



Backing Britain's brightest businesses

Octopus Titan VCT plc

Unaudited half-yearly report for the
six months ended 30 June 2023

octopusinvestments

A brighter way

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Interim management report

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Key dates

Interim dividend payment date	21 December 2023
Annual results for the year ended 31 December 2023	April 2024



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

Octopus Titan VCT plc ('Titan' or the 'Company') has earned a reputation for backing pioneering entrepreneurs. It invests in companies that are using technology to shape the future.

Octopus Ventures' awards



Octopus Investments' awards



5 Star Winner
Investments
Octopus



Best Tax and Estate
Planning Solutions Provider

Highlights

<p>Net assets (£'000)</p> <p>£1,055,683</p> <p>HY2022: £1,180,101 FY2022: £1,051,760</p>	<p>Loss after tax (£'000)</p> <p>£(87,609)</p> <p>HY2022: £(148,242) FY2022: £(319,215)</p>	<p>NAV per share</p> <p>68.2p</p> <p>HY2022: 91.3p FY2022: 76.9p</p>
<p>Total value¹</p> <p>168.2p</p> <p>HY2022: 186.3p FY2022: 173.9p</p>	<p>Total return (p)²</p> <p>(5.7)p</p> <p>HY2022: (11.4)p FY2022: (23.8)p</p>	<p>Total return %³</p> <p>(7.4)%</p> <p>HY2022: (10.8)% FY2022: (22.5)%</p>
<p>Dividends paid in the year</p> <p>3.0p</p> <p>HY2022: 3.0p FY2022: 5.0p</p>	<p>Dividend yield %⁴</p> <p>3.9%</p> <p>HY2022: 2.8% FY2022: 4.7%</p>	<p>Dividend declared</p> <p>2.0p</p> <p>HY2022: 2.0p FY2022: 3.0p</p>

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

Chair's statement



87%

Increase in total
value since launch

100p

Dividends
paid since launch

Titan's total return for the six months to 30 June 2023 was minus 7.4% with net assets at the end of the period totalling £1.1 billion.

The Net Asset Value (NAV) per share at 30 June 2023 was 68.2p which, adjusting for dividends paid of 3.0p per share in May 2023, represents a net decrease of 5.7p per share from 31 December 2022. The total return (NAV plus cumulative dividends paid per share since launch) at the end of the period was 168.2p (31 December 2022: 173.9p). This further decline is, of course, disappointing but reflects the combination of a continuation of the difficult global macro environment and the ongoing readjustment of valuation multiples and funding availability in the early-stage ventures space since 2021. The Octopus Ventures team are supporting Titan's portfolio companies through these more challenging times, offering additional resource, expertise or network contacts where relevant. Despite the decrease in NAV, the tax-free annual compound return for the original shareholders since Titan's launch in October 2007 is 3.9%.

We were pleased to raise over £237 million in our most recent fundraise which closed on 5 April 2023 and, on 26 June 2023, we announced our intention to launch a new offer for subscription later this calendar year. As of 30 June 2023, we had uninvested cash reserves¹ of £232.4 million (£179.0 million as at 31 December 2022) to allow us to support our existing portfolio of 140 companies, as well as make new investments in early-stage, high-growth businesses which we believe embody the objectives of the VCT scheme.

1. The cash reserves include £0.2 million of cash at bank, £127.0 million of money market funds and £105.2 million of corporate bonds as set out in the balance sheet on page 19.

In the six months to 30 June 2023, we utilised £130.7 million of our cash resources, comprising £65.0 million in new and follow-on investments, £34.4 million in dividends (net of the Dividend Reinvestment Scheme), £18.2 million in share buybacks and £13.1 million in investment management fees and other running costs. Together, this utilised 73% of our cash and cash equivalents at 31 December 2022.

Dividends

As shareholders will know, our target to date has been to pay an annual dividend of 5p per share, supplemented by special dividends when appropriate. I am pleased to confirm that the Titan Board has now decided to declare an interim dividend of 2p per share (2022: 2p per share), which will be paid on 21 December 2023 to shareholders on the register as at 1 December 2023.

If you are one of the 26% of shareholders who take advantage of the Dividend Reinvestment Scheme (DRIS), your dividend will be receivable in Titan shares. This is an excellent way to achieve your investment objectives if you prefer the capital value of your investment to grow.

Since inception, we have now paid 100p in tax-free dividends per share, excluding the recently declared dividend.

Following careful consideration of Titan's dividend policy, the Board are proposing to move from an annual target dividend of 5p per share to an annual target dividend of 5% of NAV, supplemented by special dividends when appropriate.

Chair's statement continued

Principal risks and uncertainties

The Board continues to review the risk environment in which Titan operates on a regular basis. There have been no significant changes to the key risks which were described on pages 51 to 54 of the annual report for the year ended 31 December 2022. Given the volatility of the current environment, the Board will continue to evaluate whether there are any significant changes to these risks.

Board of Directors

Following Matt Cooper's retirement at the Annual General Meeting (AGM) in June 2023, I am pleased to welcome Julie Nahid Rahman who was appointed as a Non-Executive Director on 1 August 2023. Julie brings to the Board a wealth of experience drawn from her long career in private equity, executive search and strategy consulting.

Outlook

Over the period, we have continued to see a readjustment of the early-stage ventures space in which Titan operates. Valuation multiples have continued to reduce from the levels we were seeing in 2022 and there has been a decline in funding availability and exit opportunities.

Companies have been looking to raise smaller amounts at lower company valuations; there has been an intense focus on extending cash runway leading to cost reductions, largely through redundancies; and a significant scale-back of activity by market incumbents, especially growth-stage companies, which has reduced exit opportunities.

The impact of these factors on Titan's underlying portfolio companies has led to a decline in Titan's NAV. We recognise this is disappointing, however, we believe the Company is well placed to navigate this turbulent period with the support of shareholders and given the diversity of the underlying portfolio in terms of sector, vintage and stage.

While these conditions are a challenge for existing portfolio companies, they also present opportunities to invest in, and build, new early-stage companies at attractive valuations. Titan can take advantage of this, and our long-term view of early-stage venture capital remains extremely positive.

We also believe that innovation will continue at pace, thanks to the powerful combination of exceptional entrepreneurs, experienced talent and the opportunities created by pain points in many sectors not being appropriately addressed by the status quo. We will continue to strive to back the people, ideas and industries that will change the world.

In the six months to 30 June 2023, Titan invested £65.0 million in new and follow-on opportunities, which brings the total number of companies in the portfolio to 140 at 30 June 2023. The range of both exciting new investments and the upcoming pipeline of opportunities is testament to the work the investment team continue to put into sourcing, securing and working with businesses across all its areas of investment focus. VCTs have long provided a compelling opportunity for UK investors to provide funding for such businesses in a tax-efficient way, and we look forward to Titan continuing to do so in the future.

I would like to conclude by thanking both the Board and the Octopus team on behalf of all shareholders for their hard work.



Tom Leader
Chair

21 September 2023

Titan's objectives

1 Invest in pioneering companies

Titan's investment strategy aims to back the next generation of entrepreneurs leading technology and tech-enabled businesses in seven dedicated areas – Health, Fintech, Deep tech, Consumer, Business-to-business (B2B) software, Bio and Climate.

2 Long-term sustainability of the VCT

Over the long term, Titan targets:

- maintaining a NAV per share of at least 90p after the payment of dividends;
- generating sufficient cash from realisations within the portfolio to cover share buybacks, dividends and operating costs; and
- capital raised from fundraising predominantly utilised for new and follow-on investments.

3 Regular tax-free dividend

Titan targets regular dividends with the potential to pay special dividends as investments are realised at a significant profit. As at the date of this report, Titan has paid total dividends of 100p per share to investors and announced a further 2p dividend for payment in December 2023. However, this is not a guarantee, and no projection or forecast is expressed or implied. To date, Titan's target has been to pay an annual dividend of 5p per share, supplemented by special dividends when appropriate. However, the Board are proposing to move to an annual target dividend of 5% of NAV, supplemented by special dividends when appropriate.

Titan's portfolio

Investment focus

Titan's portfolio spans seven investment areas of focus across different stages of development. Below you can read more about each area of focus and portfolio company examples.

Fintech

Backing the start ups that are redefining financial services, driving us towards a future of safe, efficient transactions that occur faster than the speed of thought.



Health

Backing the businesses and people at the most ambitious frontiers of medical science. Supporting health tech start ups who uncover the unknown. The people doing things we didn't think were possible, confronting taboo issues and breaking down social boundaries.



B2B software

Supporting industries through digitisation and automation. Advances in B2B software have an impact on every industry, bringing everyone closer to more efficient and sustainable ways of working.



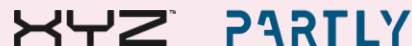
Deep tech

Advancing technology touches every aspect of our lives: agriculture, education, health, commerce, communication. Backing the founders who are solving deep technical problems across every industry in ways that will transform our world. They've pioneered new business models to create opportunities and invent entirely new markets.



Consumer

Redefining how we live, work and play. Backing the pioneers who use tech to dramatically improve consumers' lives. They're obsessed with their customers' happiness, and dedicated to delivering authentic, unique experiences.



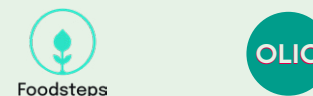
Bio

Backing trailblazing founders creating a bioscience-led revolution. Advances in biosciences and molecular biology, combined with leaps forward in computer power, have laid the foundations for a revolution across sectors from therapeutics to energy.



Climate

Backing the people and businesses that are powering planet-friendly progress by creating a circular economy, decarbonising global energy systems and infrastructure, reducing energy consumption, greening finance, protecting and developing ecosystems and erasing our historical footprint through carbon removal technologies.

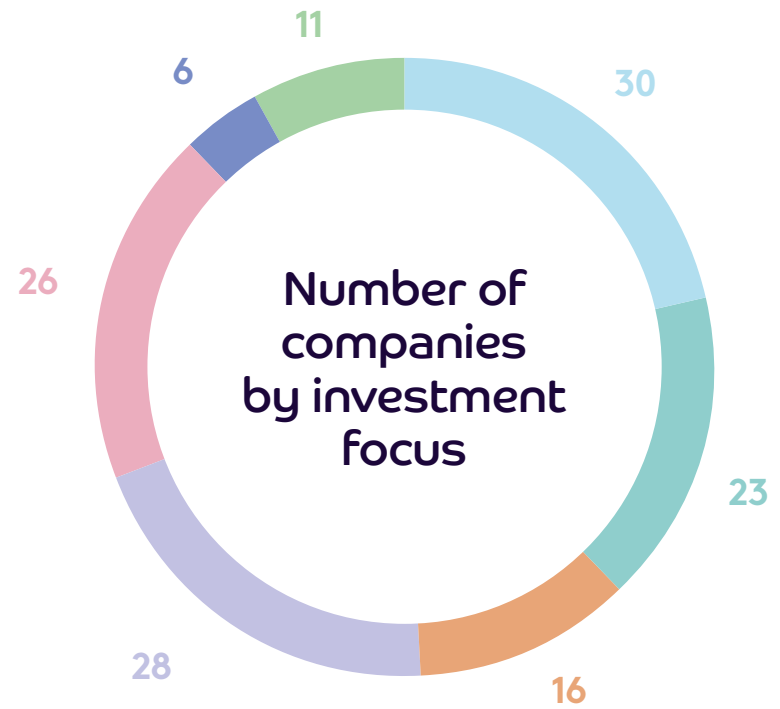
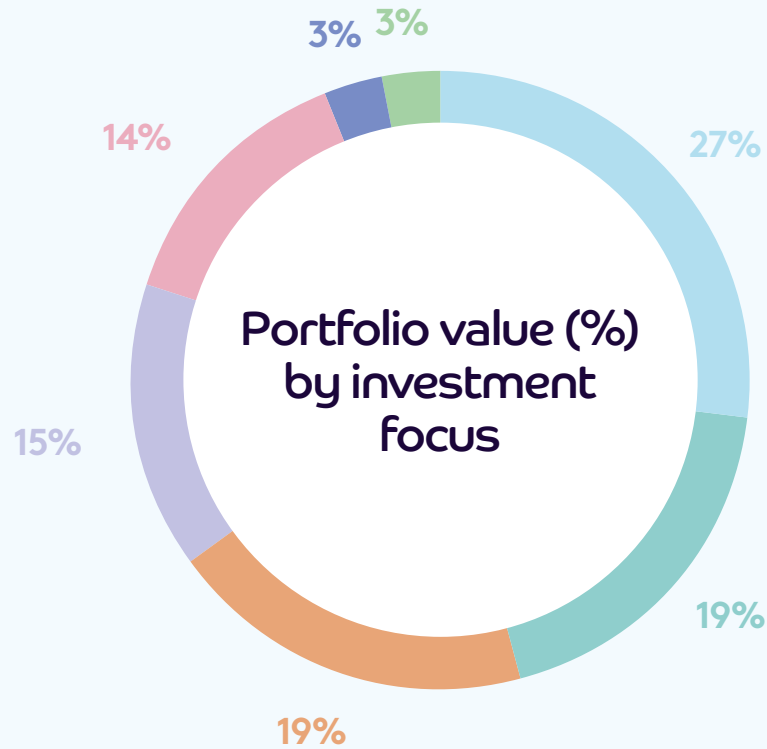


Titan's portfolio continued

Investment focus continued

The pie charts below illustrate Titan's investment focus by portfolio value as a percentage and by number of portfolio companies.

-  Fintech
-  Health
-  B2B software
-  Deep tech
-  Consumer
-  Bio
-  Climate

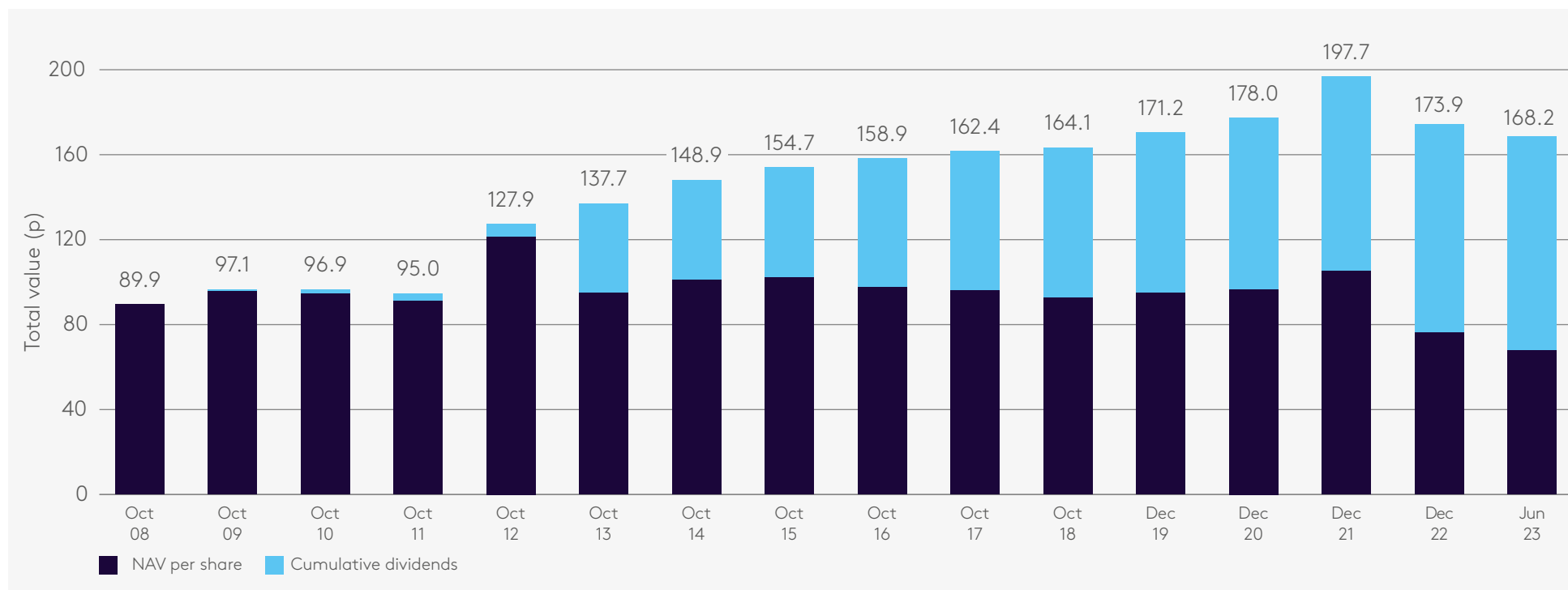


Portfolio Manager's review

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

Titan total value growth since inception

The graph below shows the performance of Titan since 31 October 2008 (Titan's first full year) in Net Asset Value (NAV), dividends paid, and NAV plus cumulative dividends paid (total value):



The total value has seen a significant increase since the end of Titan's first year (31 October 2008), as shown on the graph — from 89.9p to 168.2p at 30 June 2023. This represents an increase of 87% in value since Titan's first full year, including dividends paid since inception of 100p. Since Titan launched, a total of over £474 million has been distributed back to shareholders in the form of tax-free dividends. This includes dividends reinvested as part of the DRIS.

Portfolio Manager's review continued

Focus on performance

The NAV of 68.2p per share at 30 June 2023 represents a decrease of 5.7p in NAV per share versus a NAV of 76.9p per share as at 31 December 2022 (when adjusted for dividends paid in the period). This decline in NAV is disappointing, however, as shown in the graphs, the long-term opportunity offered by early-stage ventures is still extremely compelling.

The performance over the five years to 30 June 2023 is shown below:

	Year ended 31 October 2018	Period ¹ ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022	Period ended 30 June 2023
NAV (p)	93.1	95.2	97.0	105.7	76.9	68.2
Cumulative dividends paid (p)	71.0	76.0	81.0	92.0	97.0	100.0
Total value (p)	164.1	171.2	178.0	197.7	173.9	168.2
Total return (%)	1.8	7.6	7.1	20.3	(22.5)	(7.4)
Dividend yield (%)	5.2	5.4	5.3	11.3	4.7	3.9
Equivalent dividend yield for a higher rate tax payer (%)	7.7	8.0	7.8	16.8	7.0	5.9

1. The period to 31 December 2019 was 14 months.

The decrease in NAV over the six-month period has largely been driven by the downward valuation movement of £97.4 million across 76 companies in the now 140-strong portfolio. The drivers of the movement are a combination of factors, including: further market comparable valuation multiple compression; some externally led funding rounds into portfolio companies, which have had dilutive effects on Titan's shareholding; downward foreign exchange (FX) adjustments in our USD-denominated holdings; and a slowing of growth across the portfolio as companies optimise for efficiency and profitability (where possible). Slowing growth means the typical uplifts in value have been insufficient in this period to offset some of the headwinds mentioned previously.

The most significant portfolio movements have been Big Health, Secret Escapes and ManyPets. Big Health, despite strong underlying performance, has seen its valuation multiple reduced further to reflect the continued softening of comparable digital health company valuations. Secret Escapes has raised further capital at dilutive terms in the context of low availability of capital for growth stage companies. Finally, ManyPets saw a small decline in gross written premium as it took steps to drive higher efficiency and target profitability in the short term, which, given the relative size of the holding, drove a meaningful downward movement in value.

Conversely, 31 companies saw an increase in valuation in the period, delivering a collective increase in valuation of £24.8 million. These valuation increases reflect businesses which have successfully concluded further funding rounds, grown revenues or met certain important milestones. Notable strong performers in the portfolio include Vitesse and Skin+Me, which are both growing strongly and have successfully raised further capital in the period. This further evidences that, even in times of economic decline, there are opportunities available for companies to thrive, and Titan's diverse portfolio allows multiple avenues to be explored.

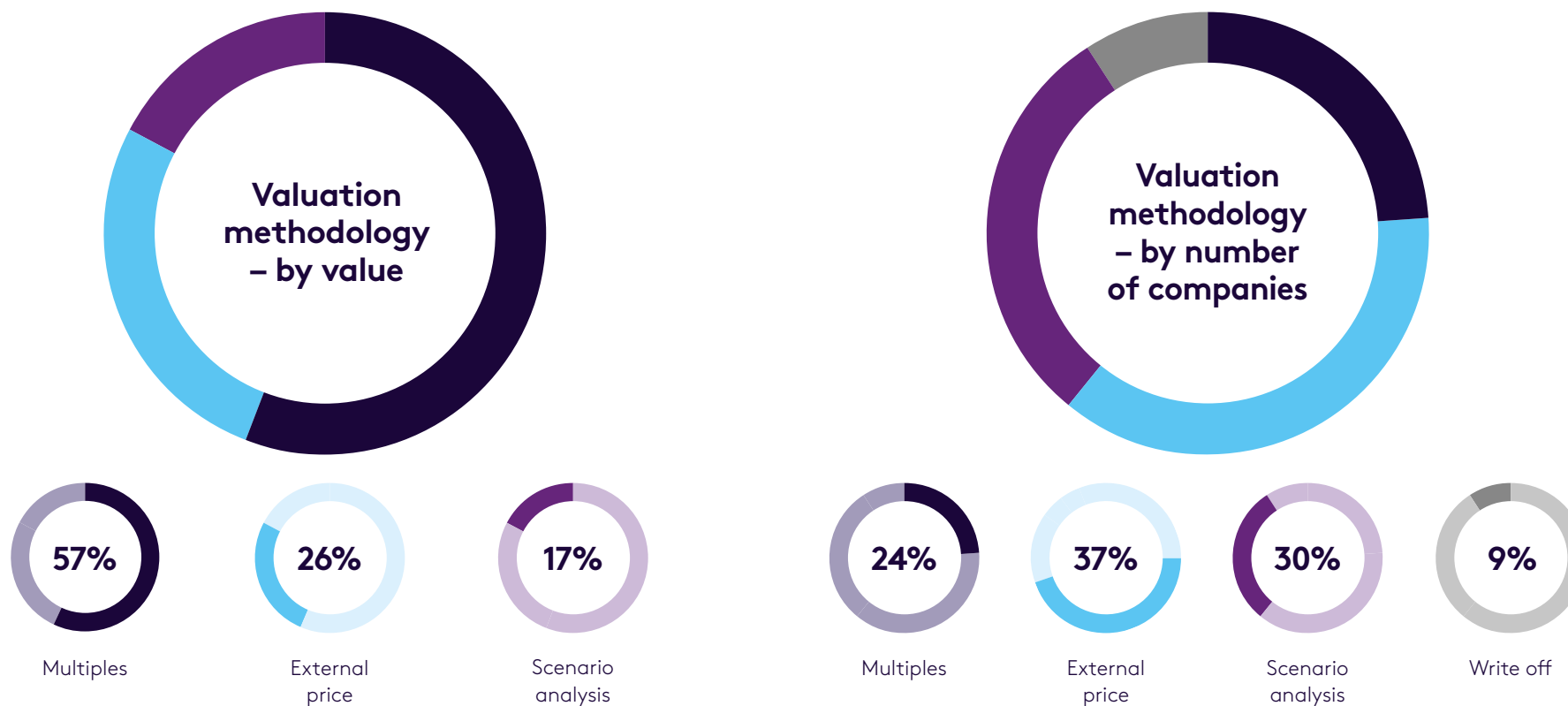
The gain on Titan's uninvested cash reserves was £1.4 million in the six months to 30 June 2023 (31 December 2022: loss of £12.6 million), primarily driven by fair value movements in the corporate bond portfolio and returns on money market funds. The Board's objective for these investments is to generate sufficient returns through the cycle to cover costs, at limited risk to capital.

Portfolio Manager's review continued

Focus on investments

Valuations

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



Portfolio Manager's review continued

Focus on investments continued

New and follow-on investments

Titan completed follow-on investments into 12 companies and made 14 new investments in the period. Together, these totalled £65.0 million (made up of £22.7 million invested in the existing portfolio and £42.3 million in new companies). The total value of the portfolio is £819.9 million, as at 30 June 2023.

Below are some examples of new investments made across our seven areas of investment focus during the period. For a full list, please refer to the investment portfolio on page 26:



Fintech

- **Flock** is an insurtech managing general agent (MGA) providing connected insurance for commercial motor fleets.



Health

- **Little Journey** has created a digital eSupport platform that prepares, informs and provides support for families, healthcare procedures and clinical trials.
- **Tympa** has developed a novel device and software platform to improve ear and hearing health screening and diagnostics.



B2B software

- **Pivotal Future** automates and improves the measurement and prediction of biodiversity.
- **Secfix** automates the preparation for, and the ongoing maintenance of, IT compliance certifications.



Deep tech

- **Puraffinity** is a smart materials company which has developed a design platform to create materials which can capture the family of 'forever chemicals' PFAS (per- and polyfluoroalkyl substances).
- **TitanML** has created a solution which enables businesses to reduce the processing requirements of high spec artificial intelligence (AI) models quickly and cheaply.



Consumer

- **Haiper** is developing ground-breaking AI to advance the field of computer graphics.
- **Correcto** is an AI writing and grammar tool for the Spanish language.



Bio

- **Pear Bio** is a precision medicine diagnostics and therapeutics discovery company which can recreate a tumour's microenvironment and assess and monitor the effects of different therapies.



Climate

- **Kita** is a carbon credit insurance company.

Portfolio Manager's review continued

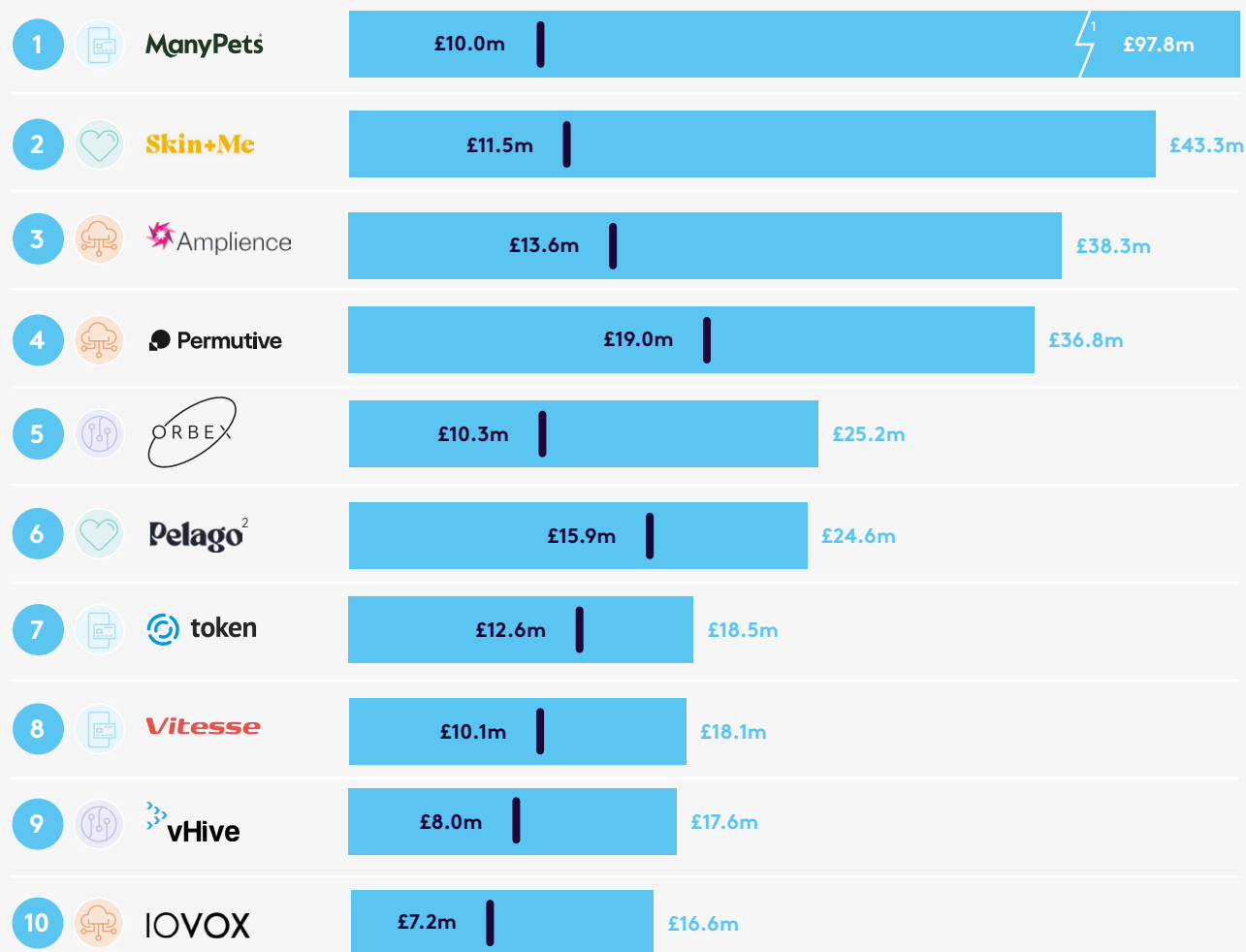
Top 20 investments

Here we set out the cost and valuation of the top 20 holdings, which account for approximately 57% of the value of the portfolio.

Key:



Portfolio:













1. Not a graphical representation of the full value of the holding.
2. Digital Therapeutics, Inc., formerly Quit Genius, has rebranded as Pelago.

■ Total valuation including cost ■ Investment cost

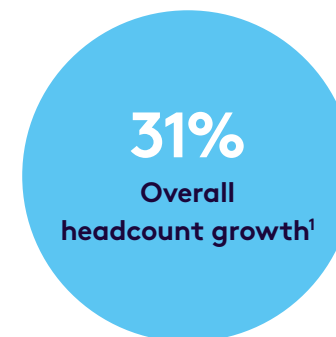
Portfolio Manager's review continued

Top 20 investments continued

Portfolio:

11	 Sofar	£11.5m	£16.1m
12	 Legl	£7.3m	£15.8m
13	 ELLIPTIC	£7.7m	£15.7m
14	 XYZ	£15.3m	£15.5m
15	 Big Health	£12.9m	£15.1m
16	 ometria	£11.5m	£12.7m
17	 elvie	£6.4m	£11.2m
18	 uniplaces <small>book it. live it.</small>	£9.5m	£10.6m
19	 Automata	£10.5m	£10.5m
20	 Oribiotech	£9.1m	£10.5m

■ Total valuation including cost
 ■ Investment cost



1. Latest available data on the top 20 holdings is presented for the year from December 2021 to December 2022.

Portfolio Manager's review continued

Focus on disposals

Disposals

In the period, Arena Flowers (the UK's number one rated ethical flower delivery company) acquired and merged with portfolio company Patch. As a result, Titan now holds shares in the combined business. The businesses are highly complementary, and the growth potential and synergies create opportunities to deliver value to the stakeholders of the enlarged group.

There have been three disposals made at a loss: Commazero was acquired by Weavr (Paystratus Group Limited); Chronext sold to a Swiss investment group; and By Miles was acquired by private motor insurance Direct Line Group. In aggregate, these disposals generated negligible proceeds compared to an investment cost of £16.2 million.

Unfortunately, having been unsuccessful in securing further funding and having explored and exhausted all available options, ThirdEye was liquidated. The underperformance of a portfolio company is always disappointing for Octopus and shareholders alike, but it is a key characteristic of a venture capital portfolio, and we believe the successful disposals will continue to significantly outweigh the losses over the medium term.

As Titan's current portfolio continues to mature, we believe that when conditions improve in the future, there should be opportunities for many portfolio companies to take the next step on their growth journey. Successful exits enable Titan to realise the growth a portfolio company has achieved over its investment lifespan.

In the period, Titan also received deferred proceeds from the sale of WaveOptics (to SNAP Inc in 2021) and Conversocial (to Verint Systems Inc in 2021).

The following table shows dividends paid and disposal proceeds over the last five financial years and the current period of 30 June 2023:

	Year ended 31 October 2018	Period ¹ ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022	Period ended 30 June 2023	Total
Dividends (£'000)	24,178	33,187	46,037	101,976	49,596	34,378	289,352
Disposal proceeds ² (£'000)	22,367	26,334	23,915	221,504	62,213	39,960	396,293

1. The period to 31 December 2019 was 14 months.

2. This table includes proceeds received in the period.

VCT qualifying status

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

As at 30 June 2023, over 92% of the portfolio (as measured by HMRC rules) was invested in VCT-qualifying investments, significantly above the 80% current VCT-qualifying threshold.

Portfolio Manager's review continued

Focus on outlook

Outlook

The decline in Titan's NAV is disappointing and is reflective of the rebasing of valuation multiples and funding availability which we have seen over the last year, overlaid with global macroeconomic headwinds. Titan'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 we do; are knowledgeable parties with no pre-existing relationship; and that the transaction is carried out under the normal course of business. Several of Titan's portfolio companies have been affected by the challenges the economic backdrop has created, with costs increasing and consumer confidence and spending declining, and valuations have been reappraised in line with all these factors.

More challenging periods, such as these, often bring opportunity and great businesses can be built in times of economic downturn as barriers to adopting new technologies lessen, talent availability improves and there is increased openness to new ways of working. As we continue to meet with extraordinary entrepreneurs and invest in truly disruptive innovation with the support of shareholders, Titan is well placed to take advantage of and navigate these difficult times. Having analysed the portfolio's projected revenue growth for 2023, we are also encouraged it is forecasting strong collective growth and over 75% of Titan's portfolio companies have more than 12 months cash runway available to them.

We have seen demand across our areas of focus for the support and expertise offered by our in-house people and talent team as they lean in to help scale and grow the portfolio companies. The team have recently launched new initiatives such as management training and a larger suite of policy documents being made available for portfolio companies to easily adopt, which have been well received. Members of the investment team continue to be thought leaders within their areas of focus too – for example, the health team recently launched their 'Resilience of Early-stage European Healthtech' report. This offers a deep dive into the landscape and an analysis of emerging trends set to change the face of healthcare, as well as a guide to regulatory challenges (you can read the report [here](#)).

The past 18 months have been a period of immense geopolitical and economic change, and Titan has not been immune to the impact of this, with the NAV declining and opportunities to successfully exit companies being less frequent. However, we are reassured by the extraordinary entrepreneurs we continue to meet and invest in, and the drive and passion of our team. We believe this combination will provide Titan with the opportunities it needs for continued success in the future.

Malcolm Ferguson

Partner and Titan Lead Fund Manager

Operating responsibly

Titan has a policy in place, which is set by the Board, to make sure Octopus Ventures considers responsible investment within investment decisions in relation to Titan.

The policy sets out the standards the Board expects Octopus Ventures to follow in the below three-step approach to responsible investment which is aligned with Octopus Group's Responsible Investment (RI) policy.

The Directors consider responsible investment to be important and believe Titan's portfolio companies should implement a framework to support best practices, which in turn can help create long-term value in the business.

Please view the Company's policy here: octopusinvestments.com/titan-responsible-investment-policy/.

Materiality of risks to investments

Titan has a RI policy to make sure environmental, social and governance risks of Titan's underlying portfolio will be considered during the investment process and any sustainability issues, that could impact the financial performance of an investment, are identified. One of the measures which has been implemented to uphold the RI policy is a RI tool which utilises guidance from the Sustainability Accounting Standards Board (SASB) to help identify and manage any issues.

Once identified, the investment team consider the exposure to these risks and engage directly with the portfolio companies to understand how appropriately they are managing the risks. Given the nature of these tech-enabled businesses, the most material risks identified include data security, data privacy, and recruiting and managing a global, diverse and skilled workforce.

Mission

Titan's mission is to invest in the ideas, industries and people that will change the world – backing pioneering entrepreneurs building companies that are using technology to shape the future. Whilst Titan doesn't target specific sustainability goals or objectives, Octopus Investments tracks the number, amount invested and the value of companies in Titan's portfolio that are aligned with Octopus Group's three sustainable themes: building a sustainable planet, revitalising healthcare and empowering people.

Responsibility

Titan will not invest in any business whose activities or practices appear on the Octopus Ventures Exclusion List, which includes sectors such as tobacco, arms, fossil fuels, gambling and deforestation.

Octopus Investments has created an Engagement Tool which is sent to all of Titan's portfolio companies to help the Octopus Ventures investment team understand whether a portfolio company considers its wider stakeholders (community, customers, people, planet and shareholders) within decision-making, and provides tools and guidance to help them adopt responsible practices.

The Octopus Ventures team also collect data on diversity within the portfolio and actively work with portfolio companies to support talent management, recruitment and diversity.

Directors' responsibilities statement

The Directors confirm that to the best of their knowledge:

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

On behalf of the Board



Tom Leader
Chair

21 September 2023

Income statement

	Unaudited Six months to 30 June 2023			Unaudited Six months to 30 June 2022			Audited Year to 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/gain on disposal of fixed asset investments	—	(1,922)	(1,922)	—	(472)	(472)	—	66	66
Loss on valuation of fixed asset investments	—	(72,556)	(72,556)	—	(127,603)	(127,603)	—	(284,465)	(284,465)
Gain/(loss) on valuation of current asset investments	—	589	589	—	(11,724)	(11,724)	—	(12,682)	(12,682)
Investment income	1,543	—	1,543	438	—	438	864	—	864
Investment management fees	(522)	(9,917)	(10,439)	(567)	(10,772)	(11,339)	(1,125)	(21,383)	(22,508)
Other expenses	(3,168)	—	(3,168)	(3,527)	—	(3,527)	(7,060)	—	(7,060)
Foreign exchange translation	—	(1,656)	(1,656)	—	5,985	5,985	—	6,570	6,570
Loss before tax	(2,147)	(85,462)	(87,609)	(3,656)	(144,586)	(148,242)	(7,321)	(311,894)	(319,215)
Tax	—	—	—	—	—	—	—	—	—
Loss after tax	(2,147)	(85,462)	(87,609)	(3,656)	(144,586)	(148,242)	(7,321)	(311,894)	(319,215)
Loss per share – basic and diluted (p)	(0.1)	(5.9)	(6.0)	(0.3)	(11.2)	(11.5)	(0.6)	(24.0)	(24.6)

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

Titan has no other comprehensive income for the period.

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

Balance sheet

	Unaudited As at 30 June 2023		Unaudited As at 30 June 2022		Audited As at 31 December 2022	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments		819,886		922,316		827,449
Current assets:						
Money market funds	127,037		88,297		58,701	
Corporate bonds	105,196		104,775		104,244	
Applications cash ¹	338		407		23,299	
Cash at bank	228		10,588		16,120	
Debtors	4,246		55,310		47,374	
		237,045		259,377		249,738
Current liabilities	(1,248)		(1,592)		(25,427)	
Net current assets		235,797		257,785		224,311
Net assets		1,055,683		1,180,101		1,051,760
Share capital		1,548		129,209		1,368
Share premium		248,511		212,313		92,896
Capital redemption reserve		52		11,597		27
Special distributable reserve		823,000		585,828		887,288
Capital reserve realised		(65,269)		(21,711)		(53,430)
Capital reserve unrealised		88,667		296,808		160,634
Revenue reserve		(40,826)		(33,943)		(37,023)
Total equity shareholders' funds		1,055,683		1,180,101		1,051,760
NAV per share (p)		68.2		91.3		76.9

1. Cash held but not yet allotted.

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

The statements were approved by the Directors and authorised for issue on 21 September 2023 and are signed on their behalf by:



Tom Leader
Chair

Company Number 06397765

Statement of changes in equity

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

1. Reserves available for distribution.

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

Statement of changes in equity continued

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve ¹ £'000	Capital reserve realised ¹ £'000	Capital reserve unrealised £'000	Revenue reserve ¹ £'000	Total £'000
As at 1 January 2022	129,850	201,163	9,759	642,873	(14,122)	439,790	(36,272)	1,373,041
Comprehensive income for the period:								
Management fees allocated as capital expenditure	—	—	—	—	(10,772)	—	—	(10,772)
Current year loss on disposal of fixed asset investments	—	—	—	—	(472)	—	—	(472)
Loss on fair value of fixed asset investments	—	—	—	—	—	(127,603)	—	(127,603)
Loss on fair value of current asset investments	—	—	—	—	—	(11,724)	—	(11,724)
Loss after tax	—	—	—	—	—	—	(3,656)	(3,656)
Foreign exchange translation	—	—	—	—	—	—	5,985	5,985
Total comprehensive income for the year	—	—	—	—	(11,244)	(139,327)	2,329	(148,242)
Contributions by and distributions to owners:								
Share issue (includes DRIS)	1,197	11,204	—	—	—	—	—	12,401
Share issue costs	—	(54)	—	—	—	—	—	(54)
Repurchase of own shares	(1,838)	—	1,838	(18,345)	—	—	—	(18,345)
Dividends paid (includes DRIS)	—	—	—	(38,700)	—	—	—	(38,700)
Total contributions by and distributions to owners	(641)	11,150	1,838	(57,045)	—	—	—	(44,698)
Other movements:								
Prior year fixed asset gains now realised	—	—	—	—	3,655	(3,655)	—	—
Total other movements	—	—	—	—	3,655	(3,655)	—	—
Balance as at 30 June 2022	129,209	212,313	11,597	585,828	(21,711)	296,808	(33,943)	1,180,101

1. Reserves available for distribution.

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

Statement of changes in equity continued

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve ¹ £'000	Capital reserve realised ¹ £'000	Capital reserve unrealised £'000	Revenue reserve ¹ £'000	Total £'000
As at 1 January 2022	129,850	201,163	9,759	642,873	(14,122)	439,790	(36,272)	1,373,041
Comprehensive income for the year:								
Management fees allocated as capital expenditure	—	—	—	—	(21,383)	—	—	(21,383)
Current year gain on disposal of fixed asset investments	—	—	—	—	66	—	—	66
Loss on fair value of fixed asset investments	—	—	—	—	—	(284,465)	—	(284,465)
Loss on fair value of current asset investments	—	—	—	—	—	(12,682)	—	(12,682)
Loss after tax	—	—	—	—	—	—	(7,321)	(7,321)
Foreign exchange translation	—	—	—	—	—	—	6,570	6,570
Total comprehensive income for the year	—	—	—	—	(21,317)	(297,147)	(751)	(319,215)
Contributions by and distributions to owners:								
Share issue (includes DRIS)	1,299	106,307	—	—	—	—	—	107,606
Share issue costs	—	(2,260)	—	—	—	—	—	(2,260)
Repurchase of own shares	(1,864)	—	1,864	(41,192)	—	—	—	(41,192)
Dividends paid (includes DRIS)	—	—	—	(66,220)	—	—	—	(66,220)
Total contributions by and distributions to owners	(565)	104,047	1,864	(107,412)	—	—	—	(2,066)
Other movements:								
Share premium cancellation	—	(212,314)	(11,596)	223,910	—	—	—	—
Reduction in the nominal value of share capital	(127,917)	—	—	127,917	—	—	—	—
Prior year fixed asset gains now realised	—	—	—	—	9,575	(9,575)	—	—
Transfer between reserves	—	—	—	—	(27,566)	27,566	—	—
Total other movements	(127,917)	(212,314)	(11,596)	351,827	(17,991)	17,991	—	—
Balance as at 31 December 2022	1,368	92,896	27	887,288	(53,430)	160,634	(37,023)	1,051,760

1. Reserves are available for distribution.

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

Cash flow statement

	Unaudited Six months to 30 June 2023 £'000	Unaudited Six months to 30 June 2022 £'000	Audited Year to 31 December 2022 £'000
Reconciliation of profit to cash flows from operating activities			
Loss before tax	(87,609)	(148,242)	(319,215)
Decrease/(increase) in debtors	1,246	(1,867)	(5,666)
Decrease in creditors	(1,217)	(65,457)	(64,514)
(Gain)/loss on valuation of current asset investments	(589)	11,724	12,682
Loss/(gain) on disposal of fixed asset investments	1,922	472	(66)
Loss on valuation of fixed asset investments	72,556	127,603	284,465
Outflow from operating activities	(13,691)	(75,767)	(92,314)
Cash flows from investing activities			
Purchase of current asset investments	(364)	(6,252)	(6,679)
Purchase of fixed asset investments	(64,993)	(77,548)	(156,973)
Sale of fixed asset investments	39,960	32,510	62,213
Outflow from investing activities	(25,397)	(51,290)	(101,439)
Cash flows from financing activities			
Application inflows allotted	(22,961)	(2,223)	20,669
Dividends paid (net of DRIS)	(34,378)	(28,945)	(49,596)
Purchase of own shares	(18,161)	(18,345)	(41,192)
Share issues (net of DRIS)	149,351	2,593	90,982
Share issues costs	(5,280)	(1)	(2,260)
Inflow/(outflow) from financing activities	68,571	(46,921)	18,603
Increase/(decrease) in cash and cash equivalents	29,483	(173,978)	(175,150)
Opening cash and cash equivalents	98,120	273,270	273,270
Closing cash and cash equivalents	127,603	99,292	98,120
Cash and cash equivalents comprise of:			
Cash at bank	228	10,588	16,120
Applications cash	338	407	23,299
Money market funds	127,037	88,297	58,701
Closing cash and cash equivalents	127,603	99,292	98,120

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

Condensed notes to the financial statements

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 30 June 2023 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting (March 2018) and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in July 2022.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 30 June 2023 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 31 December 2022 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3, part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Loss per share

The loss per share is based on 1,458,917,593 Ordinary shares (30 June 2022: 1,293,940,509 and 31 December 2022: 1,297,081,006), being the weighted average number of shares in issue during the period. There are no potentially dilutive capital instruments in issue and so no diluted returns per share figures are relevant. The basic and diluted earnings per share are therefore identical.

4. Net asset value per share

	30 June 2023	30 June 2022	31 December 2022
Net assets (£'000)	1,055,683	1,180,101	1,051,760
Ordinary shares in issue	1,547,797,287	1,292,086,596	1,367,949,929
Net asset value per share	68.2p	91.3p	76.9p

5. Dividends

The interim dividend declared of 2.0p per share for the six months ending 30 June 2023 will be paid on 21 December 2023 to those shareholders on the register as at 1 December 2023.

On 24 May 2023, a 3.0p second interim dividend relating to the 2022 financial year was paid.

6. Buybacks and allotments

During the six months to 30 June 2023, the Company bought back 24,948,066 Ordinary shares at a weighted average price of 72.8p per share (six months ended 30 June 2022: 18,378,101 Ordinary shares at a weighted average price of 99.8p per share; year ended 31 December 2022: 45,009,970 Ordinary shares at a weighted average price of 92.9p per share).

During the six months to 30 June 2023, 204,539,959 shares were issued at a weighted average price of 81.0p per share (six months ended 30 June 2022: 11,966,301 shares at a weighted average price of 104.6p per share; year ended 31 December 2022: 114,461,503 shares at a weighted average price of 96.9p per share).

7. Related party transactions

Octopus acts as the Portfolio Manager of the Company. Under the management agreement, Octopus receives a fee of 2.0% per annum of the net assets of the Company for the investment management services, but in respect of funds raised by the Company under the 2018 Offer and thereafter (and subject to the Company having a cash reserve of 10% of its NAV), the annual management charge on uninvested cash will be the lower of either (i) the actual return that the Company receives on its cash and funds that are the equivalent of cash subject to a 0% floor and (ii) 2%. During the period, the Company incurred management fees of £10,439,000 payable to Octopus (30 June 2022: £11,339,000; 31 December 2022: £22,508,000), which were fully settled by 30 June 2023.

Octopus provides non-investment services to the Company and receives a fee for these services which is capped at the lower of (i) 0.3% per annum of the Company's NAV or (ii) the administration and accounting costs of the Company for the year ended 31 December 2020 with inflation increases in line with the Consumer Price Index. During the period, the Company incurred non-investment services fees of £1,046,000 payable to Octopus (30 June 2022: £921,600; 31 December 2022: £1,893,000), which were fully settled by 30 June 2023.

In addition, Octopus is entitled to performance-related incentive fees. The incentive fee arrangements were designed to make sure that there were significant tax-free dividend payments made to shareholders as well as strong performance in terms of capital and income growth, before any performance-related fee payment was made. There were no performance fees accrued for the six months to 30 June 2023 (30 June 2022: £nil; 31 December 2022: £nil).

Condensed notes to the financial statements continued

7. Related party transactions continued

Octopus received £0.02 million in the six months to 30 June 2023 (six months ended 30 June 2022: £0.03 million; year ended 31 December 2022: £nil) in regard to arrangement and monitoring fees in relation to investments made by the Company.

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

In the period, Octopus Investments Nominees Limited (OINL) purchased Titan shares from shareholders to correct administrative issues, with the intention that the shares will be sold back to Titan in subsequent share buybacks. As at 30 June 2023, no Titan shares were held by OINL (30 June 2022: 570 shares; 31 December 2022: nil shares) as beneficial owner. Throughout the period to 30 June 2023, OINL purchased 1,602,591 shares (30 June 2022: 283,737; 31 December 2022: 729,365 shares) at a cost of £1,372,000 (30 June 2022: £288,000; 31 December 2022: £678,000) and sold 1,602,591 shares (30 June 2022: 286,135; 31 December 2022: 737,002 shares) for proceeds of £1,171,000 (30 June 2022: £291,000; 31 December 2022: £672,000). This is classed as a related party transaction as Octopus, the Portfolio Manager, and OINL are part of the same group of companies. Any such future transactions, where OINL takes over the legal and beneficial ownership of Company shares, will be announced to the market and disclosed in annual and half-yearly reports.

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

The Directors received the following dividends from Titan:

	Period to 30 June 2023	Period to 30 June 2022	Year to 31 December 2022
Tom Leader (Chair)	1,625	692	1,640
Matt Cooper ¹	70,597	63,103	117,661
Jane O'Riordan	4,428	3,408	6,530
Lord Rockley	2,126	575	2,145
Gaenor Bagley	733	267	740

1. Matt Cooper stepped down as a Director on 14 June 2023.

8. Voting rights and equity management

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

Investments	% voting rights held by Titan
Many Group Limited (trading as ManyPets)	7.5%
Mr & Mrs Oliver Ltd (trading as Skin+Me)	20.6%
Amplience Limited	21.0%
Permutive Inc.	17.9%
Orbital Express Launch Limited (trading as Orbex)	10.8%
Digital Therapeutics (trading as Pelago, formerly Quit Genius)	16.6%
Token.IO Ltd	13.5%
Vitesse PSP Ltd	15.4%
vHive Tech Ltd	19.0%
lovox Limited	29.4%

9. Post balance sheet events

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

- four new investments completed totalling £4.1 million;
- three follow-on investments completed totalling £9.8 million; and
- a final order to cancel share premium amounting to £248.5 million was granted on 1 August 2023.

Investment portfolio

The table below sets out the investment cost and the amount invested in the period for the portfolio as at 30 June 2023. Details of the top 20 investments can be found on pages 12 and 13.

	Investment focus	Investment cost as at 30 June 2023 £'000 ¹	Amount invested for the period ending 30 June 2023 £'000
Fixed asset investments			
Permutive Inc. ³	B2B software	18,994	—
Digital Therapeutics (trading as Pelago, formerly Quit Genius)	Health	15,899	3,009
XYZ Reality Limited ³	Consumer	15,299	6,799
Amplience Limited	B2B software	13,634	—
Big Health Limited ³	Health	12,855	—
Token.IO Ltd ³	Fintech	12,608	—
Smartkem Limited ³	Deep tech	12,195	—
Ometria Limited	B2B software	11,510	—
Mr & Mrs Oliver Ltd (trading as Skin+Me)	Health	11,500	—
Sofar Sounds Limited ³	Consumer	11,496	—
The Plum Guide	Consumer	11,050	—
Automata Technologies Limited ³	Health	10,479	1,979
Orbital Express Launch Limited (trading as Orbex)	Deep tech	10,298	—
Vitesse PSP Ltd	Fintech	10,124	2,996
Many Group Limited (trading as ManyPets) ³	Fintech	9,978	—
Seatfrog UK Holdings Limited	Consumer	9,630	999
Uniplaces Limited ³	Consumer	9,491	—
Ori Biotech Limited	Bio	9,102	—
Zenith Holding Company Limited ²	Consumer	8,963	—
Codasip	Deep tech	8,633	—
Appear Here Limited ³	Consumer	8,509	—
Intropic Limited ³	Fintech	8,394	—
CurrencyFair Limited (trading as Zai) ³	Fintech	8,381	—
Antidote Technologies Ltd ³	Health	8,251	—

Investment portfolio continued

	Investment focus	Investment cost as at 30 June 2023 £'000 ¹	Amount invested for the period ending 30 June 2023 £'000
Fixed asset investments			
Allplants Limited	Climate	8,150	—
AllTaster Limited (trading as Taster) ³	Consumer	8,127	671
vHive Tech Ltd	Deep tech	8,020	—
Elliptic Enterprises Limited ³	Fintech	7,724	—
The Justice Platform Inc (trading as Legl)	B2B software	7,325	—
Picsoneye Segmentation Innovation Limited (trading as Pixoneye)	Deep tech	7,208	—
Iovox Limited ³	B2B software	7,206	—
Ibex Medical Analytics	Health	7,148	—
Surrey NanoSystems Limited ³	Bio	6,918	—
Stackin Inc	Fintech	6,840	—
Papercup Technologies Limited ³	Deep tech	6,800	—
Partly	Consumer	6,769	—
Minoro Limited (trading as Kleene.ai) ³	B2B software	6,724	—
Dead Happy Limited ³	Fintech	6,650	350
Anikin Ltd (trading as KatKin)	Consumer	6,644	1,169
Chiaro Technology Limited (trading as Elvie) ³	Health	6,417	—
Biofidelity Ltd ³	Bio	6,343	—
Flock Limited ³	Fintech	6,160	6,160
Phoelex Ltd	Deep tech	6,025	—
Olio Exchange Limited	Climate	6,000	—
Sprout.ai Limited	Fintech	6,000	—
Origami Energy Limited ³	Climate	5,947	—
Bondaval Limited ³	Fintech	5,899	—
Haiper Limited ³	Consumer	5,863	5,863
Overture Life, Inc	Health	5,813	—
Artesian Solutions Limited (trading as FullCirc) ³	B2B software	5,481	—

Investment portfolio continued

	Investment focus	Investment cost as at 30 June 2023 £'000 ¹	Amount invested for the period ending 30 June 2023 £'000
Fixed asset investments			
Messier 31 Inc (trading as Pngme) ³	Fintech	5,429	—
Quantum Motion Technologies Limited	Deep tech	5,149	3,651
Memrise Inc	Consumer	5,144	—
Lifescore Music Limited ³	Deep tech	5,100	—
Tympa Health ³	Health	5,006	5,006
Cazoo Limited ³	Consumer	4,973	—
Impatients N.V. (trading as MyTomorrows) ³	Health	4,905	—
Michelson Diagnostics Limited ³	Health	4,795	—
Perk Finance (trading as Cobee) ³	Fintech	4,786	1,165
HelloSelf Limited ³	Health	4,756	4,756
Dogtooth Technologies Limited	Deep tech	4,739	—
Inflow Holdings Inc ³	Health	4,500	—
ThoughtRiver Limited	Deep tech	4,500	—
Raylo Group Limited ³	Climate	4,500	—
Positron Technologies Limited	Fintech	4,500	—
Patch Gardens Limited	Consumer	4,472	—
The Faction Collective SA ³	Consumer	4,464	—
Secret Escapes Limited ⁴	Consumer	4,256	—
Lapse Ltd ³	Consumer	4,250	—
Tatum Blockchain Services s.r.o. ³	Fintech	4,190	—
Smiler BV ³	Consumer	4,099	—
Mosaic Smart Data Limited	Fintech	4,015	—
AudioTelligence Limited	Deep tech	4,000	—
CRED Investment Holdings Limited	Fintech	4,000	—
Slamcore Limited	Deep tech	3,875	—
Contingent & Future Technologies Ltd ³	Fintech	3,825	—

Investment portfolio continued

	Investment focus	Investment cost as at 30 June 2023 £'000 ¹	Amount invested for the period ending 30 June 2023 £'000
Fixed asset investments			
Living Optics ³	Deep tech	3,819	—
Unmade Ltd	Deep tech	3,800	—
Altitude Angel Ltd	Deep tech	3,800	—
Unlikely AI ³	Deep tech	3,783	—
Ourotech Limited (trading as Pear Bio) ³	Bio	3,755	3,755
Merge Holdings Ltd ³	Fintech	3,740	—
Medisafe Project Limited ³	Health	3,664	—
Vira Health Limited ³	Health	3,632	—
Orca Computing Limited ³	Deep tech	3,500	—
Inrupt Inc.	Fintech	3,495	—
Puraffinity Ltd ³	Deep tech	3,388	3,388
CoMind Technologies Limited ³	Deep tech	3,375	—
Infiniopes ³	Bio	3,004	—
Trafi Limited ³	Climate	2,965	—
Bloom App Limited ³	Consumer	2,857	—
Ecrebo Limited ³	B2B software	2,857	—
Metrasens Limited ³	Deep tech	2,819	—
Correcto Inc. ³	Consumer	2,765	2,765
Nanosyrinx Ltd	Health	2,750	—
iSize Limited ³	Climate	2,625	—
HURR ³	Climate	2,550	—
Caprera Ltd (trading as Collectiv Food)	Climate	2,471	—
Intrepid Owls Limited (trading as Rest-Less)	Fintech	2,427	—
Elo Health Inc. ³	Health	2,344	2,344
ONIN Limited ³	Consumer	2,340	—
Apheris ³	B2B software	2,322	—

Investment portfolio continued

	Investment focus	Investment cost as at 30 June 2023 £'000 ¹	Amount invested for the period ending 30 June 2023 £'000
Fixed asset investments			
Imophoron Limited ³	Bio	2,295	595
Streetbees.com Limited ³	B2B software	2,229	—
Touchlab Limited ³	Deep tech	2,125	—
Total Food Control Ltd (trading as Lollipop) ³	Consumer	2,125	—
Manantial Ltd t/a Velaris ³	B2B software	2,040	—
Colonia Technologies ³	B2B software	2,020	2,020
Uniq Health Limited (trading as Tuune)	Health	1,900	—
Invierno AB (trading as Vinter) ³	Fintech	1,776	—
Foodsteps Ltd ³	Climate	1,700	—
Ufonia Limited ³	Health	1,664	—
Intrinsic ³	Deep tech	1,641	—
Walking on Earth ³	Consumer	1,615	—
Segura Systems Limited ³	B2B software	1,470	—
Pivotal Future Ltd ³	B2B software	1,430	1,430
Neat ³	Fintech	1,426	—
Minimum Corporation ³	Climate	1,393	—
Sidekick Money Ltd ³	Fintech	1,351	—
Ribbon Technologies Ltd ³	Consumer	1,351	—
Pulse Platform UK Limited (previously Aire Labs Limited)	Fintech	1,332	—
Kita Earth ³	Climate	1,289	—
Oto Health Inc ³	Health	1,286	—
Multiply AI Limited	Fintech	1,283	—
Mojo Men Ltd ³	Health	1,275	—
Bkwai Ltd ³	Deep tech	1,275	—
I.F. Technology Ltd (trading as Integrated Finance) ³	Fintech	1,275	—
Mindset Technologies Limited (trading as Lets Mindstep) ³	Health	1,258	238

Investment portfolio continued

	Investment focus	Investment cost as at 30 June 2023 £'000 ¹	Amount invested for the period ending 30 June 2023 £'000
Fixed asset investments			
Anansi Technology Limited ³	Fintech	1,151	251
Perci Health ³	Health	1,078	1,078
Secfix ³	B2B software	1,013	1,013
Phlux Technology Ltd ³	Deep tech	937	—
Avione Saving & Investment Ltd (trading as Belong) ³	Fintech	850	—
TYTN (trading as TitanML) ³	Deep tech	840	840
Hapi Plan Technologies Ltd (trading as Nosso) ³	Fintech	765	—
Vypercore Limited ³	Deep tech	703	703
Little Journey Limited ³	Health	703	—
Troglo Ltd (trading as LVNDR) ³	Health	680	—
M10 Networks ³	Fintech	626	—
Excession Technologies Limited ³	Deep tech	298	—
Total fixed asset investments		692,017	64,993

1. Investment cost reflects the amount invested into each portfolio company from Titans 1-5 before the 2014 merger and from Titan after the merger. This is different to the book cost which includes the holding gains/(losses) on assets which transferred from Titans 1, 3, 4 and 5 to Titan 2 (now Titan) during the 2014 merger, as Titan purchased these assets at fair value.
2. Owns stake in Secret Escapes Limited.
3. These companies have also been invested in by other funds managed by Octopus.
4. The figures for Secret Escapes relate to Titan's direct investment only.

Shareholder information and contact details

Financial calendar

The Company's financial calendar is as follows:

- 21 December 2023 – 2023 interim dividend to be paid.
- April 2024 – Annual results for the year to 31 December 2023 announced; annual report and financial statements published.

Dividends

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

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

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

The interim dividend of 2.0p per share for the six months ended 30 June 2023 will be paid on 21 December 2023, to those shareholders on the register as at 1 December 2023.

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

Period ended	NAV	Dividends paid	Total Value
30 April 2008	95.0p	—	95.0p
31 October 2008	89.9p	—	89.9p
30 April 2009	91.5p	0.5p	92.0p
31 October 2009	96.1p	0.5p	97.1p
30 April 2010	92.0p	0.5p	93.5p
31 October 2010	94.9p	0.5p	96.9p
30 April 2011	92.1p	0.75p	94.85p
31 October 2011	91.5p	0.75p	95.0p
30 April 2012	92.8p	1.0p	97.3p
31 October 2012	121.9p	1.5p	127.9p
30 April 2013	88.7p	34.0p	128.7p
31 October 2013	95.2p	2.5p	137.7p
30 April 2014	92.2p	2.5p	137.2p
31 October 2014	101.4p	2.5p	148.9p
30 April 2015	97.7p	2.5p	147.7p
31 October 2015	102.7p	2.0p	154.7p
30 April 2016	95.7p	7.0p	154.7p
31 October 2016	97.9p	2.0p	158.9p
30 April 2017	95.2p	3.0p	159.2p
31 October 2017	96.4p	2.0p	162.4p
30 April 2018	94.3p	3.0p	163.3p
31 October 2018	93.1p	2.0p	164.1p
30 April 2019	92.4p	3.0p	166.4p
31 December 2019	95.2p	2.0p	171.2p
30 June 2020	89.5p	3.0p	168.5p
31 December 2020	97.0p	2.0p	178.0p
30 June 2021	113.9p	3.0p	197.9p
31 December 2021	105.7p	8.0p	197.7p
30 June 2022	91.3p	3.0p	186.3p
31 December 2022	76.9p	2.0p	173.9p
30 June 2023	68.2p	3.0p	168.2p

Shareholder information and contact details continued

Share price

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

	Ordinary shares
TIDM/EPIC code	OTV2
Latest share price 21 September 2023	65.0p per share

Buying and selling shares

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

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

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

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

Notification of change of address

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

Other information for shareholders

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

Warning to shareholders

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

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

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

Glossary of terms

Alternative performance measure (APM)

A financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. These APMs will help shareholders to understand and assess Titan's progress. A number of terms within this glossary have been identified as APMs.

Dividend yield (APM)

Dividend yield is calculated as dividends paid per share in the period divided by the opening NAV per share.

Net asset value or NAV

The value of the VCT's total assets less liabilities. It is equal to the total shareholders' funds.

Net asset value per share or NAV per share

The NAV per share of Titan is the sum of the underlying assets less the liabilities of Titan divided by the total number of shares in issue.

Ongoing charges ratio (APM)

The ongoing charges ratio has been calculated using the AIC recommended methodology and excludes irrecoverable VAT, exceptional costs, trail commission and performance fees. The figure shows the annual percentage reduction in shareholder returns as a result of recurring operational expenses. It informs shareholders of the likely costs that will be incurred in managing Titan in the future.

This is calculated by dividing the ongoing expenses, exceptional costs and trail commission, by the average net assets in the period.

Sustainability % of Titan (APM)

Sustainability % is calculated as the proportion of Titan's costs that are covered by realisations over the preceding three years. The costs of the VCT include the share buybacks, ordinary dividends and operating costs in the year.

Total value (APM)

Total value is calculated as the NAV plus cumulative dividends paid since launch. Total value represents the movement in shareholders' value per share.

Total return (APM)

Total return is calculated as movement in NAV per share in the period plus dividends paid in the period. Total return on the NAV per share enables shareholders to evaluate more clearly the performance of Titan, as it reflects the underlying value of the portfolio at the reporting date.

Total return % (APM)

Total return % is calculated as movement in NAV per share in the period plus dividends paid in the period, divided by the NAV per share at the beginning of the period. Total return % on the NAV per share enables shareholders to evaluate more clearly the performance of Titan, as it reflects the underlying value of the portfolio at the reporting date.

Directors and advisers

Board of Directors

Tom Leader (Chair)
Jane O'Riordan
Lord Rockley
Gaenor Bagley
Julie Nahid Rahman

Company Number

Registered in England and Wales
No. 06397765

Secretary and Registered Office

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

Portfolio Manager

Octopus Investments Limited
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EC1N 2HT
Tel: 0800 316 2295

www.octopusinvestments.com

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VCT Status Adviser

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Registrars

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(Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate.)

www.computershare.com/uk

www-uk.computershare.com/investor/

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