



Accelerating the growth of proven businesses

Octopus Apollo VCT plc

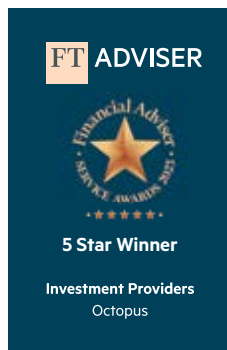
Unaudited half-yearly report for the six months
ended 31 July 2024

octopusinvestments
A brighter way

Octopus Apollo VCT plc ('Apollo' or the 'Company') is a Venture Capital Trust (VCT) which aims to provide shareholders with attractive tax-free dividends and long-term capital growth by investing in a diverse portfolio of predominantly unquoted companies.

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

Octopus Investments awards



Find it fast

Interim management report

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Key dates

Interim dividend payment	20 December 2024
Annual results for the year ended 31 January 2025	May 2025



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Key financials

Net assets (£'000) £438,796 HY2023: £385,519 FY2024: £390,294	Profit/(loss) after tax (£'000) £4,546 HY2023: £9,059 FY2024: £(435)	NAV per share¹ 49.7p HY2023: 53.1p FY2024: 50.5p
Cumulative dividends paid since launch 88.7p HY2023: 86.0p FY2024: 87.4p	Total value per share² 138.4p HY2023: 139.1p FY2024: 137.9p	Dividends paid in the year 1.3p HY2023: 1.3p FY2024: 2.7p
Dividend yield³ 2.6% HY2023: 2.4% FY2024: 5.1%	Dividend declared 1.3p HY2023: 1.4p FY2024: 1.3p	Total return per share %⁴ 1.0% HY2023: 2.3% FY2024: 0.0%

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

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

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

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

Chair's statement

Performance

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

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

31 July 2024 represented 20.4% of net assets at that date, compared to 15.7% at 31 January 2024.

Dividends

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

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

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

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

Fundraise and share buybacks

On 19 March 2024, the Company closed its offer to raise £50 million and this led the Board to increase the offer to £85 million from £50 million, and I am pleased to report that we successfully raised the full amount, closing the offer on 24 September 2024. Following on from this, on 4 October 2024, the Company announced its intention to launch a new fundraise later this year. We would like to take this opportunity to welcome all new shareholders and thank all existing shareholders for their continued support.

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

Highlights

Apollo's latest
fundraise

£85 million

Five-year total
return

42.4%



Murray Steele
Chair

Chair's statement → continued

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

VCT qualifying status and sunset clause

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

In November 2023, a ten-year extension was announced to the 'sunset clause' (a retirement date for the VCT scheme), meaning VCT tax reliefs will be available until 5 April 2035. This extension passed through Parliament in February 2024 and in September 2024 the Treasury brought into effect the extension through The Finance Act 2024. This offers long-term stability on the tax efficient status of an investment for investors participating in a VCT scheme.

Principal risks and uncertainties

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

Alternative Investment Fund (AIF)

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

Portfolio Manager

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

Murray Steele

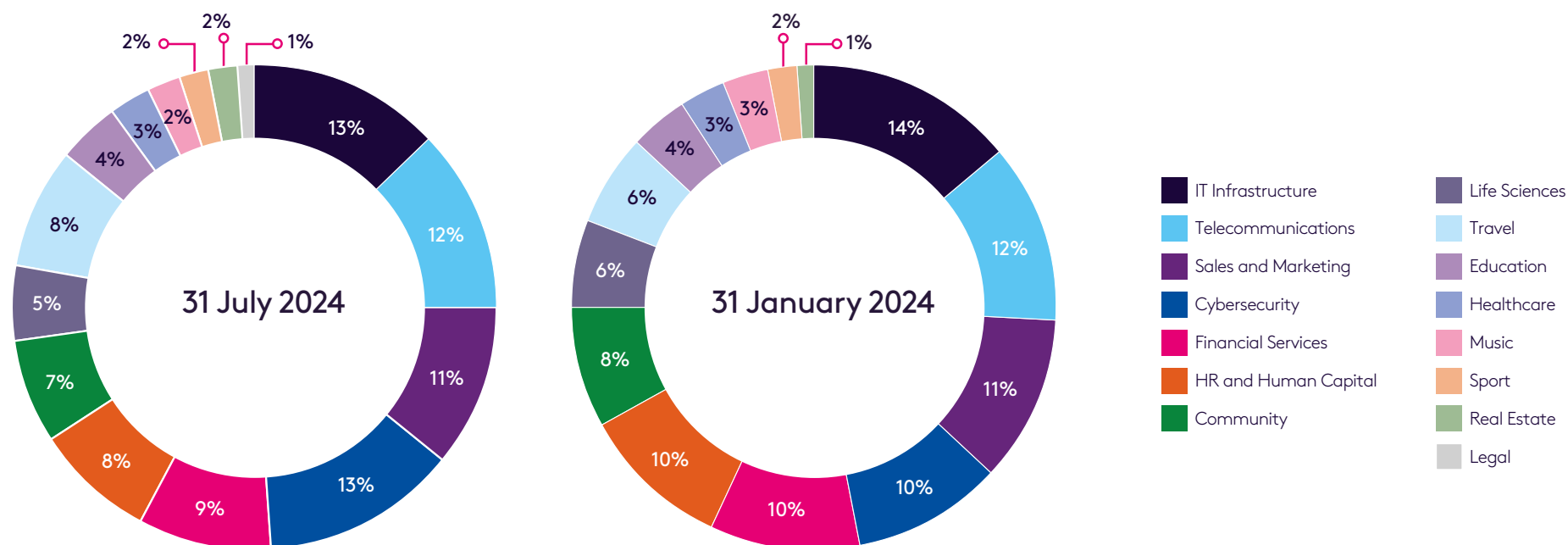
Chair

14 October 2024

Sector breakdown

Business-to-Business (B2B) software sector analysis

The chart below show the sectors within B2B software that Apollo is invested in and their respective proportions as a percentage of total B2B software investments. B2B software makes up 96% of total fixed asset investments.



Portfolio Manager's review

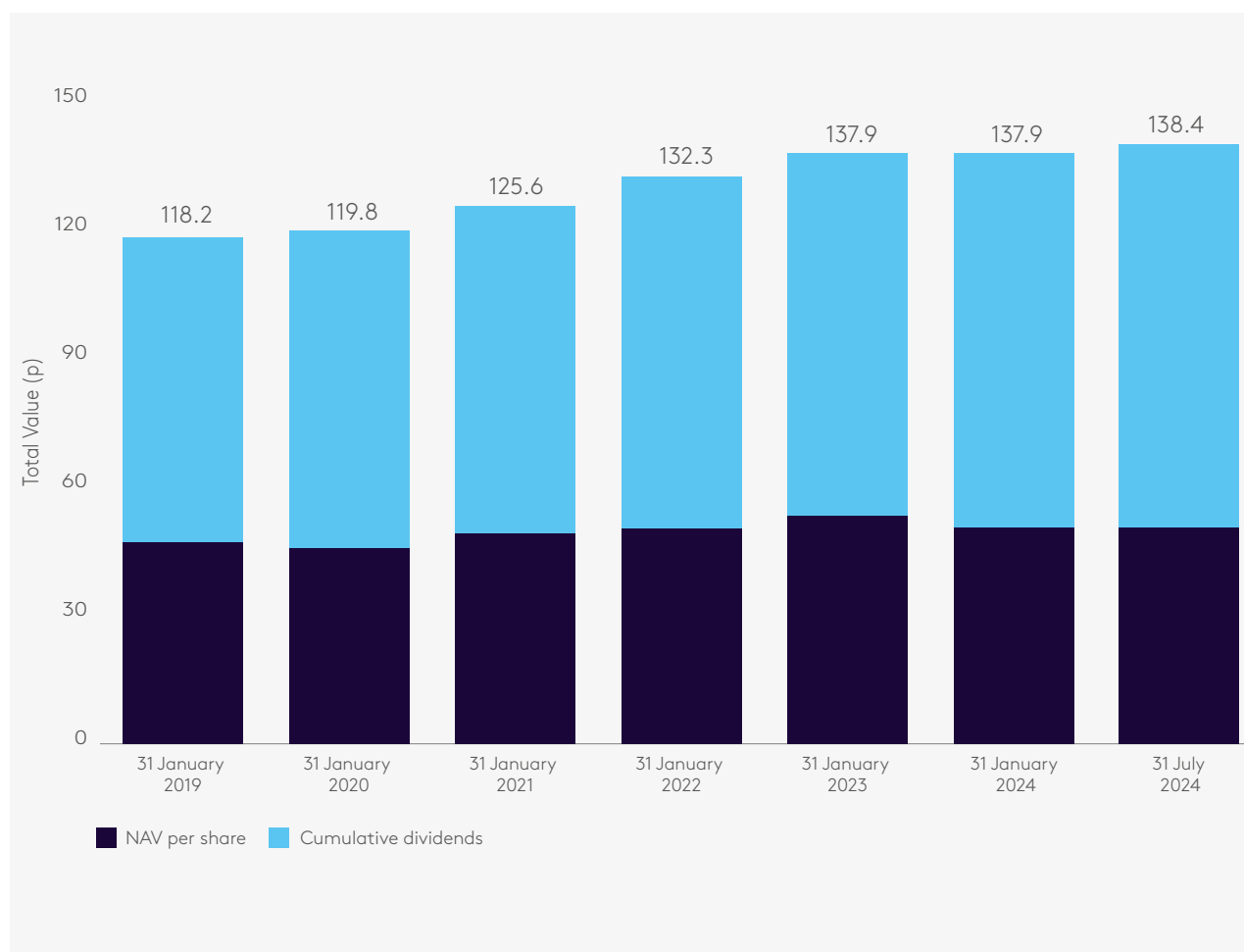
At Octopus our focus is on managing your investments and providing open communication. Our annual and half-yearly updates are designed to keep you informed about the progress of your investment.

Investment strategy

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

Apollo total value growth

The graph to the right shows the performance in net asset value (NAV) plus cumulative dividends paid (total value) of Apollo since the year to 31 January 2019. The total value has seen a significant increase over this period, as shown on the graph, from 118.2p to 138.4p at 31 July 2024. This increase in total value of 20.2p represents a 42.9% increase on the NAV of 47.1p as at 31 January 2019. A total of over £88 million has also been distributed back to shareholders in the form of tax-free dividends. This includes dividends reinvested as part of the DRIS.



Portfolio Manager's review continued

Focus on performance

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

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

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

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

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

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

Portfolio Manager's review → continued

Disposals

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

One disposal resulted in a partial loss on investment when Ryte GmbH, a marketing software technology platform, was acquired by Semrush Holdings Inc. The underperformance of a portfolio company is always disappointing for Octopus and shareholders alike, but it is a key characteristic of a venture capital portfolio, and we believe the successful disposals will continue to significantly outweigh the losses over the medium to long term.

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

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



Portfolio Manager's review → continued

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

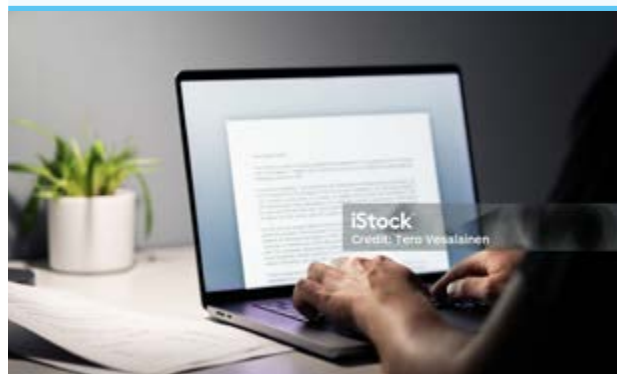
New and follow-on investments

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

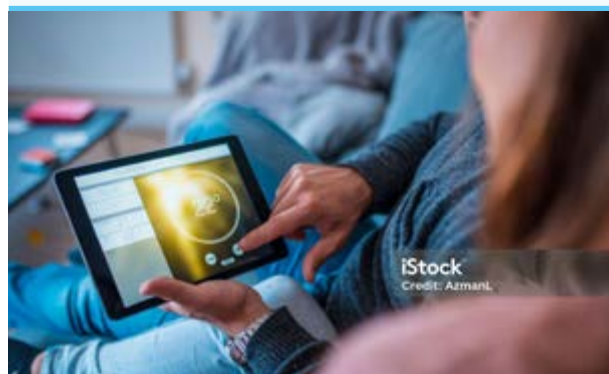
Apollo's new investments (not including follow-on tranches of investments committed to in prior periods) were in:



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



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



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



Portfolio Manager's review → continued

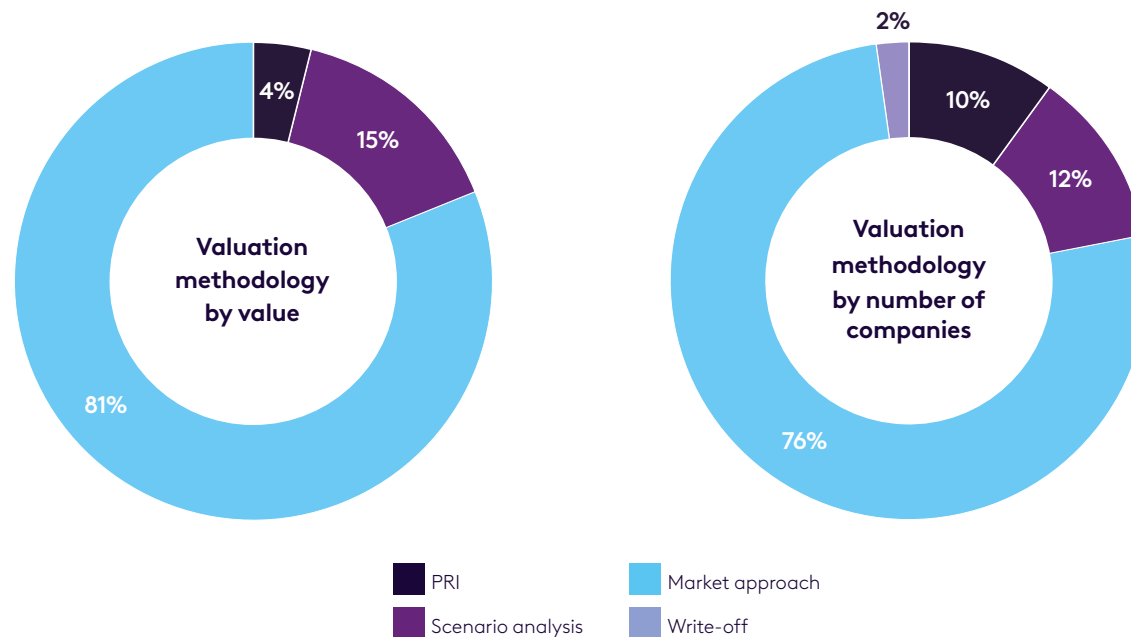
Valuations

The pie charts on the right illustrate the split of valuation methodology (shown as a percentage of portfolio value and number of companies).

Methodologies include:

- **'Price of Recent Investment' (PRI)** is utilised when there has been a recent transaction which is generally assessed to be the best indicator of Fair Value as of the transaction date;
- **'Market approach'** involves the application of an appropriate multiple to a performance measure (typically a revenue metric, but potentially also profit) to derive the value of the business. The multiple is derived by referring to comparable listed companies or comparable transactions; and
- **'Scenario analysis'** is utilised where there is uncertainty around the potential outcomes available to a company, so a probability-weighted scenario analysis is considered.

Valuation methodology as at 31 July 2024










If you would like to find out more regarding the IPEV guidelines, please visit their website at www.privateequityvaluation.com

Portfolio Manager's review → continued

Top ten investments by value as at 31 July 2024

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

Portfolio	Investment cost (£'000)	Total valuation including cost (£'000)
1  natterbox	£17,490	£39,530
2  LODGIFY	£12,611	£26,308
3  UBISECURE®	£9,075	£21,238
4  SOVA	£12,250	£19,324
5  TRI <small>THE RIGHT CHOICE</small>	£3,800	£17,947
6  interact	£308	£17,364
7  FableData	£8,600	£16,865
8  ValueBlue	£10,071	£15,439
9  mentionme	£15,000	£15,000
10  fuseuniversal	£8,000	£14,254

Portfolio Manager's review continued

Outlook

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

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

it makes commercial sense, as demonstrated in the past six months. Our goal is to capitalise on all available opportunities for our portfolio companies to maximise returns for shareholders.

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

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

Paul Davidson

Partner and Apollo Lead Fund Manager

14 October 2024

¹ <https://cloudindex.bvp.com/>

² Pitchbook, European Venture Report Q2 2024.

Operating responsibly

Apollo has a policy in place set by the Board, to make sure Octopus Ventures considers responsible investment (RI) within investment decisions, taking into account environmental, social and governance risks.

Octopus Ventures is responsible for implementing Apollo's RI policy. As the nature of RI and the wider business environment evolves, the policy will be reviewed, and, if necessary, updated. The policy ensures Octopus Ventures follows a three-step approach to RI.

Please view Apollo's RI policy here:

<https://octopusinvestments.com/apollo-responsible-investment-policy/>

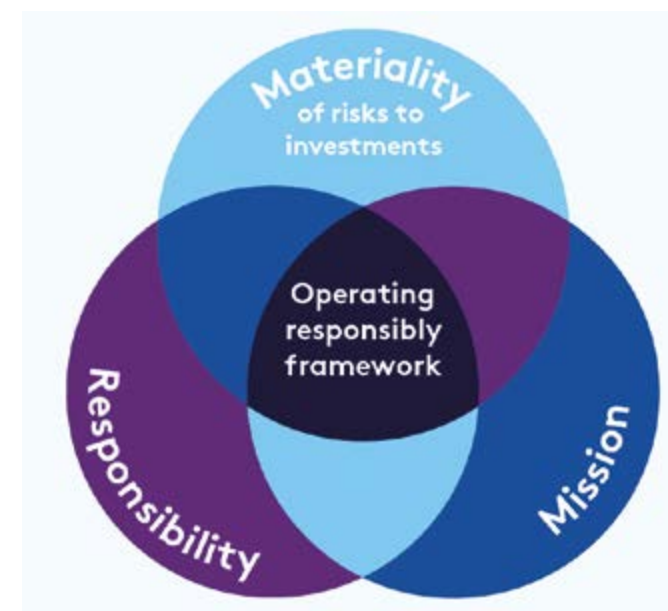
Octopus is an accredited B Corp and signatory to the internationally recognised Principles for Responsible Investment, demonstrating our commitment to responsible investment and to creating a more sustainable financial system.



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

This framework considers:

1. **Mission:** the mission of an investment
2. **Materiality of risks to investments:** the materiality of sustainability issues in Apollo's underlying portfolio
3. **Responsibility:** a portfolio company's values, culture, and behaviour



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.

By order of the Board

Murray Steele
Chair

14 October 2024

Income statement

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

• The 'Total' column of this statement is the profit and loss account of Apollo; the revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.

• All revenue and capital items in the above statement derive from continuing operations.

• Apollo has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.

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

Apollo has no other comprehensive income for the period.

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

Balance sheet

	Unaudited as at 31 July 2024		Unaudited as at 31 July 2023		Audited as at 31 January 2024	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments		352,450		321,855		331,878 ¹
Current assets:						
Investments	8,428		3,766		8,486	
Money market funds	77,342		56,515		47,950	
Debtors	881		5,110		244 ¹	
Cash at bank	3,708		3,026		4,868	
Applications cash	2,894		3,056		8,852	
Total current assets	93,253		71,473		70,400¹	
Current liabilities	(6,907)		(7,809)		(11,984)	
Net current assets		86,346		63,664		58,416¹
Net assets		438,796		385,519		390,294
Share capital		883		725		773
Share premium		86,073		117,977		27,476
Special distributable reserve		251,373		161,415		266,132
Capital redemption reserve		180		167		172
Capital reserve realised		(21,374)		(17,618)		(15,275)
Capital reserve unrealised		128,482		126,608		117,027 ¹
Revenue reserve		(6,821)		(3,755)		(6,011) ¹
Total shareholders' funds		438,796		385,519		390,294
Net asset value per share – basic and diluted		49.7p		53.1p		50.5p

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

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

Murray Steele

Chair

Company number: 05840377

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

Statement of changes in equity

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

¹ Reserves considered distributable to shareholders per the Companies Act.

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

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

Statement of changes in equity → continued

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

¹ Reserves considered distributable to shareholders per the Companies Act.

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

Statement of changes in equity → continued

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

¹ Reserves considered distributable to shareholders per the Companies Act.

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

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

Cash flow statement

	Unaudited six months to 31 July 2024 £'000	Unaudited six months to 31 July 2023 £'000	Audited year to 31 January 2024 £'000
Cash flows from operating activities			
(Loss)/ profit before tax	4,546	9,059	(435)
Adjustments for:			
Decrease/(increase) in debtors	(637)	(244)	4,622 ¹
(Decrease)/increase in creditors	879	(6,869)	(8,490)
Loss/(gain) on disposal of fixed asset investments	1,066	(98)	876
Gain on valuation of fixed asset investments	(10,685)	(15,155)	(9,317) ¹
(Gain)/loss on valuation of current asset investments	61	205	(17)
Transfer of accrued loan interest receivable ¹	–	–	(1,824) ¹
Net cash utilised in operating activities	(4,770)	(13,102)	(14,585)
Cash flows from investing activities			
Purchase of fixed asset investments	(22,255)	(14,417)	(32,975)
Proceeds on sale of fixed asset investments	11,301	14,744	18,292
Purchase of current asset investments	–	–	(4,499)
Net cash utilised in investing activities	(10,954)	327	(19,182)

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

Cash flow statement → continued

	Unaudited six months to 31 July 2024 £'000	Unaudited six months to 31 July 2023 £'000	Audited year to 31 January 2024 £'000
Cash flows from financing activities			
Movement in applications account	(5,958)	(6,206)	(409)
Purchase of own shares	(3,858)	(3,907)	(6,743)
Proceeds from share issues	59,754	39,838	66,543
Cost of share issues	(3,541)	(2,321)	(3,912)
Dividends paid (net of DRIS)	(8,399)	(6,643)	(14,653)
Net cash generated from financing activities	37,998	20,761	40,826
Increase/(decrease) in cash and cash equivalents	22,274	7,986	7,059
Opening cash and cash equivalents	61,670	54,611	54,611
Closing cash and cash equivalents	83,944	62,597	61,670
Cash and cash equivalents comprise			
Cash at bank	3,708	3,026	4,868
Applications cash	2,894	3,056	8,852
Money market funds	77,342	56,515	47,950
Closing cash and cash equivalents	83,944	62,597	61,670

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

Condensed notes to the financial statements

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 July 2024 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting (March 2018) and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in July 2022.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 July 2024 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The comparative figures for the year ended 31 January 2024 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3, part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

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

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

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

4. Net asset value per share

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

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

5. Dividends

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

6. Buybacks and allotments

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

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

Condensed notes to the financial statements → continued

7. Transactions with the Portfolio Manager

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

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

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

8. Related party transactions

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

This is classed as a related party transaction as per the Listing Rules, as Octopus, the Portfolio Manager, and OINL are part of the same group of companies. Any such future transactions, where OINL takes over the legal and beneficial ownership of Company shares will be announced to the market and disclosed in annual and half-yearly reports.

9. Voting rights and equity management

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

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

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

10. Post balance sheet events

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

- a final order to cancel share premium amounting to £65.2 million was granted on 20 September 2024; and
- on 30 September 2024, Apollo became a full scope AIF under the European Union's AIF Managers Directive (AIFMD) and moved under the management of Octopus AIF Management Limited.

Investment portfolio

The table below sets out the investment cost and the amount invested in the period for the portfolio as at 31 July 2024. Details of the top ten investments can be found on page 11.

	Investment cost as at 31 July 2024 (£'000)	Amount invested in the year to 31 July 2024 (£'000)
Fixed asset investments		
N2JB Limited (trading as Natterbox)	17,490	–
Codebay Solutions Limited (trading as Lodgify)	12,611	3,071
Ubisecure Holdings Limited	9,075	3,500
Sova Assessment Limited	12,250	–
Triumph Holdings Limited	3,800	–
Hasgrove Limited (trading as Interact)	308	–
Fable Data Limited	8,600	2,600
ValueBlue BV	10,071	–
Mention Me Limited	15,000	–
Fuse Universal Limited	8,000	–
Turtl Surf & Immerse Limited	10,000	–
Intigriti NV	9,639	–
Pollen Technology Limited (trading as APLYiD)	5,265	–
Wazoku Limited	8,000	–
Tendable Limited	5,310	–
Adway AB	7,012	–
Cambri OY	4,209	4,209
Fergus Software Limited	5,563	–
Countrywide Healthcare Supplies Limited	423	–
Fiscal Technologies Ltd	4,607	–
Vaultspeed NV	6,506	–
Zapnito Ltd	5,000	–

Investment portfolio → continued

	Investment cost as at 31 July 2024 (£'000)	Amount invested in the year to 31 July 2024 (£'000)
Fixed asset investments		
Synchtank Limited	7,000	1,000
Zipline Cloud Pty Ltd (trading as Pendula)	3,934	–
Edge10 (UK) Limited	5,325	1,575
Defeyene Legal Solutions Limited	2,800	2,800
Delio Ltd	8,699	1,000
Homeseach Digital Limited	3,000	–
Artesian Solutions Limited (trading as FullCirc)	1,805	–
MagicOrange Group Limited	2,200	–
Switchee Ltd	2,500	2,500
Dudy Solutions SL (trading as Harbiz)	2,586	–
Superior Heat Limited	1,961	–
Vertu Motors plc	639	–
Peak Data AG	2,492	–
EKF Diagnostics plc	678	–
Ecrebo Limited	366	–
Trafi Limited	727	–
Secret Escapes Limited	1,181	–
Origami Energy Limited	673	–
Verici Dx plc	34	–
Trellus Health plc	62	–
Rotolight Group Limited	4,600	–
CurrencyFair Limited (trading as Zai)	657	–
Segura Systems Limited	393	–
Nektan plc	276	–
Total	223,327	22,255

Shareholder information

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 6327** (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 are open between 8.30am-5.30pm, Monday to Friday excluding public holidays in England and Wales, or by writing to them at:

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

The following table shows the net asset value (NAV) per Ordinary share and lists the dividends that have been paid since the launch of Apollo:

Year ended	NAV	Dividends Paid in Year	Cumulative Dividends Paid	NAV + Cumulative Dividends
31 January 2008	95.5p	–	–	95.5p
31 January 2009	92.2p	3.0p	3.0p	95.2p
31 January 2010	90.1p	3.0p	6.0p	96.1p
31 January 2011	89.6p	3.0p	9.0p	98.6p
31 January 2012	90.9p	3.5p	12.5p	103.4p
31 January 2013	89.3p	5.0p	17.5p	106.8p
31 January 2014	86.8p	5.0p	22.5p	109.3p
31 January 2015	84.8p	5.0p	27.5p	112.3p
31 January 2016	82.3p	5.0p	32.5p	114.8p
31 January 2017	63.2p	21.5p	54.0p	117.2p
31 January 2018	50.6p	14.0p	68.0p	118.6p
31 January 2019	47.1p	3.1p	71.1p	118.2p
31 January 2020	45.7p	3.0p	74.1p	119.8p
31 January 2021	49.2p	2.3p	76.4p	125.6p
31 January 2022	50.2p	5.7p	82.1p	132.3p
31 January 2023	53.2p	2.6p	84.7p	137.9p
31 January 2024	50.5p	2.7p	87.4p	137.9p
31 July 2024	49.7p	1.3p	88.7p	138.4p

The second interim dividend of 1.3p per Ordinary share was paid on 2 May 2024 to shareholders on the register on 12 April 2024.

Shareholder information → continued

At the General Meeting held in November 2014 shareholders approved a Dividend Reinvestment Scheme (DRIS) and gave the Directors authority to offer shareholders the right to elect to receive Ordinary shares instead of a cash dividend. Any shareholder wishing to reinvest their dividends, and who has not already elected to do so, can request a DRIS mandate form by calling Computershare on **0370 703 6327**. The DRIS mandate form can also be found on the Octopus website: www.octopusinvestments.com.

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	OAP3
Latest share price 11 October 2024	46.1p per share

Buying and selling shares

The Company's Ordinary shares can be bought and sold in the same way as any other company quoted on the London Stock Exchange via a stockbroker. 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.

Buyback of shares

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 Liberum Limited ('Panmure').

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

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

Secondary market

UK income tax payers, aged 18 or over, can purchase shares in the secondary market and benefit from:

- tax-free dividends;
- realised gains not being subject to capital gains tax (although any realised losses are not allowable);
- no minimum holding period; and
- no need to include VCT dividends in annual tax returns.

The UK tax treatment of VCTs is on a first in and first out basis and therefore tax advice should be obtained before shareholders dispose of their shares.

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, under the signature of the registered holder or via the Computershare Investor Centre at: www.uk.computershare.com/investor/. Computershare's contact details are provided on page 30.

Shareholder information → continued

Other information for shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Portfolio Manager's website at www.octopusinvestments.com. Other statutory information about the Company can also be found here.

Electronic communications

Reports and accounts and all other correspondence are published electronically. This cuts the cost of printing and reduces the impact on the environment. If, in future, you would prefer to receive an email telling you a report is available to view or to receive documents by email, please contact Octopus on **0800 316 2295** or Computershare on **0370 703 6327**. Alternatively you can sign up to receive e-communications via the Computershare Investor Centre at: www.uk.computershare.com/investor/.

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 wary of any unsolicited advice, offer to buy shares at a discount or offers for free company reports.

Please note that it is very unlikely that the Company, the Portfolio Manager or the Registrar 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 authenticity of an unsolicited phone call, please call Octopus on **0800 316 2295**.

The Financial Conduct Authority has also issued guidelines on how to avoid share fraud and further information can be found on their [website: www.fca.org.uk/consumers/share-bond-and-boiler-room-scams](http://www.fca.org.uk/consumers/share-bond-and-boiler-room-scams). You can report any share fraud to them by calling **0800 111 6768**.

Glossary of terms

Alternative performance measure (APM)

APMs are financial measures 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 Apollo's progress. A number of terms within this Glossary have been identified as APMs.

Net asset value or NAV

NAV is 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 Apollo is the sum of the underlying assets less the liabilities of Apollo divided by the total number of shares in issue.

Total return (APM)

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

Money Market Fund (MMF)

A mutual fund that invests in highly liquid, short term instruments. These instruments include cash, cash equivalent securities, and high credit rating debt based securities with a short term maturity. They are intended to offer investors high liquidity with a low level of risk.

Open Ended Investment Company (OEIC)

A type of investment fund that invests in equities, bonds, and other securities. The price of the shares is based on the underlying assets of the fund. These are highly liquid as new shares can be created to meet investor demand and the fund will cancel shares of investors who exit the fund.

Directors and advisers

Board of Directors

Murray Steele (Chair)
Christopher Powles
Alex Hambro
Claire Finn
Gillian Elcock

Company Number

Registered in England & Wales
No. 05840377

Legal Entity Identifier (LEI)

213800Y3XEIQ18DP3O53

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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/

Depository

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