | 108,669 | |
| Applications cash[1] | | Â | **22** | Â | 17,842 | |
| Cash at bank | | Â | **213** | Â | 2,970 | |
| Debtors | | Â | **8,412** | Â | 1,218 | |
| Â | | Â | Â | **192,417** | Â | 221 |
| Creditors: amounts falling due within one year | | Â | **(1,856)** | Â | (19,530) | |
| Net current assets | | Â | Â | **190,561** | Â | 202 |
| Â | | Â | Â | Â | Â | |
| **Net assets** | | Â | Â | **831,358** | Â | 993 |
| Â | | Â | Â | Â | Â | |
| Share capital | | Â | Â | **1,647** | Â | 1 |
| Share premium | | Â | Â | **â€”** | Â | 45 |
| Capital redemption reserve | | Â | Â | **141** | Â | |
| Special distributable reserve | | Â | Â | **1,056,537** | Â | 1,025 |
| Capital reserve realised | | Â | Â | **(125,444)** | Â | (89, |
| Capital reserve unrealised | | Â | Â | **(57,285)** | Â | 51 |
| Revenue reserve | | Â | Â | **(44,238)** | Â | (41, |
| | Â | Â | Â | Â | Â | |
| **Total equity shareholdersâ€™ funds** | | Â | Â | **831,358** | Â | **993** |
| | Â | Â | Â | Â | Â | |
| **NAV per share** | | Â | Â | **50.5p** | Â | **6** |

1. Funds raised from investors since Titan opened for new investment which have not been allotted as at year end.

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

The statements were approved by the Directors and authorised for issue on 28 April 2025 and are signed on their behalf by:

**Tom Leader,** Chair
Company Number 06397765

**Statement of changes in equity**

| Â | Â | Â | **Capital** | **Special** | **Capital** | **Capital** | Â | Â |
|---|---|---|---|---|---|---|---|---|
| Â | **Share** | **Share** | **redemption** | **distributable** | **reserve** | **reserve** | **Revenue** | Â |
| Â | **capital** | **premium** | **reserve** | **reserve[1]** | **realised[1]** | **unrealised** | **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 2024** | **1,594** | **45,780** | **74** | **1,025,614** | **(89,570)** | **51,674** | **(41,422)** | **993,744** |
| **Comprehensive income for the year:** | Â | Â | Â | Â | Â | Â | Â | Â |
| Management fees allocated as capitalÂ expenditure | **â€”** | **â€”** | **â€”** | **â€”** | **(18,125)** | **â€”** | **â€”** | **(18,125)** |
| Current year gain on disposal of fixed asset investments | **â€”** | **â€”** | **â€”** | **â€”** | **5,184** | **â€”** | **â€”** | **5,184** |
| Current year gain on disposal of current asset investments | **â€”** | **â€”** | **â€”** | **â€”** | **563** | **â€”** | **â€”** | **563** |
| Loss on fair value of fixed assetÂ investments | **â€”** | **â€”** | **â€”** | **â€”** | **â€”** | **(136,894)** | **â€”** | **(136,894)** |
| Gain on fair value of current asset investments | **â€”** | **â€”** | **â€”** | **â€”** | **â€”** | **4,439** | **â€”** | **4,439** |
| Loss after tax | **â€”** | **â€”** | **â€”** | **â€”** | **â€”** | **â€”** | **(2,811)** | **(2,811)** |
| Foreign exchange | **â€”** | **â€”** | **â€”** | **â€”** | **â€”** | **â€”** | **(5)** | **(5)** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| translation | | | | | | | | |
| Total comprehensive income for the year | â€” | â€” | â€” | â€” | (12,378) | (132,455) | (2,816) | (147,649) |
| **Contributions by and distributions toÂ owners:** | Â | Â | Â | Â | Â | Â | Â | Â |
| Share issue (includes DRIS) | 120 | 76,664 | â€” | â€” | â€” | â€” | â€” | 76,784 |
| Share issue costs | â€” | (1,893) | â€” | â€” | â€” | â€” | â€” | (1,893) |
| Repurchase of own shares | (67) | â€” | 67 | (37,986) | â€” | â€” | â€” | (37,986) |
| Dividends paid (includes DRIS) | â€” | â€” | â€” | (51,642) | â€” | â€” | â€” | (51,642) |
| Total contributions by and distributions to owners | 53 | 74,771 | 67 | (89,628) | â€” | â€” | â€” | (14,737) |
| **Other movements:** | Â | Â | Â | Â | Â | Â | Â | Â |
| Share premium cancellation | â€” | (120,551) | â€” | 120,551 | â€” | â€” | â€” | â€” |
| Prior year fixed asset gains now realised | â€” | â€” | â€” | â€” | 7,473 | (7,473) | â€” | â€” |
| Prior year current asset losses now realised | â€” | â€” | â€” | â€” | (74) | 74 | â€” | â€” |
| Transfer between reserves | â€” | â€” | â€” | â€” | (30,895) | 30,895 | â€” | â€” |
| Total other movements | â€” | (120,551) | â€” | 120,551 | (23,496) | 23,496 | â€” | â€” |
| **Balance as at 31 December 2024** | 1,647 | â€” | 141 | 1,056,537 | (125,444) | (57,285) | (44,238) | 831,358 |

1. Reserves are available for distribution, subject to the restrictions.

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

| Â Â Â Â | Â Share capital Â£â€™000 | Â Share premium Â£â€™000 | Capital redemption reserve Â£â€™000 | Special distributable reserve[1] Â£â€™000 | Capital reserve realised[1] Â£â€™000 | Capital reserve unrealised Â£â€™000 | Â Revenue reserve[1] Â£â€™000 | Â Â Total 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 year:** | Â | Â | Â | Â | Â | Â | Â | Â |
| Management fees allocated as capitalÂ 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 assetÂ 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 toÂ owners:** | Â | Â | Â | Â | Â | Â | Â | Â |
| 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:** | Â | Â | Â | Â | Â | Â | Â | Â |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 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, subject to the restrictions.

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

**Cash flow statement**

| Â | Â | **Year to 31 December 2024** | Year to 31 December 2023 |
|---|---|---|---|
| Â | Â | **Â£â€™000** | Â£â€™000 |
| **Reconciliation of profit to cash flows from operating activities** | Â | Â | Â |
| Loss before tax[1] | Â | **(147,649)** | (149,499) |
| Decrease in debtors[2] | Â | **279** | 3,671 |
| Decrease/(increase) in creditors | Â | **146** | (440) |
| Gain on disposal of current asset investments | Â | **(563)** | (355) |
| Gain on valuation of current asset investments | Â | **(4,439)** | (8,098) |
| Gain on disposal of fixed asset investments | Â | **(5,184)** | (1,111) |
| Loss on valuation of fixed asset investments | Â | **136,894** | 131,655 |
| **Outflow from operating activities** | Â | **(20,516)** | (24,177) |
| **Cash flows from investing activities** | Â | Â | Â |
| Sale of current asset investments | Â | **23,424** | 4,028 |
| Purchase of fixed asset investments | Â | **(30,011)** | (97,650) |
| Proceeds from sale of fixed asset investments[3] | Â | **41,432** | 45,637 |
| **Inflow/(outflow) from investing activities** | Â | **34,845** | (47,985) |
| **Cash flows from financing activities** | Â | Â | Â |
| Movement in applications account | Â | **(17,820)** | (5,457) |
| Dividends paid (net of DRIS) | Â | **(43,881)** | (58,210) |
| Purchase of own shares | Â | **(37,986)** | (32,422) |
| Share issues (net of DRIS) | Â | **69,025** | 187,852 |
| Share issue costs | Â | **(1,893)** | (5,737) |
| **(Outflow)/inflow from financing activities** | Â | **(32,555)** | 86,026 |
| **Increase/(decrease) in cash and cash equivalents** | Â | **(18,226)** | 13,864 |
| Opening cash and cash equivalents | Â | **111,984** | 98,120 |
| **Closing cash and cash equivalents** | Â | **93,758** | 111,984 |
| **Cash and cash equivalents comprise** | Â | Â | Â |
| Cash at bank | Â | **213** | 2,970 |
| Applications cash | Â | **22** | 17,842 |
| Money market funds | Â | **93,523** | 91,172 |
| **Closing cash and cash equivalents** | Â | **93,758** | 111,984 |

1. Loss before tax includes cashflows from dividends of Â£4.2 million (2023: Â£4.2 million).
2. Movement in debtors, net of disposal proceeds received in the year Â£41.4 million, with Â£40.9 million relating to current year disposals and Â£0.5 million relating to prior year disposals.
3. Of these proceeds, Â£12.4 million was distributed from Zenith Holding Company, a wholly owned subsidiary of Titan, to Titan during the year.

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

**Notes to the financial statements**

**1. Principal accounting policies**

Titan is a Public Limited Company (plc) incorporated in England and Wales and its registered office is at 6th Floor, 33 Holborn, London EC1N 2HT.

Titan has been approved as a Venture Capital Trust by HMRC under Section 259 of the Income Taxes Act 2007. The shares of Titan were first admitted to the Official List of the UK Listing Authority and trading on the London Stock Exchange on 28 December 2007 and can be found under the TIDM code OTV2. Titan is premium listed.

The principal activity of Titan is to invest in a diversified portfolio of UK smaller companies in order to generate capital growth over the long term as well as an attractive tax-free dividend stream.

The financial statements are presented in GBP (Â£) to the nearest Â£â€™000. The functional currency is also GBP (Â£). Some accounting policies have been disclosed in the respective notes to the financial statements.

**Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice (GAAP), including Financial Reporting Standard 102 â€" â€˜The Financial Reporting Standard applicable in the United Kingdom and Republic of Irelandâ€™ (FRS 102), and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) â€˜Financial Statements of Investment Trust Companies and Venture Capital Trusts (July 2022)â€™.

**2. Investment income**
***Accounting policy***
Investment income includes interest earned on money market funds. Dividend income is shown net of any related tax credit.

Dividends receivable are brought into account when Titanâ€™s right to receive payment is established and there is no reasonable doubt that payment will be received. Fixed returns on debt and money market funds are recognised so as to reflect the effective interest rate, provided there is no reasonable doubt that payment will be received in due course.

***Disclosure***

| Â | **Year to 31 December 2024 Â£â€™000** | Year to 31 December 2023 Â£â€™000 |
|---|---|---|
| Money market funds | **4,215** | 4,154 |
| Loan note interest receivable | **â€"** | 313 |
| **Total investment income** | **4,215** | 4,467 |

In the current year, accrued loan note interest income is treated to be included in the fair value of investments. 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.

**3. Investment management fees**
***Accounting policy***

For the purposes of the revenue and capital columns in the Income Statement, the management fee has been allocated 5% to revenue and 95% to capital, in line with the Boardâ€™s expected long-term return in the form of income and capital gains respectively from Titanâ€™s investment portfolio.

***Disclosure***

| Â | **Year to 31 December 2024** | | | Year to 31 December 2023 | | |
|---|---|---|---|---|---|---|
| Â | **Revenue** | **Capital** | **Total** | Revenue | Capital | Total |
| Â | **Â£â€™000** | **Â£â€™000** | **Â£â€™000** | Â£â€™000 | Â£â€™000 | Â£â€™000 |
| Investment management fee | **954** | **18,125** | **19,079** | 1,054 | 20,028 | 21,082 |

The Portfolio Manager provides investment management services through agreements with Octopus AIF Management Limited and Titan. It also provides non-investment services to Titan under a non-investment services agreement. No compensation is payable if the agreement is terminated by either party, if the required notice period is given. The fee payable, should insufficient notice be given, will be equal to the fee that would have been paid should continuous service be provided, or the required notice period was given. The basis upon which the management fee is calculated is disclosed within the Annual Report and financial statements.

**4. Other expenses**
***Accounting policy***

Other expenses are accounted for on an accruals basis and are charged wholly to revenue.

The transaction costs incurred when purchasing or selling assets are written off to the Income Statement in the period that they occur.

| Â | **Year to 31 December 2024 Â£â€™000** | Year to 31 December 2023 Â£â€™000 |
|---|---|---|
| Ongoing adviser and non-advised charges | **2,111** | 2,370 |
| Non-investment services fee[1] | **2,078** | 2,020 |
| Other fees | **780** | 480 |
| Directorsâ€™ remuneration[2] | **263** | 192 |
| Audit fees | **204** | 191 |
| Registrarâ€™s fees | **196** | 200 |
| Depositary fees | **187** | 270 |
| Listing fees | **136** | 401 |

| | | |
|---|---|---|
| Directors and Officers (D&O) insurance | **117** | 123 |
| Impairment of accrued loan note interest receivable | **â€”** | 17 |
| **Total** | **6,072** | 6,264 |

1. For further information please see note 9.
2. Includes employersâ€™ NI.

Total ongoing charges are capped at 2.5% of net assets. For the year to 31 December 2024, the ongoing charges were 2.5% of net assets (2023: 2.4%). This is calculated by summing the expenses incurred in the period (excluding ongoing IFA charges and nonâ€'recurring expenses) divided by the average NAV throughout the period.

**5. Tax on ordinary activities**
***Accounting policy***

Corporation tax payable is applied to profits chargeable to corporation tax, if any, at the current rate. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the â€˜marginalâ€™ basis as recommended in the SORP.

Deferred tax is recognised in respect of all timing differences at the reporting date. Timing differences are differences between taxable profits and total income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

***Disclosure***
The corporation tax charge for the period was Â£nil (2023: Â£nil).

| Â | **Year to 31 December 2024 Â£â€™000** | Year to 31 December 2023 Â£â€™000 |
|---|---|---|
| Loss on ordinary activities before tax | **(147,649)** | (149,499) |
| Current tax at 25% (2023: 23.5%) | **(36,912)** | (35,163) |
| **Effects of:** | Â | Â |
| Nonâ€'taxable income | **(1,054)** | (977) |
| Nonâ€'taxable capital loss | **31,677** | 29,418 |
| Nonâ€'deductible expenses | **55** | 71 |
| Zenith distribution[1] | **3,100** | â€” |
| Excess management expenses on which deferred tax not recognised | **3,134** | 7,070 |
| Tax rate differences[2] | **â€”** | (419) |
| **Total current tax charge** | **â€”** | â€” |

1. Â£12.4 million was distributed from Zenith Holding Company to Titan in the year which is taxable income for Titan.
2. Tax rate difference in the year to 31 December 2023 due to tax charge for the year being calculated at 19% and excess management expenses on which deferred tax is not recognised being calculated at 25%.

Unrelieved tax losses of Â£227,486,000 (2023: Â£214,949,000) are estimated to be carried forward at 31 December 2024 (subject to completion of Titanâ€™s tax return) and are available for offset against future taxable income, subject to agreement with HMRC. Titan has not recognised the deferred tax asset of Â£56,871,000 (2023: Â£53,737,000) in respect of these tax losses because there is insufficient forecast taxable income in excess of deductible expenses to utilise these losses carried forward. There is no expiry period on these deductible expenses under the UK HMRC legislation.

Approved VCTs are exempt from tax on capital gains. As the Directors intend for Titan to continue to maintain its approval as a VCT through its affairs, no current deferred tax has been recognised in respect of any capital gains or losses arising on the revaluation or disposal of investment.

**6. Dividends**
***Accounting policy***

Dividends payable are recognised as distributions in the financial statements when Titanâ€™s liability to make the payment has been established. This liability is established on the record date, the date on which those shareholders on the share register are entitled to the dividend.

***Disclosure***

| Â | **Year to 31 December 2024 Â£â€™000** | Year to 31 December 2023 Â£â€™000 |
|---|---|---|
| **Dividends paid in the year** | Â | Â |
| Previous yearâ€™s second interim dividend â€“ 1.9p (2023: 3.0p) | **31,876** | 46,127 |
| Current yearâ€™s interim dividend â€“ 1.2p (2023: 2.0p) | **19,767** | 31,636 |
| **Total** | **51,643** | 77,763 |
| Â | Â | Â |
| **Dividends in respect of the year** | Â | Â |

| | | |
|---|---|---|
| Interim dividend â€“ 1.2p (2023: 2.0p) | **19,767** | 31,636 |
| Second interim dividend â€“ 0.5p (2023: 1.9p) | **8,236** | 31,876 |
| **Total** | **28,003** | 63,512 |

The figures above include dividends elected to be reinvested through the DRIS.

The second interim dividend of 0.5p for the period ending 31 December 2024 will be paid on 29 May 2025 to shareholders on the register on 25 April 2025, this equates to 1% of the Companyâ€™s opening NAV per share.

**7. Earnings per share**

| Â | **Year to 31 December 2024** | | | Year to 31 December 2023 | | |
|---|---|---|---|---|---|---|
| Â | **Revenue** | **Capital** | **Total** | Revenue | Capital | Total |
| Loss attributable to Ordinary shareholders (Â£â€™000) | **(2,811)** | **(144,838)** | **(147,649)** | (2,851) | (146,648) | (149,499) |
| Loss per Ordinary share (p) | **(0.2)p** | **(8.8)p** | **(9.0)p** | (0.2)p | (9.7)p | (9.9)p |

The total loss per share is based on 1,644,900,726 (2023: 1,506,111,802) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

There are no potentially dilutive capital instruments in issue and so no diluted return per share figures are relevant. The basic and diluted earnings per share are therefore identical.

**8. Net asset value per share**

| Â | **31 December** | 31 December |
|---|---|---|
| Â | **2024** | 2023 |
| Net assets (Â£) | **831,358,000** | 993,744,000 |
| Ordinary shares in issue | **1,647,212,355** | 1,593,601,092 |
| NAV per share (p) | **50.5** | 62.4 |

**9. Transactions with the Manager and Portfolio Manager**

Since 1 September 2017, Titan has been classified as a full-scope Alternative Investment Fund under the Alternative Investment Fund Management Directive (the â€˜AIFM Directiveâ€™). As a result, since 1 September 2017, Titanâ€™s investment management agreement was assigned by way of the deed of novation from Octopus Investments Limited to Octopus AIF Management Limited to act as Manager (an authorised alternative investment fund manager responsible for ensuring compliance with the AIFM Directive). Octopus AIF Management Limited has in turn appointed Octopus Investments Limited to act as Portfolio Manager to Titan (responsible for portfolio management and the day-to-day running of Titan).

Titan paid Octopus AIF Management Limited Â£19,079,000 (2023: Â£21,082,000) in the period as a management fee. The annual management charge (AMC) is based on 2% of Titanâ€™s NAV in respect of existing funds but in respect of funds raised by Titan under the 2018 Offer and thereafter (and subject to Titan having a cash reserve of 10% of its NAV), the AMC on uninvested cash is the lower of either (i) the actual return that Titan receives on its cash and funds that are the equivalent of cash (which currently consist of corporate bonds and money market funds) subject to a 0% floor and (ii) 2% of Titanâ€™s NAV. The AMC is payable quarterly in advance and calculated using the latest published NAV of Titan and the number of shares in issue at each quarter end.

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 Companyâ€™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 paid Â£2,078,000 (2023: Â£2,020,000) to Octopus for the nonâ€‘investment services.

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.

Due to performance in the year, the total value has decreased to 155.6p, representing a total loss of 8.8p. Therefore, the high water mark for the 2025 financial year remains at 197.7p.

If, on a subsequent financial year end, the performance value of Titan falls short of the high water mark on the previous financial year end, no performance fee will arise. If, on a subsequent financial year end, the performance exceeds the previous best high water mark of Titan, the Manager will be entitled to 20% of such excess in aggregate.

Octopus received Â£39,000 in the period to 31 December 2024 (2023: Â£36,000) in regard to arrangement and monitoring fees in relation to investments made on behalf of Titan. Since 31 October 2018, Octopus no longer receives such fees in respect of new investments or any such new fees in respect of further investments into portfolio companies in which Titan invested on or before 31 October 2018, with any such fees received after that time being passed to Titan.

The cap relating to Titanâ€™s total ongoing charges ratio, that is the regular, recurring costs of Titan expressed as a percentage of its NAV, above which Octopus has agreed to pay, is 2.5%, and is calculated in accordance with the AIC Guidelines.

**Octopus AIF Management Limited remuneration disclosures (unaudited)**
Quantitative remuneration disclosures required to be made in this annual report in accordance with the FCA Handbook FUND 3.3.5 are available on the website: https://www.octopusinvestments.com/remuneration-disclosures/.

**10. Related party transactions**

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

In the year, Octopus Investments Nominees Limited (OINL) has purchased Titan shares from shareholders to correct administrative issues, on the understanding that shares will be sold back to Titan in subsequent share buybacks. As at 31 December 2024, no Titan shares were held by OINL (2023: no shares) as beneficial owner. Throughout the period to 31 December 2024, OINL purchased 65,000 shares (2023: 1,883,000 shares) at a cost of Â£36,000 (2023: Â£1,563,000) and sold 65,000 shares (2023: 1,883,000 shares) for proceeds of Â£34,000 (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 halfâ€‘yearly reports.

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

Details of the Directors and their remuneration can be found in the Directorsâ€™ Remuneration Report.

The Directors received the following dividends from Titan:

| Â | **Year to 31 December 2024** | Year to 31 December 2023 |
|---|---|---|
| Â | **Â£** | Â£ |
| Jane Oâ€™Riordan | **4,766** | 6,901 |
| Tom Leader | **1,464** | 1,889 |
| Lord Rockley | **2,406** | 2,776 |
| Julie Nahid Rahman | **138** | 89 |
| Gaenor Bagley | **738** | 901 |
| Rupert Dickinson | **â€”** | â€” |

**11. 2024 financial information**

The figures and financial information for the year ended 31 December 2024 are extracted from the Companyâ€™s annual financial statements for the period and do not constitute statutory accounts. The Companyâ€™s annual financial statements for the year to 31 December 2024 have been audited but have not yet been delivered to the Registrar of Companies. The Auditorsâ€™ report on the 2024 annual financial statements was unqualified, did not include a reference to any matter to which the auditors drew attention without qualifying the report, and did not contain any statements under Sections 498(2) or 498(3) of the Companies Act 2006.

**12. 2023 financial information**

The figures and financial information for the period ended 31 December 2023 are compiled from an extract of the published financial statements for the period and do not constitute statutory accounts. Those financial statements have been delivered to the Registrar of Companies and included the Auditorsâ€™ report which was unqualified, did not include a reference to any matter to which the auditors drew attention without qualifying the report, and did not contain any statements under Sections 498(2) or 498(3) of the Companies Act 2006.

**13. Annual Report and financial statements**

The Annual Report and financial statements will be posted to shareholders in early May and will be available on the Companyâ€™s website, **octopustitanvct.com**. The Notice of Annual General Meeting is contained within the Annual Report.

**14. General information**

Registered in England & Wales. Company No. 06397765
LEI: 213800A67IKGG6PVYW75

**15. Directors**

Tom Leader (Chair), Jane Oâ€™Riordan, Lord Rockley, Gaenor Bagley, Julie Nahid Rahman and Rupert Dickinson.

**16. Secretary and registered office** Â Â

Octopus Company Secretarial Services Limited
6th Floor, 33 Holborn, London EC1N 2HT