Octopus Titan VCT plc

Annual Report and Accounts for the year ended 31 December 2020

Company number: 06397765

For UK investors only

octopus investments

Octopus Titan VCT plc ('Titan' 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 Investments Limited ('Octopus' or 'Portfolio Manager') and Octopus AIF Management Limited (the 'Manager').

Contents

Financial Summary

	As at 31 December 2020	As at 31 December 2019
Net assets (£'000)	**1,043,235**	905,840
Profit after tax (£'000)	**75,323**	67,280
Net asset value ('NAV') per share	**97.0p**	95.2p
Cumulative dividends paid since launch	**81.0p**	76.0p
NAV plus cumulative dividends paid ('Total Value')	**178.0p**	171.2p
Total return*	**6.8p**	7.1p
Total return**	**7.1%**	7.6%
Dividends paid in the period	**5.0p**	5.0p
Further dividend declared***	**3.0p**	3.0p

*Total return is an alternative performance measure calculated as movement in NAV per share in the period plus dividends paid in the period.
**Calculated as total return/opening NAV.
***Payable on 30 April 2021 to those shareholders on the share register on 16 April 2021.

Key Dates

Interim dividend payment date	30 April 2021
Annual General Meeting	7 June 2021
Interim Results to 30 June 2021 published	September 2021

Chairman's Statement

I am pleased to present the annual results for Octopus Titan VCT for the twelve months ended 31 December 2020.

The NAV per share at 31 December 2020 was 97.0p which, adjusting for dividends paid, represents a 7.1% increase from 31 December 2019, a 10.6% increase from the NAV per share at 30 June 2020, and a 12.5% increase from the NAV per share low of 88.0p in April 2020. This increase reflects impressive performance across a number of portfolio companies, despite the challenges of the Coronavirus pandemic, and is testament to the efforts of the Octopus Ventures team and the pioneering management teams of the investment companies. The tax-free annual compound return for the original shareholders since Titan's launch in October 2007 is now 5.1%.

Subsequent to the year end, we reviewed the portfolio in March in advance of share allotments relating to the most recent share offer, and we were delighted to announce a further increase to the NAV per share to 104.0p at 29 March 2021. There was a further review in April in advance of the Dividend Reinvestment Scheme (DRIS) allotment and certain Share Buybacks which resulted in an additional increase to the NAV per share to 105.5p at 23 April 2021 (net of the 3.0p dividend due to be paid on 30 April 2021 and which went ex-dividend on 15 April 2021). These increases reflect movements in some of the material holdings within the portfolio since the year end.

Despite the macro environment, we were pleased to raise £124 million in last year's fundraise which closed on 8 April 2020. On 21 October 2020, we launched a new offer to raise up to £80 million, with an over-allotment facility of up to £40 million. We are pleased that this offer was closed, fully subscribed on 3 March 2021 and further details, including the position at 31 December 2020, can be found under the Fundraise section of my Statement. We would like to take this opportunity to welcome all new shareholders and thank all existing shareholders for their continued support.

In addition to cash from our fundraise, we generated a total of £60 million from realisations in the year (£24 million from direct holdings and £36 million from the Calastone sale in Zenith Holding Company). In the twelve months to 31 December 2020, we utilised £182 million of our cash resources, comprising £96 million in new and follow-on investments, £46 million in dividends, £20 million in share buybacks and £20 million in investment management fees and other running costs. Together, this utilised 65% of our cash and cash equivalents at 31 December 2019. The cash balance of £272 million at 31 December 2020 represents 26% of net assets at that date, compared to 31% at 31 December 2019 (this includes cash held in Zenith Holding Company and Corporate Bonds).

Investment Portfolio Review

I am pleased to report a net uplift in the value of the portfolio of £109 million since 31 December 2019, excluding additions and disposals, representing a 17% return on the value of the portfolio at the start of the year.

During the year, the uplift in valuation has been driven by the strength of performance of a number of companies in the portfolio, which are detailed in the Portfolio Manager's Review. In particular, Amplience, Bought By Many, Cazoo, Depop and WaveOptics have all achieved material increases in value. Collectively, 34 investee companies drove an uplift of £225 million. Many of our portfolio companies have made great progress over this period and hit exciting milestones, including launching in new markets, rolling out new products and winning significant accolades. In particular for example, Cazoo became the fastest British business to reach unicorn status in June 2020 and announced it intends to list on the NYSE in the third quarter of 2021 through a $7.0 billion business combination with a special purpose acquisition company (subject to shareholder approval of both companies, and regulatory approvals). Alongside the strong performance of some individual companies, some sectors have seen impressive growth trends during the period, which means the quantitative metrics (such as revenue multiples) used to value businesses in such sectors have also increased. For example, Software-as-a-Service (or SaaS) businesses are currently trading at a premium. These increased metrics have in turn been taken into account in our valuation processes where relevant when determining fair value.

In addition to the profitable realisations from We Got Pop and UltraSoC Technologies previously reported, we announced in October that Titan has also benefitted from the sale of Calastone to The Carlyle Group during the year, which represented an 18x return on the initial investment. We first invested in Calastone in 2008, participating in the company's seed round and a number of subsequent funding rounds. Titan has held its interest in Calastone via Zenith Holding Company Limited since 2013. The realisation of Titan's investment in Calastone yielded proceeds of £40.5 million over it's lifetime(compared to a cost of £7 million), a small proportion of which is deferred and expected to be paid within 12 months.

Conversely, as is to be expected, 41 companies saw a collective decrease in valuation of £117 million. The significant contributors over the 12 month period were Secret Escapes, Uniplaces, The Plum Guide and Appear Here where performance has been more challenging due to the sectors in which they operate being deeply affected by the Coronavirus pandemic. 10 of these 41 companies saw a reduction in value of 5% or less, typically reflecting changes in the holding value of investments denominated in currencies other than sterling due to the appreciation of sterling in the year. The Portfolio Manager believes that a number of these companies have the potential to overcome the issues they face and is working with them to realise their ambitious growth plans. This will, where appropriate, include providing further funding to ensure the company has sufficient capital to execute on its strategy. This can be seen with Uniplaces, where Titan has invested further despite Titan's holdings in the company being valued at less than cost at the period end.

Unfortunately, following a period of underperformance and having explored and exhausted all other options, Katalyst Inc accepted an offer for its assets and liabilities in December 2020. This allowed the company to continue trading, but did not result in any distribution to Titan as this would have been non-compliant with the VCT rules. Despite this being an unfavourable outcome for Titan, the sale was in the best interests of the company and its customers. In addition, despite all Octopus' and the management team's efforts, GTN was placed into Administration during the period having failed to grow sufficiently or secure further funding.

Following the year end, Titan also realised its investment in e-Therapeutics plc at a loss. Unfortunately, the company saw a reasonably sustained decline in share price over the past few years reaching a low toward the end of 2019, and, as a result, Octopus elected to realise Titan's investment when the price reached a five-year high and liquidity was available. While it is disappointing to see unprofitable realisations in the portfolio, we know that some such losses are to be expected when making investments into early stage, high growth companies and we remain confident that the high performers in the portfolio will outweigh the failures. It is worthwhile remembering that, when we have an unsuccessful exit, we only lose the cost of that investment, but when there is a successful realisation in the portfolio, we benefit from a multiple on our original investment.

Turning to investments made during the twelve months to 31 December 2020, £51 million was invested into 15 new companies (further detailed in the Portfolio Manager's Review) and £45 million was invested in 30 follow-on investments into existing portfolio companies as listed on page 11. We are delighted that the volume and quality of investment opportunities was so strong during this period despite the Coronavirus pandemic. At the year end, the portfolio is well diversified, comprising 86 technology or tech-enabled companies, across seven broad sectors.

In addition, there have been nine new investments and three follow-on investments totalling £40.0 million since 31 December 2020. Details of the new investments can be found in the Portfolio Manager's Review.

Performance Incentive fees

Titan's performance since 31 December 2019 has meant that a performance fee of £18 million has been charged. The performance fee is calculated as 20% on all gains above the High Water Mark, the highest total value as at previous year ends, of 171.2p as at 31 December 2019. See Note 19 of the financial statements for further details.

Dividends

Following careful consideration, I am pleased to confirm that the Board has decided to declare a further interim dividend of 3p per share in respect of the year ending 31 December 2020. This will be paid on 30 April 2021 to shareholders on the register as at 16 April 2021, resulting in full year dividends of 5p. This represents a tax-free yield of 5.3% on the opening NAV. As shareholders will know, our ambition is to pay an annual dividend of 5.0p per share, supplemented by special dividends when appropriate.

As announced in the interim report, the Dividend Reinvestment Scheme (DRIS) was reinstated in respect of the interim dividend declared in that report. As such, if you are one of the 27% of shareholders who take advantage of the DRIS, your dividend will be receivable in Titan shares.

Fundraise and Buybacks

As previously stated, Titan successfully raised £124 million (£121 million net of up-front fees) in the period to April 2020. Titan launched a further fundraise of up to £80 million (plus a potential over-allotment facility of a further £40 million) in October 2020. £65 million (£64 million net of costs) had been allotted under this offer and additional unallotted applications totalling £4 million had been received as at 31 December 2020. On 3 March, the Board announced that the offer was fully subscribed and had closed. As always, we would like to thank shareholders for their ongoing support, particularly during the more recent challenging macro environment.

During the period, Titan repurchased and cancelled 23 million shares (representing 2% of the net asset value as at 31 December 2019). Further details can be found in Note 14 of the financial statements. The Board continues to buy back shares from shareholders at no greater than a 5% discount to NAV per share. Whilst we are seeking shareholder approval to increase the limit on buy backs to 14.99% of share capital, we do not currently envisage increasing the use of this authority above the current published cap of 5% of the share capital.

Board of Directors

Mark Hawkesworth has taken the decision to retire from the Board and will, therefore, not stand for re-election at the forthcoming AGM. Mark was a Director and Chairman of Octopus Titan VCT 3 plc from March 2008 to November 2014 when the five Titan VCTs were merged, and has since been a Director of Titan VCT. He has also been the Chairman of Titan's Audit Committee since the merger. I have particularly valued Mark's experience and advice and, on behalf of the Board and shareholders, I would like to take this opportunity to thank him for his many years working with us. We wish him well in his retirement.

Tom Leader has agreed to assume the Chair of the Audit Committee on Mark's retirement.

We recognise the importance of ensuring the Board remains independent, and collectively has sufficient breadth of experience and expertise to appropriately represent Titan's shareholders' best interests, particularly given the continued growth of Titan. As a result, as part of our succession and refreshment plans, the Board has recently announced the appointment of Lord Anthony Rockley as a Director and he will offer himself for re-election at the forthcoming AGM. We have also identified a further Director appointment, Gaenor Bagley, but due to our current authority in respect of Directors' Remuneration, this appointment will be delayed pending approval of the Resolution at the AGM to increase our authority in this regard. Full details of Lord Rockley and Gaenor are included on page 29.

Investing alongside other Octopus funds

The Octopus Ventures team has previously invested funds from Titan alongside and into other Octopus-managed products or services and sometimes alongside Octopus itself. Going forward, when investing into new companies and some of those already in the portfolio, it is expected that Titan will invest along with funds from Octopus' new Enterprise Investment Scheme (EIS) service, Octopus Ventures EIS, launched in Autumn 2020.

Titan will retain its pre-emption rights, including right of first refusal, on all existing holdings. Investments into new companies made by Octopus Ventures will be allocated between Titan and any co-investing Octopus-managed funds and services in accordance with an allocation policy which has been agreed with the Board. Any changes to this policy which may impact Titan will require Board approval.

The first such co-investment was made after the year end, in March 2021.

Principal Risks and Uncertainties

The Board continues to regularly review the risk environment in which Titan operates. There have been no significant changes to the key risks which are fully described on pages 22 to 24. The Board does not anticipate there will be significant changes to these risks.

VCT Qualifying Status

PricewaterhouseCoopers LLP (PwC) provides both the Board and Octopus with advice concerning ongoing compliance with HMRC rules and regulations concerning VCTs and have advised that Titan continues to be in compliance with the conditions laid down by HMRC for maintaining approval as a VCT.

As at 31 December 2020, over 98% of the portfolio (as measured by HMRC rules) was invested in VCT-qualifying investments, significantly above the 80% current VCT-qualifying threshold.

Annual General Meeting ('AGM')

Following government guidelines, our AGM will be held remotely at 11.00am on 7 June 2021. Full details of the business to be conducted at the AGM are given in the Notice of the Meeting on pages 76 and 77 of the Financial Statements.

We will also be hosting a virtual shareholder event prior to the AGM on Wednesday 26 May 2021 at 10.00am. This will enable shareholders to receive an update from the Portfolio Manager and provide an opportunity for questions to the Board and the Portfolio Manager. You can register for the event at **octopusinvestments.com/titan-shareholder-event/**.

Shareholders' views are important, and the Board encourages shareholders to vote on the resolutions within the Notice of Annual General Meeting on pages 76 and 77 of the Financial Statements using the proxy form, or electronically at **www.investorcentre.co.uk/eproxy** as there may be no opportunity to vote in person. The Board has carefully considered the business to be approved at the Annual General Meeting and recommends shareholders to vote in favour of all the resolutions being proposed. We encourage shareholders to submit their votes by proxy.

We always welcome questions from our shareholders at the AGM but this year, to ensure we can respond to any questions you may have for either the Portfolio Manager or Titan VCT Board, please send these via email to **TitanAGM@octopusinvestments.com**.

Outlook

The Coronavirus pandemic has resulted in an unprecedented and challenging period, but thanks to the support of our shareholders, Titan has been in a position of strength to help our investee companies weather this storm. Octopus Ventures acted swiftly, and the portfolio's entrepreneurs have reacted impressively.

With the completion of the Brexit transition period on 31 December 2020 and the Government unveiling its four-stage plan to lift Coronavirus restrictions, the hope is that 2021 should offer a more stable period and allow for some further recovery. We recognise however that the road to recovery may not be smooth and is likely to take some time in a number of sectors, so we are pleased the Chancellor recognises the valuable contribution VCTs has and will continue to make to small firms, which will be a pillar of the recovery.

We are, of course, pleased to report that the NAV has recovered and now significantly exceeds its 31 December 2019 value. We have a well-diversified portfolio of more than 85 companies, the average age of which is 7.5 years and the average holding period being just over four years. We believe that the average holding period in the portfolio is likely to be 7-10 years in future.

Our key targets as part of the long-term strategy of the fund remain to pay an annual dividend of at least 5p per share whilst maintaining the NAV per share at 90 pence or more over a typical economic cycle. To this, we have agreed an additional target for all cash outlays, excluding new and follow-on investments, to be funded by realisations. This would mean that all funds raised in our Share Offers will be used exclusively for new and follow-on investments. We recognise that the timing of realisations is often outside our control and we may need some patience to achieve this goal.

Together with Octopus, we also believe that backing entrepreneurs who think their businesses can not only be commercially valuable, but environmentally and socially valuable to the world we live in, have the potential to deliver some of the best returns. We understand this is important to our shareholders too, and continue to work with Octopus to further embed appropriate

ESG considerations into the investment process when selecting the best opportunities in which to invest Titan.

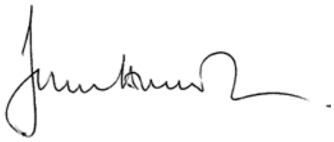
Following the closing of our latest fundraising offer, we now have £283 million in cash and cash equivalents as at 31 March 2021. This will allow us to continue to support the most promising companies in our portfolio, as well as seeking the UK and Europe's most pioneering entrepreneurs intent on building world-changing businesses in which to invest. To support this, Octopus Ventures has increased the investment team significantly and has added further operational support to ensure it continues to be able to make new investments and manage the expanding portfolio appropriately. Further details, including the appointment of Emma Davies as Co-CEO of Octopus Ventures, are detailed in the Portfolio Manager's report.

Octopus Ventures' investment team 'pods' structure continues to expand, with the latest additions of Consumer and Growth pods during 2020 to Health, Fintech, and Deep Tech. This further enhances speciality knowledge to allow the teams to be able to seek the best investment opportunities in these spaces. The team looks to make Titan the lead investor in these new opportunities. As the companies grow in line with their initial plans, Octopus Ventures aims to purchase a significant minority equity stake from the funds under its management (including Titan) and will often seek third party co-investors to lead later rounds. This helps ensure those companies with the highest growth potential have access to sufficient sources of further funding to achieve their potential.

I hope you will agree that your investment in Titan has, over the years, provided you with a good return. In recent years we have paid annual tax free dividends of at least 5.0p per share whilst broadly maintaining the capital value. I recognise some shareholders would prefer capital returns rather than dividends and would again suggest that our DRIS scheme, which converts dividends to shares at NAV, together with the benefit of 30% up front tax relief, is an ideal way to achieve this objective.

Regardless of the evolving macro environment, Octopus Ventures continues to work closely with the portfolio to ensure a good understanding of the opportunities and risks associated with each company and your Board believes that the outlook for our portfolio remains very positive.

I would like to conclude by thanking both the Board and the Octopus Ventures team on behalf of all shareholders for their hard work, without which our fund would not continue to achieve such performance.



John Hustler
Chairman
23 April 2021

Portfolio Manager's Review

Personal Service

At Octopus, we focus on both managing your investments and providing investors with open communication. Our annual and interim updates are designed to keep you informed about the progress of your investment.

Octopus was established in 2000 and has a strong commitment to both smaller companies and to VCTs. We currently manage four VCTs, including Titan, and manage over £1.6 billion in the VCT sector.

Investment Strategy

Octopus Ventures helps pioneers change the world. We use the term 'pioneers' very deliberately to carve out that subset of entrepreneurs who are truly breaking new ground. Since 2008, we have backed well over 100 teams, some of which sold their companies to the world's largest businesses including Google, Amazon, Microsoft and Twitter. The quality of our deal flow means that we are typically able to select the most talented teams leading technology or technology-enabled businesses to achieve this. The opportunity here is significant: back in 2010, there were only two European technology companies formed since 2000 valued at more than a billion dollars. By 2014, it had risen to 30, and in 2020, there were over 116, with more than 30 of them based in the UK. With second and third places held by Israel (with 20 such companies) and Germany (with 16 such companies), this makes the UK the largest producer of billion-dollar companies in Europe by some margin. Titan provides VCT investors with exposure to this exciting investment opportunity. We're proud to have achieved a number of successes in the portfolio and multiple high-profile exits, contributing to Titan's total return of 7.1% and tax-free dividends totalling 5.0p in the year.

Within the VCT rules of a maximum annual investment of £10 million per company and a lifetime limit of £20 million for Knowledge Intensive companies (which most Titan portfolio companies qualify as), we look to lead the first round of Titan's investment into a business, setting the terms and purchasing a significant minority equity stake in the company. If a company goes on to achieve milestones agreed with the management team and needs further funding to continue its growth, we will typically look to maintain our stake in that company, and in many cases seek a co-investor to participate in further investment rounds. Many portfolio companies meet and exceed the expectations initially set. In these situations and where a company demonstrates its ability to create a significant and valuable businesses, we may seek to increase our stake.

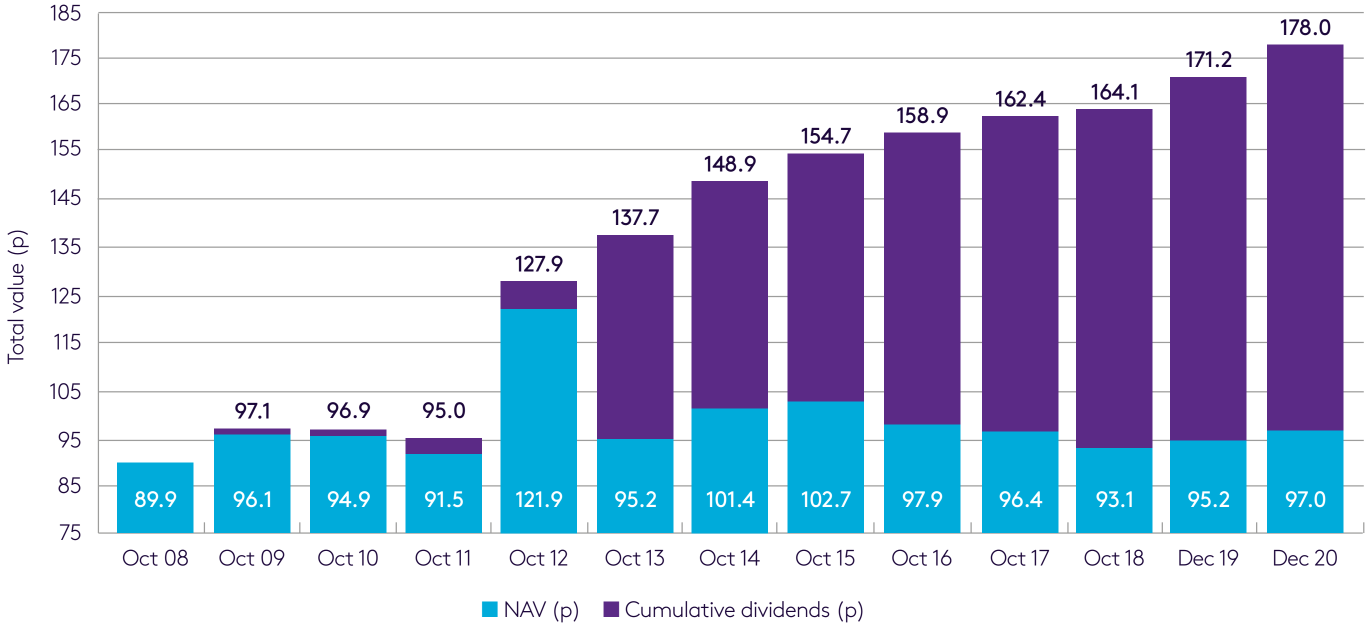
Our investment provides the capital for businesses to grow their teams, enhance their products and expand into new markets. We usually expect to realise our investments through trade sales (for example, to a larger technology company such as Amazon, Google or Microsoft, all acquirers of former Titan portfolio companies), private equity sales (such as that of Calastone to Carlyle Group in 2020) or listings on public markets. Our view is that if we remain able to identify, support and realise investments from category-leading businesses, the returns we can generate for Titan shareholders can be significant, particularly with the UK continuing to show such leadership for successful entrepreneurism in Europe.

Whilst many of our investments go on to become very successful companies and sometimes household names, it is inevitable that some companies will not perform. We typically look to take a board seat when we make an investment which enables us to closely monitor progress and bring in the appropriate support from within our team or wider network to help each portfolio company reach its potential. In situations where a company is performing less well and not meeting the pre-agreed milestones, we will usually take one of a few courses of action. We may work with the company to help them secure funding from a new investor and still invest alongside that investor to maintain Titan's holding in the business. This helps to expand the company's potential sources of help and funding which can help maximise its chances for success. In other cases, we may have to make more difficult decisions. Where performance and progress continue to lag behind expectations, we may decide not to invest further, and will seek to recover value where possible.

Performance

The following graph represents the performance of Titan since 31 October 2008 (the first full year of Titan) in Net Asset Value (NAV), dividends paid and NAV plus cumulative dividends paid (Total Value):

Titan Total Value growth from inception



The Total Value has seen a significant increase since Titan's first year end (31 October 2008) as shown on the graph, from 89.9p to 178.0p at 31 December 2020. This represents an increase of 98% in value since the first full year of Titan, and dividends paid or announced since inception of 81p. Since launch, a total of over £194 million has been distributed back to Titan shareholders in the form of tax-free dividends.

As at 31 December 2020, the NAV was 97.0p per share, compared to 95.2p per share as at 31 December 2019 which represents an increase in NAV of 6.8p per share after adding back dividends paid during the year of 5.0p (2019: 5.0p) per share. When compared to the NAV announced on 30 June 2020 of 89.5p per share, it is reassuring to see the value of the portfolio recovering following the widespread uncertainty caused by the Coronavirus pandemic during 2020. The performance of the portfolio has been encouraging this year given the macro environment, with uplifts in fair value which totalled over £225 million. Downward revaluations in the year totalled £117 million.

The performance over the five years to 31 December 2020 is shown below:

	31/10/2016	31/10/2017	31/10/2018	31/12/2019	**31/12/2020**
NAV, p	97.9	96.4	93.1	95.2	**97.0**
Dividends paid, p	61	66	71	76	**81**
Total value, p	158.9	162.4	164.1	171.2	**178.0**
Total return	4.1%	3.6%	1.8%	7.6%	**7.1%**
Dividend yield	8.8%	5.1%	5.2%	5.4%	**5.3%**
Equivalent dividend yield for a higher rate tax payer	13.0%	7.6%	7.7%	8.0%	**7.8%**

The return on Titan's cash and cash equivalent investments was £4.8 million in the year to 31 December 2020. The Board's objective of these investments is to generate sufficient returns to cover costs, at limited risk to capital.

The Board recently declared a second interim dividend of 3.0p per share for the year ended 31 December 2020. The record date for the dividend is 16 April 2021 with payment to be made on 30 April 2021. It is not anticipated that any further dividends will be declared in respect of this year.

Portfolio Review

The current portfolio encompasses investments in 86 companies, (84 unquoted and two quoted, excluding 4 companies in liquidation and administration).

Portfolio	Active
31/12/19	79
Additions	15
Disposals	(3)
Liquidations and administrations	(5)
31/12/20	**86**

The progress made by many of the portfolio companies in the last twelve months has been impressive, particularly given the background of the Covid-19 pandemic. Within the portfolio, some highlights include;

- Amplience, which offers a headless content management system which powers retailers' digital channels, has been categorised as a 'Strong Performer' in the latest CMS Forrester report;
- Big Health, a digital medicine company that creates apps to deliver cognitive behavioural therapy (CBT) to sufferers of mental health problems was added by CVC Health to its point solutions management program. In 2020, the company also successfully raised $39 million;
- Bought By Many, an award winning InsurTech company with a specific focus on providing better pet insurance for everyone, completed a £78 million funding round led by FTV Capital, and is now one of the largest pet insurance companies in the UK, insuring over 300,000 pets after only four years;
- Cazoo, the latest venture from the founder of Zoopla, Alex Chesterman, is looking to transform how 8 million used cars are bought each year in the UK by putting the entire process online and offering home delivery. It reached "unicorn" status in record time being valued at over two billion pounds in 2020, and in April 2021 announced it intends to list on the NYSE in the third quarter of 2021 through a $7.0 billion business combination with a special purpose acquisition company;
- Elvie, which develops products to improve women's lives through smarter technology, was listed at number seven in the 2020 Sunday Times Sage Tech Track 100 and launched two new breastfeeding products to great market reception; Elvie Curve and Elvie Catch;
- The CEO of Depop, a social marketplace for selling unique things, has been added to the 2021 TIME100 list of most influential people in the world, and in 2021 Depop was recognised in Fast Company's Annual List of the World's Most Innovative Companies as one of the top five most innovative retail companies in the world;
- Wave Optics, a business that designs a critical component, known as a waveguide, for use in augmented reality (AR) glasses, has been shortlisted in the Vision Technology category at the Prism Awards 2021;
- Skin + Me, delivering dermatologist-designed skincare, prescribed specifically for the individual, has increased its product line to include treatments for rosacia and skin pigmentation, with existing customers leaving 95% five star reviews on Trustpilot; and
- Opensignal, which combines real-world measurements with scientific analysis to provide independent insights on mobile connectivity globally, boosted the capabilities of its two signal testing apps, allowing customers to see what video streaming quality they can expect depending on their mobile carrier.

Not all companies have been so successful however, with some underperforming versus budget, including a number impacted by the Coronavirus pandemic to differing degrees. More can be found on such companies and the impact on NAV in the Chairman's Statement on pages 2 and 3.

Disposals

Titan made three profitable full disposals in the year (We Got POP, UltraSoC and Calastone), one at a partial loss (BridgeU), and two at a full loss (GTN and Katalyst) resulting in total proceeds of £60 million in the year (£24 million from direct holdings and £36 million from the Calastone sale in Zenith Holding Company).

In March, We Got POP, a software platform for workforce and production management in the entertainment industry, was acquired by Entertainment Partners, an established global leader in this segment, which yielded proceeds of £9 million to Titan. Octopus first invested in We Got POP in 2017, provided further funding in 2019 and was the largest institutional investor in the business.

In June, it was announced that UltraSoC, which develops monitoring and self-analytics technology for use in the silicon chips that power today's consumer electronic, computing and communications products, was acquired by Siemens. Octopus first invested in UltraSoC in 2010 and participated in a number of subsequent funding rounds and six months prior to the acquisition the company was valued at less than cost. The realisation yielded proceeds of £11 million (compared to a cost of £9 million) which were received in July, with a further proportion expected within the following 18 months.

In December, Calastone, a global funds transaction network, was acquired by The Carlyle Group. We first invested in Calastone in 2008, participating in the company's seed round and several subsequent funding rounds. The realisation represented an 18x return on Titan's initial investment. The realisation of Titan's investment in Calastone yielded proceeds of £40.5 million over it's lifetime (compared to a cost of £7 million), a small proportion of which is deferred and expected to be paid within 12 months. It is a great example of our strategy of investing in unusually talented entrepreneurs addressing large markets and industries ripe for disruption.

BridgeU helps to bridge the transition between secondary and higher education for students by providing an individually adaptive university preparation and application platform, which helps to match students with the universities that are the best fit for them. It was acquired early in 2020 by Kaplan, the largest for-profit corporation that provides educational services to colleges, universities and businesses. Titan completed its first investment in August 2015 and participated in a number of follow-on funding rounds.

Further information on GTN and Katalyst are available in the Chairman's Statement on page 2. It is always disappointing for both Octopus and shareholders when a portfolio company is not successful, but is an inevitable risk associated with a venture capital portfolio.

New and follow-on investments

Titan completed follow-on investments into 30 companies and made 15 new investments, together totalling £96 million (comprising £45 million invested into the existing portfolio and £51 million into new companies). This compares to a 14 month period in 2019 when Titan made 14 new investments and 48 follow-on investments, together totalling £127 million.

As previously reported, we have proactively increased the size of our investment team over the last 5 years to enable us to increase the rate of new investments and appropriately manage the growing portfolio. The team is now organised into five 'pods'; Health, Fintech, Deep Tech, Consumer and Growth. The specialist knowledge developed within these 'pods', assists them in attracting and selecting the best investment opportunities in their respective areas. The funds raised during the year have given us the capability to ensure we continue to invest sufficiently into the highest quality investment opportunities we are seeing in the market, including those already in our portfolio, and we are on target to deploy the capital raised in line with our budget.

The 15 new investments in the twelve months to December 2020 were into:

- **Altitude Angel:** A cloud platform which provides an air traffic management system for autonomous, commercial drones
- **Quit Genius:** Offering cognitive behavioural therapy and app-based programmes to treat substance addiction;
- **Katkin:** Bringing personalised, fresh and perfectly portioned meal plans for cats to their owner's doors;
- **Minimum:** Links spending data to personal carbon emissions enabling tracking and offsetting of consumer carbon footprint as it's created;
- **Orbex Space:** designing and constructing an orbital space launch vehicle to service the small satellite launch market;
- **Ori Biotech:** Unlocks scalable and automated biomanufacturing of cell and gene therapy;
- **Pexxi:** A wholistic and personalised women's health platform;
- **Quantum Motion Technologies:** Developing a scalable silicon-based quantum computer that solves for fault tolerance;
- **skew:** A provider of financial data, tools and services related to crypto assets for institutional clients;
- **Stackin:** An SMS-based recommendation engine that combines financial education and personalised products;
- **TaxScouts:** Offering self-assessment tax return automation technology;
- **ThoughtRiver:** A contract pre-screening automation tool targeted at the legal sector;
- **VitessePSP:** A global domestic settlement and liquidity management system to hold funds and execute cross border payments;
- **WeFarm:** A farmer-to-farmer digital network; and
- **Whirli:** A subscription service for toys.

Subsequent to the year end 9 new investments and 3 follow-on investments have been made, totalling £40.0 million. Further details can be seen in Note 17.

Supporting our portfolio companies

Backing entrepreneurs and helping them reach their ambitions goes well beyond just providing finance. We give them a platform to succeed, providing practical support to the companies, helping them find and hire the right people and introducing them to valuable contacts, among other activities.

Since Titan was launched, we've built the Octopus Ventures team, which manages the Titan portfolio, from five people to more than 40. Octopus Ventures now has a combined investment experience of over 140 years and brings together a wide range of specialist skills and individual insights – more than 50% of the investment team have founded a business themselves. Most notably, the team has recently welcomed Emma Davies as Co-CEO. She has over 20 years of institutional fund management expertise and experience from a variety of roles at The Wellcome Trust, Big Society Capital, Perry Capital and Marylebone Partners. Emma will focus on Product, Operations, Corporate Development and Impact.

Early-stage companies often need nurturing. So, we don't just make an investment, we also actively participate in the company's growth journey. Usually someone from Octopus Ventures sits on the board of the company, which allows them to play a prominent role in the company's ongoing development, and supporting those teams through the often perilous activity of company building.

Some of the ways we help the entrepreneurs we back include holding workshops on strategy, advising on sales and marketing, as well as providing connections to other companies who may be helpful. It is our belief that the quality of a management team can make or break a business, so we've grown our own in-house talent team in response to this and are looking to expand it further. They are solely focused on partnering and supporting our portfolio company leaders with building and developing the teams around them. We have often introduced people who go on to become key members of senior management teams within our portfolio companies. They lend their own specialist knowledge and contacts to the portfolio management teams, and work with external consultants, experts and recruiters to assist the companies on their growth journeys.

We are also in a great position to help companies expand internationally. Octopus Ventures itself is spread between offices in London and New York, so we can better help companies understand both the opportunities and challenges of expanding globally.

The team is bolstered by a group of Venture Partners, a select group of entrepreneurs and business experts who offer expertise in areas such as strategy, product and go-to-market. Their purpose is to help Titan portfolio companies reach their full potential. As well as helping businesses with specific challenges, the Venture Partners have also held sessions with CEOs on a variety of topics, including 'how to lead in a crisis' which was invaluable to many portfolio companies in helping them navigate the Coronavirus pandemic.

The support we provide our portfolio companies should help them weather periods of disruption and drive future success. Furthermore, access to this kind of expertise can be an advantage in winning the most competitive investment opportunities and proving our value beyond simply investment.

Outlook

Despite the last twelve months' being extremely challenging, the entrepreneurial ecosystem in the UK and across Europe remains a very exciting one, and the more recent focus to our five 'pods' has allowed us to deepen our knowledge and access to some of the most exciting and pioneering opportunities within it. Regardless of sector, technology remains a driving force behind many businesses as they look to disrupt, replace or reinvent industries. The best companies have thrived in this uncertain environment as the speed of adoption of new technology has rapidly accelerated. However, as is to be expected, there has also been some turbulence within the portfolio which has resulted in some losses or downward revisions to valuation. Ensuring Titan's investee companies continue to have sufficient funds to drive for growth and capitalise on any appropriate new prospects, as well as providing support through our own team and wider network of experienced advisors, continues to be important to the potential future success of our companies.

As mentioned earlier, we offer a suite of assistance which is highly valued by the teams seeking funding for their ambitious ideas, which not only helps add value to the existing companies in the portfolio in a practical way, but also helps attract and secure some of the best investment opportunities in the market. As a result, we're proud to be known as a trusted and valued partner for entrepreneur's intent on building global businesses valued in the billions. Whilst there are a number of portfolio companies which have been very successful already and delivered significant value to Titan and its shareholders, we are confident many more have the potential to build on, and even exceed that level of success.

We continue to be delighted by the support from investors and the resulting success of the fundraising which closed in April 2020 and have already closed the fundraise launched in October 2020, raising £121 million in aggregate. We'd like to take this opportunity to thank existing shareholders and welcome new shareholders for their support in our fundraising efforts.

Valuation Methodology

Overview

Each unquoted portfolio investment will be valued at least twice a year, usually at the Titan interim and year end dates (30 June and 31 December, respectively), although this may vary according to fund raising schedules. The portfolio investments are valued in accordance with the latest International Private Equity and Venture Capital (IPEV) valuation guidelines. This means the investments are valued at fair value. In March 2020, these guidelines were updated with special valuation guidance in relation to Coronavirus. This clarified that fair value is based on what is known and knowable at the measurement date, and our valuations take account this the new guidance. The value of the unquoted portfolio investments is combined with the value of the quoted portfolio investments, together with the value of the Fund's other assets, investments and liabilities to generate the overall Net Asset Value of the Fund.

General Principles

For all portfolio companies, we will consider several triangulated valuation methodologies including recent funding rounds, relevant trading comparables, recent M&A comparables and investment comparables to inform the company valuation and may adjust up or down accordingly. For companies that have raised funds recently, the price of the most recent funding round may be an indicator of fair value. However, it may be appropriate to update this value, if this value is no longer deemed to be fair value. This may include both downward revisions reflecting underperformance, or valuation increases.

Investment Portfolio

The below table sets the investment cost and the amount invested in the year for the portfolio as at 31 December 2020. Details of the top ten investments can be found on pages 15 to 17.

Fixed asset investments	Sector	Investment cost as at 31 December 2020 (£'000)[1]	Amount invested in the year ending 31 December 2020 (£'000)
Wave Optics Limited	AI, Robotics & Hardware	15,997	2,421
Amplience Limited[3]	Business Services	13,634	134
LHE Holdings Limited (trading as Property Partner)	Fintech and Insurance	13,600	–
Permutive Inc.	Business Services	11,839	2,000
Sofar Sounds Limited	Consumer and Social	10,918	–
Smartkem Limited	AI, Robotics & Hardware	10,753	2,985
Big Health Limited	Life Science, Health & Wellbeing	10,571	2,302
PLU&M limited	Consumer and Social	10,500	3,000
Streethub Limited (trading as Trouva)	Consumer and Social	10,363	1,129
Bought By Many Limited	Fintech and Insurance	9,978	–
Digital Shadows Ltd	Security	9,702	–
Uniplaces Limited	Consumer and Social	9,304	870
Zenith Holding Company Limited[2]	Other	8,963	–
Ometria Limited	Business Services	8,800	–
DePop Limited[3]	Consumer and Social	8,766	–
Appear Here Limited	Business Services	8,509	–
Token.IO Ltd	Fintech and Insurance	8,422	2,827
CurrencyFair Limited	Fintech and Insurance	8,381	–
Antidote Technologies Ltd	Life Science, Health & Wellbeing	8,251	1,601
Seatfrog UK Holdings Limited	Consumer and Social	7,800	2,627
Chronext AG	Consumer and Social	7,708	–
Iovox Limited	Communications and Infrastructure	7,206	943
Surrey NanoSystems Limited	AI, Robotics & Hardware	6,918	–
Stackin Inc	Fintech and Insurance	6,840	6,840
By Miles Limited	Fintech and Insurance	6,732	3,860
Allplants Limited	Consumer and Social	6,650	1,650
Digital Therapeutics (trading as Quit Genius)	Life Science, Health & Wellbeing	6,494	6,494
Chiaro Technology Limited (trading as Elvie)[3]	Life Science, Health & Wellbeing	6,417	–
Context-Based 4Casting (C-B4) Ltd	Business Services	6,096	–
Conversocial Limited	Communications and Infrastructure	6,064	–
Phoelex Ltd	AI, Robotics & Hardware	6,025	4,500
Picsoneye Segmentation Innovation Limited (trading as Pixoneye)	AI, Robotics & Hardware	5,808	1,108
Origami Energy Limited[3]	Communications and Infrastructure	5,533	–

Artesian Solutions Limited	Business Services	5,481	–
Memrise Inc	Consumer and Social	5,144	769
Cazoo Limited[3]	Consumer and Social	5,000	–
Elliptic Enterprises Limited	Fintech and Insurance	4,913	–
OpenSignal Inc	Communications and Infrastructure	4,862	–
Michelson Diagnostics Limited	Life Science, Health & Wellbeing	4,795	–
Casual Speakers Limited (trading as Jolt)	Consumer and Social	4,770	–
Impatients N.V. (trading as MyTomorrows)	Life Science, Health & Wellbeing	4,705	–
Orbital Express Launch Limited	Communications and Infrastructure	4,550	4,550
Olio Exchange Limited	Consumer and Social	4,500	–
ThoughtRiver Limited	Business Services	4,500	4,500
The Faction Collective SA	Consumer and Social	4,461	–
We Farm	Communications and Infrastructure	4,350	4,350
Secret Escapes Limited[3,4]	Consumer and Social	4,256	–
Behaviometrics AB	Security	4,229	892
Patch Gardens Limited	Consumer and Social	4,172	–
Eve Sleep Plc	Consumer and Social	4,151	–
Mr & Mrs Oliver Ltd (trading as Skin+Me)	Life Science, Health & Wellbeing	4,000	–
AudioTelligence Limited	AI, Robotics & Hardware	4,000	–
Positron Technologies Limited	Fintech and Insurance	4,000	4,000
vHive Tech Ltd	Business Services	3,996	496
Glofox	Business Services	3,812	–
Altitude Angel Ltd	AI, Robotics & Hardware	3,800	3,800
Dead Happy Limited	Fintech and Insurance	3,700	1,000
Medisafe Project Limited	Life Science, Health & Wellbeing	3,664	–
Semafone Limited	Fintech and Insurance	3,594	–
Dogtooth Technologies Limited	AI, Robotics & Hardware	3,278	–
Anikin Ltd	Consumer and Social	3,000	3,000
Whirli Limited	Consumer and Social	3,000	3,000
Unmade Ltd	Business Services	3,000	–
Trafi Limited[3]	Communications and Infrastructure	2,965	677
Ecrebo Limited[3]	Business Services	2,857	–
Metrasens Limited	AI, Robotics & Hardware	2,819	131
Mosaic Smart Data Limited	Fintech and Insurance	2,780	–
Skew	Fintech and Insurance	2,713	2,713
Vitesse PSP Ltd	Fintech and Insurance	2,679	2,679
Slamcore Limited	AI, Robotics & Hardware	2,550	1,800
Inrupt Inc.	Business Services	2,372	–
Fluidly Limited	Fintech and Insurance	2,299	–
Streetbees.com Limited	Business Services	2,086	143

CRED Investment Holdings Limited	Fintech and Insurance	2,000	–
Uniq Health Limited	Life Science, Health & Wellbeing	1,900	1,900
Ori Biotech	Life science, Health & Wellbeing	1,548	1,548
Thirdeye Labs Limited	Security	1,500	–
Quantum Motion Technologies Limited	AI, Robotics & Hardware	1,498	1,498
Segura Systems Limited[3]	Business Services	1,470	–
Aire Labs Limited	Fintech and Insurance	1,332	–
Multiply AI Limited	Fintech and Insurance	1,283	–
Minimum Corporation	Fintech and Insurance	759	759
e-Therapeutics plc	Life Science, Health & Wellbeing	679	–
M10	Fintech and Insurance	626	–
Intrepid Owls Limited (trading as Rest-Less)	Consumer and Social	550	–
Excession Technologies Limited	Security	298	–
Total fixed asset Investments		**456,788**	**91,496**

[1] Investment cost reflects the amount invested into each investee company from Titan's 1 – 5 before the 2014 merger and from Titan after the merger. This is different to the book cost (as per Note 10 of the financial statements) which includes the holding gains/(losses) on assets which transferred from Titan's 1, 3, 4 and 5 to Titan 2 (now Titan) during the 2014 merger, as Titan purchased these assets at fair value.

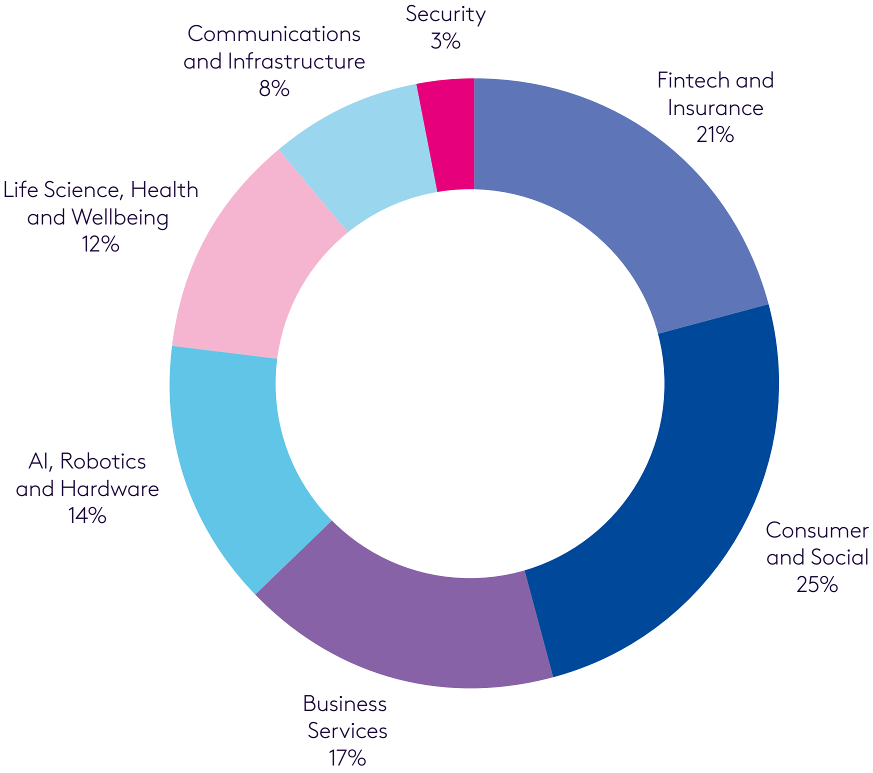
[2] Owns stakes in Secret Escapes Limited and formerly in Calastone Limited.

[3] These companies have also been invested into by other funds managed by Octopus.

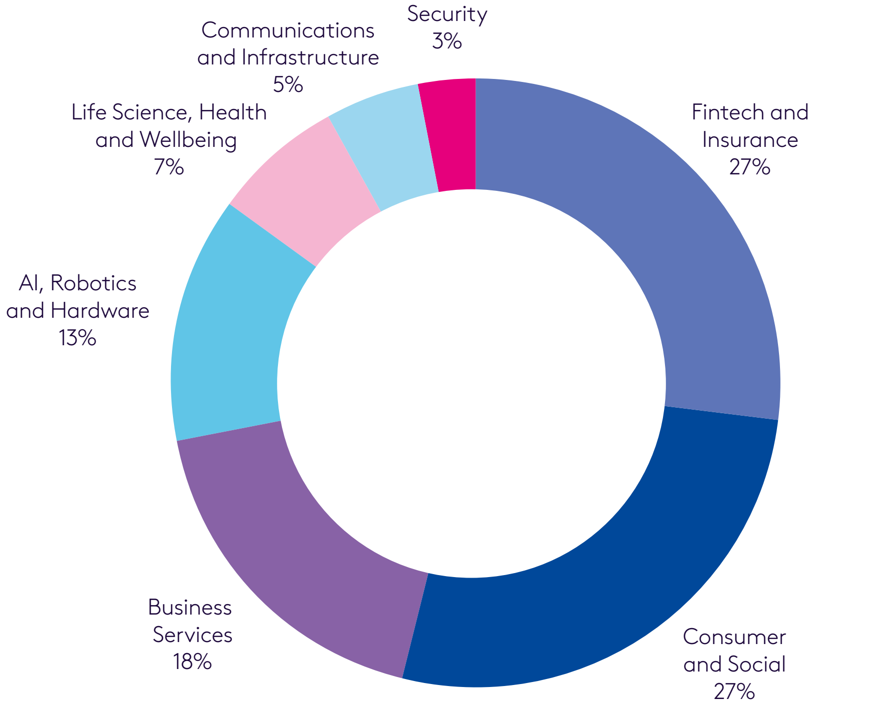
[4] The figures for Secret Escapes relate to Titan's direct investment only.

Sector Analysis

Total Investments by Cost



Total Investments by Value



Review of Investments

Listed below are details of Titan's ten largest investments by value.

Bought By Many

Bought By Many is an award-winning insurtech company with a specific focus on providing better pet insurance for everyone. Bought by Many designed its unique policies based on more than 40,000 comments from pet owners.

Initial investment date:	October 2016
Investment cost:	£9,978,000
Valuation:	£84,641,000
Last submitted group accounts:	31 March 2020
Consolidated turnover:	£17,424,000
Consolidated loss before tax:	£(15,542,000)
Consolidated net assets:	£1,012,000

Amplience Limited

Amplience helps retailers generate profitable growth through improved online shopping experiences using smartphones, tablet and desktop computers. The Amplience Media Platform allows retailers to create campaign and product media that increases customer engagement, sales and average order values.

Initial investment date:	December 2010
Investment cost:	£13,634,000
Valuation:	£59,897,000
Last submitted accounts:	30 June 2020
Turnover:	£5,242,000
Loss before tax:	£(2,126,000)
Net assets:	£(6,425,000)

Depop Limited

Depop is a free to download mobile and tablet app on which you can sell unique items including art, vintage and luxury fashion, illustrations, books, records and trainers.

Initial investment date:	January 2018
Investment cost:	£8,766,000
Valuation:	£57,859,000
Last submitted group accounts:	31 December 2019
Consolidated turnover:	£21,366,000
Consolidated loss before tax:	£(15,483,000)
Consolidated net assets:	£40,128,000

Wave Optics Limited

WaveOptics designs a critical component, known as a waveguide, for Augmented Reality (AR) glasses. AR superimposes a computer-generated image on a user's view of the real world. AR glasses are used in industrial applications, such as on-site maintenance and repairs, manufacturing and logistics and it is a widely held belief that there will be a large consumer market once the technology is sufficiently mature.

Initial investment date:	December 2015
Investment cost:	£15,997,000
Valuation:	£54,422,000
Last submitted accounts:	31 December 2019
Turnover:	£2,169,000
Loss before tax:	£(15,844,000)
Net assets:	£17,835,000

Cazoo

Cazoo is an online-only used car retailer that aims to transform the way people buy used cars in the UK. Cazoo operates as a fully integrated platform, enabling customers to research, buy, finance, and part-exchange cars through an online offering. Cazoo provides delivery to customers' homes through a centralised inventory and fulfilment hub, whilst offering a seven day full refund policy and 90 day warranty on all transactions.

Initial investment date:	November 2018
Investment cost:	£5,000,000
Valuation:	£53,125,000
Last submitted accounts:	31 December 2019
Turnover:	£1,176,000
Loss before tax:	£(18,922,000)
Net assets:	£62,777,000

Zenith Holding Company Limited

Zenith Holding Company has a holding in Octopus Zenith LP, an Octopus managed fund, which holds stakes in Secret Escapes and formerly in Calastone Limited, which were formerly held by Titan 1-3 prior to the merger of the five Titan VCTs in November 2014. Following the merger, Zenith Holding Company became a 100% owned investment of Titan.

- Calastone was sold to The Carlyle Group during the year.
- Secret Escapes provides an online vacation booking service that aims to be an exciting, enjoyable and stress-free experience. It handpicks the best hotels and holidays, making exclusive offers available to its members. The company guarantees that its 'flash sale' prices, which are available for limited periods, will be better than anywhere else online during that period. The business operates in the US, Europe and Asia.

Country of incorporation:	The Cayman Islands
Initial investment date:	June 2013
Investment cost:	£8,963,000
Valuation:	£38,724,000
Last submitted accounts:	31 October 2019
Profit before tax:	Not disclosed
Net assets:	Not disclosed

Permutive

Permutive collects user event data and uses it to target specific marketing messages, or to trigger specific actions. For example, if a user has clicked on three links, it then prompts them to sign up for an email subscription. Permutive is currently targeting large online publishers, in addition to e-commerce businesses where there is pressure to increase marketing efficiency.

Initial investment date:	May 2015
Investment cost:	£11,839,000
Valuation:	£26,168,000
Last submitted group accounts:	31 December 2018
Consolidated turnover:	Not disclosed
Consolidated profit before tax:	Not disclosed
Consolidated net assets:	Not disclosed

Chiaro Technology Limited

Elvie is looking to develop a range of products to improve women's lives and provide support through different life stages such as pregnancy, motherhood and menopause. In so doing, the company aims to build a strong brand that consumers associate with well-designed, beautiful devices that improve women's health.

Initial investment date:	November 2016
Investment cost:	£6,417,000
Valuation:	£18,578,000
Last submitted accounts:	31 December 2019
Turnover:	Not disclosed
Profit before tax:	Not disclosed
Net assets:	£17,899,000

Elliptic

Elliptic is a financial crime and financial risk analysis software company. Its core expertise is in interpreting transactions in the context of their network, so that a better understanding is gained about the nature of their participants. The company provides Anti-Money Laundering (AML) software, Elliptic AML, to cryptocurrency businesses as well as financial institutions. The company has also launched Elliptic Forensics, a tool which serves law enforcement and banks by enabling them to trace payments on the ledger and identify who may be behind cybercriminal activities.

Initial investment date:	July 2014
Investment cost:	£4,913,000
Valuation:	£15,006,000
Last submitted accounts:	31 March 2020
Turnover:	Not disclosed
Profit before tax:	Not disclosed
Net assets:	£15,083,000

Trouva

Trouva is an online tool for products that are sold at independent retailers' shops. It offers services to reserve online, pick up in-store, as well as same-day and nationwide delivery. The company aggregates and displays local independent retailers across London, allowing consumers to browse the retailers' offerings. This is done under the Trouva consumer brand.

Initial investment date:	December 2013
Investment cost:	£10,363,000
Valuation:	£15,000,000
Last submitted accounts:	31 July 2019
Turnover:	Not disclosed
Profit before tax:	Not disclosed
Consolidated net assets:	£(11,270,000)

If you have any questions on any aspect of your investment, please call one of the Octopus team on **0800 316 2295**.

Octopus Ventures Team
23 April 2021

Business Review

The Directors are required by the Companies Act 2006 to include a Strategic Report to Shareholders. The Strategic Report comprises the Chairman's Statement, Business Review and Portfolio Manager's Review.

Investment Policy

Titan's focus is on providing early stage, development and expansion funding to unquoted companies. Titan typically targets an initial investment of £0.1 million to £5 million and will make further follow-on investments into existing portfolio companies. The intention is to hold a portfolio of largely unquoted technology companies.

The Directors control the overall risk of the portfolio by ensuring that Titan has exposure to a diversified range of investee companies from a number of different technology sectors. Concentration risk is mitigated by ensuring that at the point of investment no more than 15% of Titan by value will be in any one investment. Any borrowing by Titan for the purposes of making investments will be in accordance with Titan's Articles of Association.

The investment profile is expected to be:

- 80-100% in VCT qualifying investments, primarily in unquoted companies
- 0-20% in non-VCT qualifying investments or cash.

Non-VCT Qualifying Investments

An active approach is taken to manage any cash held, prior to investing in VCT qualifying companies. After Titan has ensured it satisfies all VCT investment qualification targets required by HMRC, the majority of the remaining cash will be invested in accordance with HMRC rules for non-qualifying investments. Currently this includes Undertakings for Collective Investments in Transferable Securities (UCITS), corporate bonds or other money market funds, including those managed by Octopus.

VCT Qualifying Investments

Investment decisions made must adhere to HMRC's VCT qualification rules. In addition to adhering to the VCT rules, when contemplating a prospective investment in a company, particular consideration is given to:

- the strength of the management team;
- large, typically global, addressable markets;
- the investee company's ability to sustain a competitive advantage;
- the existence of proprietary technology;
- visibility over future revenues and recurring income; and
- the company's prospects of being sold or floated in the future, at a significant multiple on the initial cost of investment.

No material changes may be made to Titan's investment policy without the prior approval of shareholders by the passing of an Ordinary Resolution. The Directors will continually monitor the investment process and ensure compliance with the investment policy.

A review of the investment portfolio and of market conditions during the period is included in the Chairman's Statement and Portfolio Manager's Review which form part of the Strategic Report on pages 2 to 5 and 6 to 17 respectively.

Liquidity Strategy

The Board's strategy is to maintain an appropriate level of liquidity in the balance sheet to continue to achieve the following five targets:

- to support further investment in existing portfolio companies if required;
- to take advantage of new investment opportunities as they arise;
- to cover the running costs of Titan as they fall due;
- to support a consistent dividend flow; and
- to assist liquidity in the shares through the buyback facility.

Liquidity in Titan is primarily driven by capital realisations and fundraising activities.

VCT Regulation

Compliance with the required VCT rules and regulations is considered when all investment decisions are made. Internally, this is measured on a continuous basis and it is also reviewed by PricewaterhouseCoopers LLP (PwC) every six months which performs a comprehensive validation exercise. The primary purpose of the investment policy is to ensure Titan continues to qualify and is approved as a VCT by HMRC. The main criteria to which Titan must adhere are detailed on page 71.

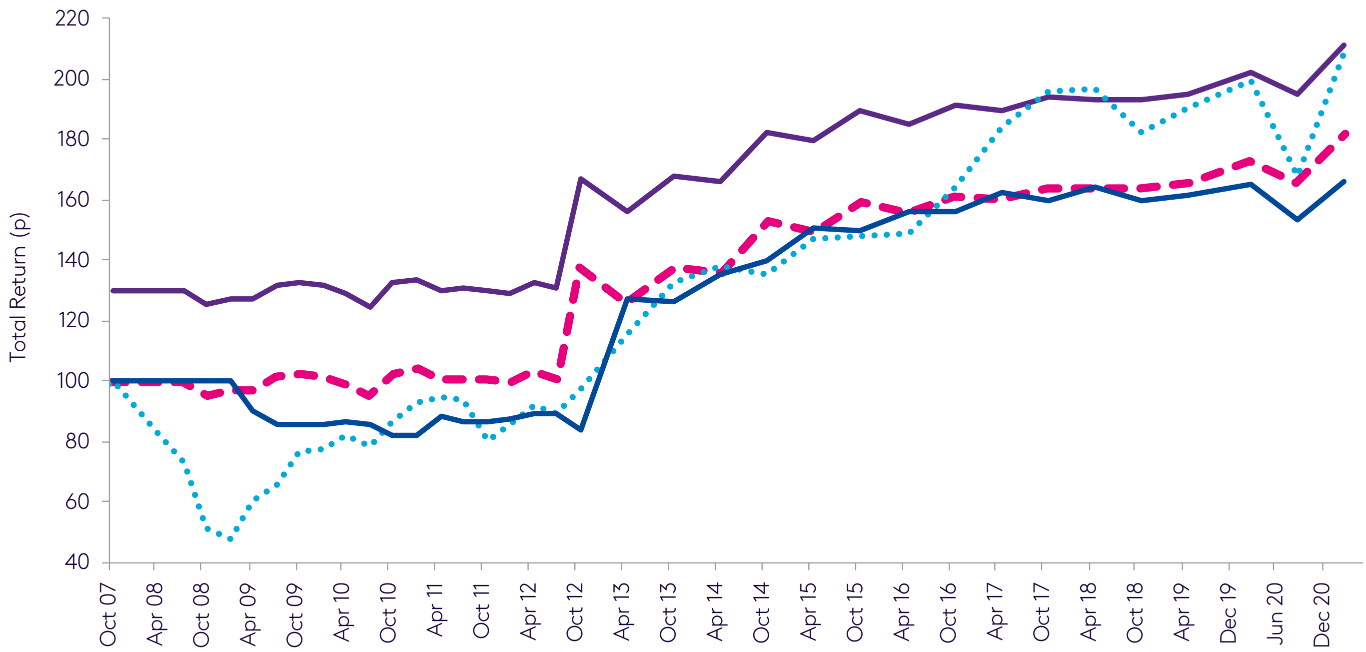
Titan will continue to ensure its compliance with the qualification requirements.

Titan Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the investment portfolio is delegated to Octopus through the Investment Management Agreement, as referred to in the Directors' Report on page 30.

The graph below compares the NAV total return and Share Price total return (gross dividends re-invested) of the Company over the period from October 2007 to December 2020 with the total return from a notional investment in the FTSE Small-Cap index over the same period (all rebased to 100p). This index is considered to be the most appropriate broad equity market index for comparative purposes, given the nature of the underlying investments. The Board wishes to point out that VCTs are not able to make qualifying investments in companies quoted on the Main Market in their observance of the HMRC rules.

NAV and share price total return since launch[1]



NAV Total Return (gross dividend reinvested) rebased to 100p at launch*

NAV Total Return (gross dividend re-invested) plus 30% up front income tax relief rebased to 100p at launch*

FTSE Small-Cap Total Return rebased to 100p at launch*

Share Price Total Return (gross dividend re-invested) rebased to 100p at launch*

*Based on notional investment on 31 October 2007

AIC methodology: The NAV total return to the investor, including the original amount invested (rebased to 100p) from launch, assuming that divends paid were re-invested at the NAV of the Company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

The Earnings per Share for the period ended 31 December 2020 is 7.8p (2019: 8.0p per share). Further details can be found in Note 8 of the financial statements on page 60.

[1]Total return is an alternative performance measure 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.

The total remuneration of the Directors for the period was:

	Year ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Total	**141**	164

Further details can be found in the Directors' Remuneration Report on pages 40 to 42.

Profit and dividends

	Year ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Profit attributable to shareholders	**75,323**	**67,280**
Appropriations:		
Previous year final dividend	**30,494**	**26,609**
Interim dividends	**20,824**	**18,516**
Total	**51,318**	**45,125**

In addition to the 2.0p per share interim dividend paid on 11 December 2020, a second interim dividend of 3.0p per share will be paid on 30 April 2021 to shareholders on the register on 16 April 2021.

Key Performance Indicators (KPIs)

As a VCT, the Company's objective is to provide shareholders with attractive dividends and capital return by investing its funds in a broad spread of unquoted UK companies which meet the relevant criteria for VCTs.

The Board has identified five key performance measures to assess the Company's success in meeting these objectives. Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. The Glossary of terms on page 74 has further details:

1. NAV per share;
2. Total return per share;
3. Dividends per share paid in the year;
4. Total ongoing charges; and
5. VCT Qualification %.

1. NAV per share

The NAV per share of the Company is the sum of the underlying assets less the liabilities of the Company divided by the total number of shares in issue. The Company's target is for the NAV to stay flat or increase after deducting dividends.

Current year (pence per share)	**Prior period (pence per share)**	**Reason for movement**
97.0	95.2	The NAV per share has increased from last year's value of 95.2p to 97.0p.This increase is driven by gains in the portfolio, offset by the 5.0p of dividends paid in the year.

2. Total return per share*

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 the Fund, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector. The Company's target is for the Total Return per share to increase by 5p per annum, covering the target annual dividend.

*These KPIs are defined as alternative performance measures ("APMs") and are defined in more detail on the Glossary of terms on page 74.

Current year %	Prior period %	Reason for movement
7.1% (6.8p)	7.6% (7.1p)	As previously considered, the NAV per share has increased from last years' value of 95.2p to 97.0p. Adding back the 5.0p of dividends paid in the year, this is an uplift of 6.8p or 7.1%. This uplift is mainly driven by gains in the portfolio, as detailed in the Portfolio Manager's Review on pages 6 to 17.

3. Dividends per share paid in the year

The Company has a target of paying an annual dividend of 5.0p per share, supplemented by special dividends when appropriate.

Current year (pence per share)	Prior period (pence per share)	Reason for movement
5.0	5.0	Dividends of 5.0p were paid in the year in line with the dividend policy of a regular annual dividend of 5p per annum.

A second interim dividend of 3.0p per share will be paid on 30 April 2021 to shareholders on the register on 16 April 2021.

4. Total ongoing charges*

The ongoing charges Ratio has been calculated using the AIC recommended methodology and excludes irrecoverable VAT, exceptional costs and trail commission. The Company aims for this to be lower than 2%.

Current year %	Prior period %	Reason for movement
1.9	2.4	The ongoing charges ratio has decreased from last year due to an increase in average net assets over the year combined lower expenses. This is due to a shorter accounting period of 12 months, compared to 14 months in the prior period, following the change in Titan's year end.

There are a number of costs involved in operating a VCT, some of these expenses are outlined in Note 4 on page 58. The Company has an expense cap of 2.5%. The ongoing charges have been lower than the expense cap for the current and prior year which is in line with the Board expectations.

5. VCT Qualification %

The Company must comply with VCT legislation set out by HMRC. From 1st December 2019 a key requirement is to maintain at least an 80% qualifying investment level. The Company's target is for this to be above 90%. In addition, at least 30% of all new funds raised in accounting periods beginning after 5 April 2018 will need to be invested in qualifying holdings within 12 months of the end of the accounting period in which the VCT issued the shares.

Current year %	Prior period %	Reason for movement
98%	96%	98% (as measured by HMRC rules) by value of the Company's investments has been represented throughout the period by shares or securities comprised in qualifying holdings of the Company. The qualification level has increased by 2% due to the continued deployment of funds into qualifying assets, and investments made from cash raised three years ago now being included in the calculation of the 80% qualifying investment level.

The Company has invested 35% of funds raised in the period to 31 December 2019, exceeding the 30% required. For the funds raised in the year to 31 December 2020, 31% has already been invested, in advance of the deadline for compliance of 31 December 2021.

The Company has continued to maintain to meet the 80% qualification investment level. There continues to be sufficient investment opportunities to enable the Manager to comply with these ratios.

The Chairman's Statement, on pages 2 to 5 includes a review of the Company's activities and future prospects; further details are also provided within the Portfolio Manager's Review on pages 6 to 17.

*These KPIs are defined as alternative performance measures ("APMs") and are defined in more detail on the Glossary of terms on page 74.

Viability Statement

In accordance with provision 4.31 of The UK Corporate Governance Code 2018, the Directors have assessed the prospects of Titan over a period of five years, consistent with the expected investment hold period of a VCT investor. A further fundraising was launched on 21 October 2020 and closed on 3 March 2021, raising £121 million. Under VCT rules, subscribing investors are required to hold their investment for a five year period in order to benefit from the associated tax reliefs. The Board regularly considers strategy, including investor demand for the Company's shares, and a five year period is considered to be a reasonable time horizon for this.

The Board carried out a robust assessment of the emerging and principal risks facing the Company and its current position. This includes the impact of the Covid-19 pandemic and any other risks which may adversely impact its business model, future performance, solvency or liquidity. Particular consideration was given to Titan's reliance on, and close working relationship with, the Portfolio Manager. The principal risks faced by the Company and the procedures in place to monitor and mitigate them are set out below.

The Board has also considered the Company's cash flow projections and found these to be realistic and reasonable. This includes forecasting the potential effects of Covid-19 on the Company's cash flow.

Based on the above assessment the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period to 31 December 2025.

Emerging and principal risks, risk management and regulatory environment

Risk	Mitigation	Movement in year
VCT qualifying status: The Company is required at all times to observe the conditions for the maintenance of approved VCT status. The loss of such approval could lead to the Company and investors losing access to the various tax benefits associated with VCT status and investment.	The Manager tracks Titan's VCT qualifying status throughout the year, and reviews this at key points including investment, realisation, and at each monthly reporting date. This status is reported to the Board at each board meeting. The Board has also retained PwC to undertake an independent VCT status monitoring role.	= No change
Investment performance: The focus of the Company's investments is into small and medium-sized, VCT qualifying companies which, by their nature, entail a higher level of risk and shorter cash runway than investments in larger quoted companies.	Octopus has significant experience and a strong track record in investing in early-stage unquoted companies, and appropriate due diligence is undertaken on every new investment. A member of Octopus Ventures is typically appointed to the board of an investee company , and regular portfolio monitoring reports are prepared and examined by the Manager. This arrangement, in conjunction with its portfolio talent team's active involvement, allows Titan to play a prominent role in an investee company's ongoing development and strategy. This includes the impact of Covid-19 on investee companies. The overall risk in the portfolio is mitigated by maintaining a wide spread of holdings in terms of financing stage, age, industry sector and geographical location. The Board reviews the investment portfolio with the Portfolio Manager on a regular basis. The Portfolio Manager is incentivised to ensure the fund performs well, via a Performance Incentive Fee (charged annually) for exceeding certain performance hurdles, as detailed in Note 19 on page 68.	↑ Increase (due to economic conditions as a result of Covid-19)

Loss of key people: The loss of key investment staff by the Portfolio Manager could lead to poor fund management and/or performance due to lack of continuity or understanding of the fund.	The Portfolio Manager has a broad team experienced in and focused on early stage investing. This mitigates the risk of any one individual with the required skill set and knowledge of Venture Capital investing generally, and the portfolio specifically, leaving. Key investment staff are also incentivised via the Performance Incentive Fee. Incentives for the Portfolio Manager's key staff are monitored by the Board.	= No change
Operational: The Board is reliant on Octopus to manage investments effectively, and manage the services of a number of third parties, in particular the registrar, depositary and tax advisers. A failure of the systems or controls at Octopus or third-party providers could lead to an inability to provide accurate reporting and accounting and to ensure adherence to VCT rules.	The Board reviews the system of internal controls, both financial and non-financial, operated by the Company and the Manager (to the extent the latter are relevant to the Company's internal controls). These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained. The Portfolio Manager has operated effectively throughout the Covid-19 lockdowns with staff working online and mostly based at home. Other service providers have operated without a marked reduction in service.	= No change
Economic: Events such as an economic recession and movement in interest rates could adversely affect some smaller companies' valuations, as they may be more vulnerable to changes in trading conditions or the sectors in which they operate. This could result in a reduction in the value of the Company's assets. Such events include the potential impacts of the Covid-19 pandemic.	The Company invests in a diverse portfolio of companies, across a range of sectors, which helps to mitigate against the impact on any one sector. The Company also maintains adequate liquidity to ensure that it can continue to provide follow-on investment to those portfolio companies which require it and which is supported by the individual investment case.	↑ Increase (due to economic conditions as a result of Covid-19)
Legislative: A change to the VCT regulations could adversely impact the VCT by restricting the companies Titan can invest into under its current strategy. Similarly, changes to VCT tax reliefs for investors could make VCTs less attractive and impact Titan's ability to raise further funds.	Octopus engages with HMT and industry bodies to demonstrate the positive benefits of VCTs in terms of growing early-stage companies, creating jobs and increasing tax revenue, and to help shape any change to VCT legislation. The changes to VCT regulations in 2018 largely benefitted Titan as there were increased annual and lifetime investment limits introduced for Knowledge Intensive companies (i.e., those that have a high proportion of Research & Development or innovation spend), and many of the companies in which Titan invests qualify as such companies.	= No change
Liquidity: The risk that the Company's available cash will not be sufficient to meet its financial obligations. The Company invests into smaller unquoted companies, which are inherently illiquid as there is no readily available market for these shares. Therefore, these may be difficult to realise for their fair market value at short notice.	Titan's liquidity risk is managed on a continuing basis by the Portfolio Manager in accordance with policies and procedures agreed by the Board. Titan's overall liquidity risks are monitored on a quarterly basis by the Board, with frequent budgeting and close monitoring of available cash resources. Titan maintains sufficient investments in cash and readily realisable securities to meet its financial obligations. At 31 December 2020, these investments were valued at £227,052,000 (2019: £229,535,000), which represents 22% (2019: 25%) of the net assets of the Company.	= No change

Valuation: The portfolio investments are valued in accordance with International Private Equity and Venture Capital (IPEV) valuation guidelines. This means companies are valued at fair value. As the portfolio comprises smaller unquoted companies, establishing fair value can be difficult due to the lack of a readily available market for the shares of such companies and the potentially limited number of external reference points.	Valuations of portfolio companies are performed by appropriately experienced staff, with detailed knowledge of both the portfolio company and the market it operates in. These valuations are then subject to review and approval by Octopus's independent Valuation Committee, comprised of staff with relevant knowledge of unquoted company valuations, as well as the Company's Board of directors. The IPEV guidelines were revised in March 2020 to cater for the Covid-19 pandemic and these were applied as at 30 June 2020 and 31 December 2020.	↑ Increase (due to economic conditions as a result of Covid-19)

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

Gender and Diversity

Following the upcoming AGM the Board of Directors will comprise of two female and four male Non-Executive Directors with considerable experience of the VCT industry and investment in early stage growth companies. The gender and diversity of the constitution of the Board is reviewed on an annual basis.

Human Rights Issues

The Board seeks to conduct the Company's affairs responsibly. The Company is required by company law to provide details of employee, human rights, social and community issues, including information about any policies it has in relation to these matters and the effectiveness of such policies. As an externally managed investment company with no employees, the Company does not maintain specific policies in relation to these matters.

Task Force on Climate-related Financial Disclosures (TCFD) Statement

The Company acknowledges the recommendations under TCFD and have given some initial disclosure under the main headings below, which we will evolve over future periods.

Governance:
On a quarterly basis, Octopus Ventures reports to the Octopus Investments ESG Committee (comprised of an Octopus Founder, the Chief Investment Officer and the Impact and Sustainability Director) to review climate related risks and opportunities that have been identified as being financially material to the management of Octopus Titan VCT plc.

Strategy, Metrics and Targets:
Octopus Titan VCT plc makes investments into a range of sectors but the companies receiving funding are early-stage businesses. As a result, exposure to climate related risk is assessed on a deal-by-deal basis, with focus on the businesses whereby the physical impact of climate change could be identified as a material risk.

For these businesses the team reviews physical climate related risks as well as transition risks relating to emissions, air quality, water, energy management, waste and ecological impact and tracks how the management team manages their exposure to these risks. Any red flags are reported back to the ESG Committee. We also track and report progress made towards any climate related targets across Titan's portfolio of companies.

Risk Management:
Where potential material climate related risks have been identified during Due Diligence, the investment team will flag this to the Octopus Ventures Investment Committee before an investment is actioned. The investment lead will have assessed whether remedial actions are necessary, these will be discussed at the Investment Committee and a path of action will be agreed. The team will track the management team's progress towards delivering the required outcomes/changes. The investment team are required to flag any identified risks and agreed course of remedial actions to the ESG Committee.

ESG Statement

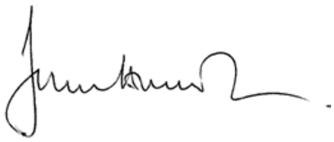
The Octopus Ventures investment team are on a mission to invest in the ideas, industries and people that will change the world. We believe that backing entrepreneurs that think about their business as a force for good will deliver our investors the best returns. In the reporting year, Titan has not engaged with any person or entity on an internationally recognised deny list and has not invested in any businesses that appear on Octopus Ventures' Exclusion List, which includes sectors such as tobacco, arms, fossil fuels, gambling and deforestation.

Octopus has a robust ESG framework which ensures that ESG factors are embedded throughout its investment process. This includes a material risk review which assesses the exposure of each underlying business to ESG related risks. All new investments are subject to additional due diligence to highlight potential ESG risks and subsequent actions for improvement. Potential risks span from environmental emissions, energy management, waste, ecological impact, social (privacy, security, product quality, selling practices), human (labour, health and safety, diversity), business model (product design, supply chain, material sourcing) to leadership (ethics, competitive behaviour, regulatory, critical incidents and risk management).

Octopus Ventures encourages a high level of stewardship for all investments, and within the mandate of the fund, we use stewardship to improve the status quo. Once invested, we actively work with our portfolio companies to support their talent management and recruitment, mental health and diversity. In fact, a condition of initial investment is that the company must have in place a Diversity and Inclusion Policy, as well as an Anti-Harassment and Discrimination Policy.

Octopus Ventures is a subsidiary of Octopus Investments which is a signatory to the internationally recognised United Nations Principles for Responsible Investment, demonstrating our commitment to responsible investment and in creating a more sustainable financial system.

The Strategic Report was approved by the Board and signed on its behalf by:



John Hustler
Chairman
23 April 2021

Section 172 (1) Statement

Companies are now required to include a 'Section 172(1) statement' in their strategic report. It sets out how the Directors have had regard to promoting the success of the Company for the benefit of its stakeholders as a whole, and in making their decisions to have regard to, but not limited to, a list of six factors contained within this section of the Companies Act 2006:

- The likely consequence of any decision in the long-term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers, and others:
- The impact of the Company's operations on the community and the environment.
- The desirability of the company maintaining a reputation for high standards of business conduct: and
- The need to act fairly as between members of the Company.

Business strategy

The success of the Company is driven by its investment policy and liquidity strategy which is set out in the Strategic Report. The Portfolio Manager prepares a detailed Company budget which is approved by the Board on an annual basis and reviewed regularly, and forms the basis for the Company's resource planning and deployment decisions. When considering business strategy, the Board also considers other matters such as the interests of its various stakeholders and the long-term impact of its actions on the Company's future and reputation.

The Board

The Board adopts the 2019 AIC Code of Corporate Governance which provides a framework for the governance of Venture Capital Trusts such as Titan.

It is normal practice for Venture Capital Trusts to delegate authority for day-to-day management of the Company to a Portfolio Manager, and to outsource administration, accounting, and company secretarial services. The Board then engages with the Manager in setting, approving and overseeing the execution of the business strategy and related policies. At every Board meeting a review of financial and operational performance, as well as legal and regulatory compliance, is undertaken. The Board also reviews other areas over the course of the financial year including the Company's business strategy; key risks; stakeholder-related matters; diversity and inclusivity; environmental matters; corporate responsibility and governance; compliance and legal matters. The Board formally reviews the performance of the Portfolio Manager on an annual basis, and the Board has set financial KPIs relating to portfolio performance. The investment policy and investment process, including the management of conflicts of interest, have also been agreed and documented.

Matters reserved for the Board include, but are not limited to, all shareholder communication, the setting of investment policy, investment of cash reserves, the raising of capital and the allotment and issue of shares, the buy-back of shares, dividend policy, Director appraisal and succession, financial reporting, announcements, compliance with UK Listing Authority rules and FSA regulations

Shareholders

The Board recognises the critical importance of open and timely communications with shareholders. Their support is fundamental to raising further capital which is dependent on Titan's performance and clear reporting on portfolio progress. Shareholders are encouraged to attend and vote at shareholder meetings and to raise questions in relation to Titan's progress.

The annual and interim reports, prospectus and other shareholder information are published on the Octopus Investments website **Octopustitanvct.com**. Details of the portfolio, the investment team and other insights are published on Octopus Ventures' website **www.octopusventures.com**. Shareholder enquiries are handled promptly by Octopus Investments. The Chairman responds to communications addressed to the Board. The Directors aim to ensure that the annual report and financial statements are fair, balanced, and understandable, and that sufficient information is provided to shareholders to assess Titan's performance, business approach and strategy.

The AGM also provides the opportunity for shareholders to receive an update on the portfolio and to meet members of the investment team.

If the AGM is run as a closed meeting due to the UK public health guidelines on Covid-19, shareholders are encouraged to send questions to either the Portfolio Manager or Titan Board via email.

Relations with other key stakeholders

The requirement for the Company to consider the interests of its other key stakeholders is limited as it does not have any employees. The Board considers Octopus Investments Limited to be its key business partner as it has responsibility for the provision of investment management, administration, custody and company secretarial services.

As Titan is classified as a full-scope Alternative Investment Fund under the Alternative Investment Fund Management Directive (the "AIFM Directive"), the Company has in place an agreement with Octopus AIF Management Limited to act as Manager (an authorised alternative investment fund manager responsible for ensuring compliance with the AIFM Directive). Octopus AIF Management Limited has in turn appointed Octopus to act as Portfolio Manager to Titan (responsible for portfolio management and the day-to-day running of the fund). The AIF Manager's main focus is risk management and the review of the valuation of Titan's portfolio.

The Board works with Octopus Investments in the selection of third-party providers such as the Registrars, Corporate Broker and VCT Status Adviser. Its selection is made on the basis of quality of service, accuracy, and price. Any errors or delays reflect badly on Titan, but more importantly can cause inconvenience, and potential loss, for shareholders. The performance of third-party providers is generally reviewed annually.

Investee companies

The Company's performance and the performance of its underlying investee companies are directly and intrinsically linked. The Portfolio Manager monitors the investee companies through a programme of regular company meetings as part of its investment process.

The Board has also given the Portfolio Manager discretionary authority to vote on investee company resolutions on its behalf as part of its approach to corporate governance, and encourages them to do so.

Community and environment

The Company's investment strategy aims to back the next generation of pioneering entrepreneurs leading technology and tech-enabled businesses, which could potentially change the world we live in. The Board considers it important that the Company's investment operations create employment, aid economic growth, generate tax revenues and produce wealth, thus benefitting the community and economy overall. The companies in the portfolio grew their revenues by 43% overall in the last year, creating over 1,300 new jobs.

Apart from the Board's recognition that the ESG policy should help to mitigate the impacts of climate change, the Board has moved to a largely paperless operation over the past 24 months, and the increasing use of conferencing platforms has reduced travel throughout the business.

The Board requires that the Portfolio Manager collects data on diversity within the portfolio and actively work with our investee companies on an ongoing basis to support their talent management and recruitment, staff well-being and diversity policies and initiatives. A condition of our investment is that the company must have in place a Diversity and Inclusion Policy, as well as an Anti-Harassment and Discrimination Policy.

Culture

The Directors seek to apply the ESG principles adopted by Octopus Ventures and these values help to define the culture and relationship with the investment team. There is a general principle of openness and transparency in dealings between Octopus Ventures and the Directors, and clear policies covering, for instance, investment process and conflicts provide a clear operating framework. Generally, the culture should contribute to the purpose of producing consistent returns over the long term and achieving the agreed KPIs, which will deliver most importantly, good returns to shareholders.

Business ethics and governance

The Board is responsible for ensuring that the activities of the Company and its various businesses are conducted in compliance with the law and applicable governance and regulatory regimes, and in adherence with prevailing best practice for the relevant industry. This includes reviewing internal controls, ensuring that there is an appropriate balance of skills and experience represented on the Board, and ensuring that the financial statements give a true and fair view of the state of affairs of the Company. Further detail can be found in the statement of directors' responsibilities on page 43. In the year to 31 December 2020 no areas of concern have been flagged in this regard.

The impact of key decisions on stakeholders in 2020

Key decisions and actions during the year which have required the Directors to consider applicable Sections 172 factors include:

Long-term strategy	The targets below have been agreed with the Portfolio Manager as part of the long-term strategy of the fund: a) maintain 5 pence per share annual dividend; b) maintain a NAV per share of at least 90 pence; c) generate sufficient cash from realisations within the portfolio to cover operating costs a) and b) should provide a minimum 5 pence per share overall return to shareholders, whereas c) provides that cash raised from shareholders should be solely directed to investment in the portfolio, and not in support of operating costs. The effect for shareholders will be to provide them ongoing returns via dividends whilst maintaining the value of their holdings.

Communication with shareholders	The AGM held on 26 May 2020 could not be held in person because of the Covid-19 restrictions. Consequently, it was decided to hold a webinar on 11 November 2020 which attracted over 230 shareholder participants online, and over 27 questions from shareholders were addressed. The webinar attracted many more shareholders than would usually attend the AGM, and therefore similar events will be planned in 2021 to allow more shareholders to ask questions and hear updates from the Board and Octopus.
Reacting to the Covid-19 pandemic	Assessing the impact of the Covid-19 pandemic on portfolio valuations proved challenging, the International Private Equity and Venture Capital guidelines were revised in March 2020 to cater for the crisis and these were applied as at 30 June 2020 and 31 December 2020. In the light of the new guidelines, the Board sought a review of the valuations of the top 25 holdings at 30 June 2020 by the company auditors. The Audit Committee has recommended that a similar review is carried out as at 30 June 2021, to ensure the valuations continue to be in line with IPEV guidelines.
Revisiting the Conflicts of Interest and fund allocation policies	The Board agreed with Octopus that it would undergo an external review of its Conflicts of Interest framework, in light of Octopus' decision to launch a new EIS product, which may co-invest with Titan. The review was conducted by PwC and made zero recommendations which were classified as high risk. A number of recommendations classed as medium or low risk were made and adjustments to Octopus Investments' framework have been made to address these as appropriate.
Fundraising launch in 2020	The Board reviewed cash forecasts to April 2022 in order to evaluate the cash needs over that period and yet retaining a sufficient cash buffer to operate the Company, support the portfolio with follow-on capital and to take advantage of new investment opportunities as they arise. The Board approved a fundraise of £80 million with a £40 million overallotment facility for the 2020/21 tax year,
Board succession	Mark Hawkesworth has taken the decision to retire from the Board and will, therefore, not stand for re-election at the forthcoming AGM. Tom Leader has agreed to assume the Chair of the Audit Committee on Mark's retirement. We recognise the importance of ensuring the Board remains independent, and collectively has sufficient breadth of experience and expertise to appropriately represent Titan's shareholders' best interests, particularly given the continued growth of Titan. As a result, the Board has recently announced the appointment of Lord Anthony Rockley as a Director and he will offer himself for re-election at the forthcoming AGM. We have also identified a further Director appointment, Gaenor Bagley, but due to our current authority in respect of Directors' Remuneration, this appointment will be delayed pending approval of the Resolution at the AGM to increase our authority in this regard.

Details of Directors

John Hustler (Non-Executive Chairman)
John joined Peat Marwick, now KPMG, in 1965 and became a Partner in 1983. Since leaving KPMG in 1993 to form Hustler Venture Partners Limited, he has advised and been a director of a number of growing companies. He is presently Chairman of Seneca Growth Capital VCT Plc (formerly Hygea VCT Plc). He was also a member of the Council of The Institute of Chartered Accountants in England and Wales and Chairman of its Corporate Finance Faculty from 1997-2000 and was a member of the Council of the British Venture Capital Association from 1989-1991. John has been a director of Octopus Titan VCT plc from 29 October 2007 to date.

Matt Cooper (Non-Executive Director)
Matt currently works as a non-executive chairman and/or director with a range of public and private companies. These include Octopus Capital Limited, VouchedFor Ltd and Tandem Bank Limited. Matt's areas of expertise include corporate strategy formulation, brand and marketing and implementation, organisational culture and design, and executive coaching and leadership. Previously, Matt was Principal Managing Director of Capital One Bank Europe plc until leaving the company in 2001. Originally from New Jersey, Matt graduated first in his class in Chemistry from Princeton University in 1988. Matt was a director of Octopus Titan VCT 1 plc from 29 October 2007 to 27 November 2014, in addition to being a director of Titan from 29 October 2007 to date.

Mark Hawkesworth (Non-Executive Director)
Mark has over 25 years experience in the private equity industry, having retired as an investment partner at Nova Capital Management Limited ("Nova") in January 2010. Prior to joining Nova, he was a senior partner at Baring Private Equity Partners and also spent 12 years at Lazard. Mark originally trained as an electrical engineer and spent his early career working for international engineering companies such as Taylor Woodrow, Trafalgar House and BICC/Balfour Beatty. Mark was a director and Chairman of Octopus Titan VCT 3 plc from 17 March 2008 to 27 November 2014, and has been a director of Titan from 27 November 2014 to date. Mark has taken a decision to retire from the Board and will not stand for re-election at the forthcoming AGM.

Jane O'Riordan (Non-Executive Director)
Jane is currently executive chair of Turtle Bay restaurants and Chairperson of Caravan Restaurants and Red Engine. Jane was previously a Director of Yellowwoods Associates UK Limited, where she was involved in the strategic development of companies such as Nando's, Gourmet Burger Kitchen, Pizza Express/Gondola and others. Before Yellowwoods, Jane was a director with Braxton Associates, the then strategic consulting division of Deloitte & Touche. In addition to over 25 years of private equity, venture capital and management consulting experience, Jane worked for three years with British Aerospace as a spacecraft systems engineer. Jane has a BSc in mechanical engineering and an MBA from Harvard Business School. Jane was a director and Chairperson of Octopus Titan VCT 5 plc from 17 November 2010 to 27 November 2014, and has been a director of Titan from 27 November 2014 to date.

Tom Leader (Non-Executive Director)
Tom has over 27 years' private equity experience. He is currently Head of Portfolio at Caledonia Private Capital. In his last role, he was Chief Investment Officer of Nova Capital Management. Before Nova, Tom worked at Baring Private Equity Partners and Morgan Grenfell Private Equity. Tom started his career in the management consultancy practice of Coopers & Lybrand. Tom is a Non-Executive Director of Liberation Group, Seven Investment Management, and Bloom Engineering. Separately, he is Non-Executive Chairman of Penox Group GmbH. Tom was appointed a director of Titan on 8 August 2018.

Anthony Rockley (Non-Executive Director)
Lord Rockley is a qualified chartered accountant and former partner at KPMG. He joined KPMG in 1983 and held various positions throughout his career most notably within the banking sector and latterly as the lead audit partner in KPMG's Private Equity Group ('PEG') which he was instrumental in establishing. He led PEG Audit until his retirement as a partner in 2015. Anthony was a member of the British Venture Capital Association working party and was key in the development of the first valuation guidelines for the industry. He was also a member of the International Private Equity and Venture Capital Guidelines Board between 2005 and 2014 . Anthony will bring extensive experience within the private equity world in particular a strong focus on valuations in non quoted environments. He has an MA in Natural Sciences from Cambridge University.

Gaenor Bagley (To be appointed to the Board as a Non-Executive Director, following the AGM)
Gaenor is a qualified chartered accountant, following qualification in 1989 with Ernst and Young, Gaenor spent the majority of her executive career with PwC advising on M&A transactions. In 2011 she was appointed to the Executive Board of PwC UK to be Head of People, with responsibilities for developing the firm's People and Corporate Social Responsibility strategy. In addition she was also appointed Global Head of Learning and Development, responsible for the development strategy for the PwC network firms. From July 2016 until her retirement in December 2017 Gaenor was Head of Corporate Purpose at PwC UK, leading on PwC's Corporate Social Responsibility agenda. Following her retirement, Gaenor has since developed a portfolio of non-executive roles. Gaenor is currently a non-executive director of Zopa Bank Limited and the National Audit Office, Chair of TKAT Multi-Academy Trust, an external member of Cambridge University Council and Chair of the Advisory Board at Leeds University Business School.

In addition to her strong understanding of M&A, private equity and accountancy, Gaenor will bring to the Board her extensive HR experience covering culture and people. She holds a degree in mathematics and management studies from Cambridge University.

Directors' Report

The Directors present their report and the audited financial statements for the twelve month period ended 31 December 2020.

The Directors consider that the Annual Report and Financial Statements, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess Titan's position, performance, business model and strategy.

Directors

Brief biographical notes on the Directors are given on page 29.

In accordance with the Articles of Association and the Association of Investment Companies Code of Corporate Governance, Lord Rockley offers himself for election and Mrs O'Riordan offers herself for re-election and the Board recommends her re-election at the forthcoming AGM. The Board has considered provisions of The UK Corporate Governance Code and following a formal performance evaluation as part of the Board Evaluation, further details of which can be found on page 35, Mrs O'Riordan continues to be an effective Non-Executive Director, providing considerable experience and continuity to the Company, and demonstrates commitment to her role, to the Board and the Company. The Board therefore has no hesitation in recommending her for re-election at the forthcoming AGM.

Mr Cooper is not considered to be independent due to his role as Chairman of Octopus Investments Limited, Titan's Portfolio Manager. As a non-independent Director, Mr Cooper will stand for re-election at the 2021 AGM of Titan as required by Listing Rule 15.2.13A. The Board has also considered the provisions of The UK Corporate Governance Code and believes that he continues to be effective and to demonstrate commitment to his role, the Board and the Company. The Board therefore has no hesitation in recommending him for re-election at the forthcoming AGM.

Further details can be found in the Corporate Governance report on pages 34 to 37.

Directors' and Officers' Liability Insurance

The Company has, as permitted by the Companies Act 2006, maintained insurance cover on behalf of the Directors and Company Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report, on pages 2 to 28. Further details on the management of financial risk may be found in Note 16 of the financial statements.

The Board receives regular reports from Octopus and the Directors believe that the Company has adequate financial resources to continue in operational existence for a period of at least twelve months from the date of the signing of these financial statements. In reaching this conclusion the Directors have considered the liquid assets of the Company and its ability to meet its obligations as they fall due. As no material uncertainties leading to significant doubt about going concern have been identified, and taking into account all available information about the Company, the Directors believe that is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

As mentioned in the Business Review, the Board has considered the Company's cash flow projections, including the potential effects of Covid-19, and found these to be realistic and reasonable.

The assets of the Company include securities which are readily realisable (23% of net assets). The Board regularly reviews cash flow projections which demonstrate the Company has adequate financial resources to meet its expenses and discretionary expenditure in relation to the dividend policy and share buybacks and to continue in operational existence for the foreseeable future.

Management

The Company has in place an agreement with Octopus AIF Management Limited to act as Manager. Octopus AIF Management Limited has in turn appointed Octopus to act as Portfolio Manager to Titan (responsible for portfolio management and the day-to-day running of the fund). These agreements are central to Titan's ability to continue in business. The principal terms of the management agreement with Octopus are set out in Notes 3 and 19 of the financial statements.

Octopus also provides secretarial and administrative services to the Company. BNP Paribas Securities Services has been appointed as Depositary to Titan. BNP Paribas provides cash monitoring, safekeeping of financial instruments and other assets and oversight duties.

The Directors confirm that, in their opinion, the continuing appointment of Octopus as Portfolio Manager is in the best interests of the shareholders as a whole. In reaching this conclusion the Directors have taken into account the performance of the investment portfolio and the ability of Octopus to produce satisfactory investment performance in the future. It also considered the length of the notice period of the management agreement and fees payable to Octopus, together with the standard of other services provided, as set out above. Details of the fees paid to Octopus in respect of services provided are detailed in Note 19 of the financial statements.

With the exception of Mr Cooper, no Director has an interest in any contract to which Titan is a party. Mr Cooper is the Chairman of Octopus Capital Limited.

The Company has established a performance incentive scheme whereby Octopus is entitled to an annual performance-related incentive fee in the event that certain performance criteria are met. The criteria have been met in 2020 resulting in a performance fee payable to Octopus. Further details of this scheme are disclosed within Note 19 of the financial statements.

Through the agreements described above, the investment decisions and routine management decisions such as the payment of standard running costs are delegated to Octopus

Whistleblowing

The Board has considered the arrangements implemented by Octopus in accordance with The UK Corporate Governance Code's recommendations, to encourage staff of the Portfolio Manager or the Company Secretary to raise concerns, in confidence, within their organisation about possible improprieties in matters of financial reporting or other matters. It is satisfied that adequate arrangements are in place to allow an independent investigation, and follow on action where necessary, to take place within the organisation.

Bribery Act

Octopus has an Anti-Bribery Policy which introduced robust procedures to ensure full compliance with the Bribery Act 2010 and to ensure that the highest standards of professional ethical conduct are maintained. All employees and those working for, or on behalf of, the firm are aware of their legal obligations when conducting company business.

VCT Regulation

Compliance with required rules and regulations is considered when all investment decisions are made. The Company is further monitored on a continual basis to ensure compliance. The main criteria to which it must adhere are detailed on page 71.

The Company will continue to ensure its compliance with the qualification requirements.

Environment Policy and Greenhouse Gas Emissions

The Company recognises the need to conduct its business, including investment decisions, in a manner that is responsible to the environment wherever possible.

The Company does not produce any reportable emissions as the fund management is outsourced to Octopus, with no physical assets or property held by the Company. As Titan has no employees or operations, it is not responsible for any direct emissions.

The Company is a low carbon user, using less than 40,000 kWh of energy in the reporting year, and is therefore out of scope of the detailed requirements under the Streamlined Energy and Carbon Reporting (SECR) regulations.

Share Capital

Titan's ordinary share capital as at 31 December 2020 comprised 1,075,024,098 (2019: 951,607,197) Ordinary shares of 10p each. No shares were held in Treasury.

Share Issues and Open Offers

During the period 71,024,355 shares were issued under the offer launched on 21 October 2020 to raise up to £80 million in aggregate with an overallotment facility of £40 million.

On 21 October 2020 an offer for subscription to raise up to £80 million in aggregate with an overallotment facility of £40 million was launched. As at 23 April 2021, 123,543,009 shares had been issued for a total consideration of £121 million. This offer is now closed.

Share Buybacks

During the twelve month period, the Company purchased 23,027,750 shares, with a nominal value of £2,302,775 for cancellation at a weighted average price of 86.8p per share for a total consideration of £20.0 million, which represents 2.4% of the shares in issue at the prior year end (2019: 20,178,694 shares, with a nominal value of £2,017,869 for cancellation at a weighted average price of 87.2p per share for a total consideration of £17.6 million). These were repurchased in accordance with the Company's share buyback facility in order to assist the marketability of the shares and to prevent the shares trading at a wide discount to the NAV.

Post Balance Sheet Events

A full list of post balance sheet events since 31 December 2020 can be found in Note 17 of the financial statements on page 68.

Rights Attaching to the Shares and Restrictions on Voting and Transfer

Subject to any suspension or abrogation of rights pursuant to relevant law or Titan's Articles of Association, the shares confer on their holders the following principal rights:

(a) the right to receive out of profits available for distribution such dividends as may be agreed to be paid (in the case of a final dividend in an amount not exceeding the amount recommended by the Board as approved by shareholders in a general meeting or in the case of an interim dividend in an amount determined by the Board). All dividends unclaimed for a period of 12 years after having become due for payment are forfeited automatically and cease to remain owing by Titan;

(b) the right, on a return of assets on a liquidation, reduction of capital or otherwise, to share in the surplus assets of Titan remaining after payment of its liabilities pari passu with the other holders of Ordinary shares; and

(c) the right to receive notice of and to attend and speak and vote in person or by proxy at any general meeting of Titan. On a show of hands, every member present or represented and voting has one vote, and on a poll, every member present or represented and voting has one vote for every share of which that member is the holder. The appointment of a proxy must be received not less than 48 hours before the time of the holding of the relevant meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the relevant meeting or adjourned meeting, be received after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll.

These rights can be suspended. If a member, or any other person appearing to be interested in shares held by that member, has failed to comply within the time limits specified in the Company's Articles of Association with a notice pursuant to s793 of the Companies Act 2006 (notice by the Company requiring information about interests in its shares), the Company can, until the default ceases, suspend the right to attend and speak and vote at a general meeting. If the shares represent at least 0.25% of their class the Company can also withhold any dividend or other money payable in respect of the shares (without any obligation to pay interest) and refuse to accept certain transfers of the relevant shares. Shareholders, either alone or with other shareholders, have other rights as set out in the Company's Articles of Association and in company law (principally the Companies Act 2006).

A member may choose whether his shares are evidenced by share certificates (certificated shares) or held in electronic (uncertificated) form in CREST (the UK electronic settlement system). Any member may transfer all or any of his shares, subject in the case of certificated shares to the rules set out in the Company's Articles of Association or in the case of uncertificated shares to the regulations governing the operation of CREST (which allow the Directors to refuse to register a transfer as therein set out); the transferor remains the holder of the shares until the name of the transferee is entered in the register of members. The Directors may refuse to register a transfer of certificated shares in favour of more than four persons jointly or where there is no adequate evidence of ownership or the transfer is not duly stamped (if so required). The Directors may also refuse to register a share transfer if it is in respect of a certificated share which is not fully paid up or on which the Company has a lien provided that, where the share transfer is in respect of any share admitted to the Official List maintained by the UK Listing Authority, any such discretion may not be exercised so as to prevent dealings taking place on an open and proper basis, or if in the opinion of the Directors (and with the concurrence of the UK Listing Authority) exceptional circumstances so warrant, provided that the exercise of such power will not disturb the market in those shares. Whilst there are no squeeze-out and sell out rules relating to the shares in the Company's Articles of Association, shareholders are subject to the compulsory acquisition provisions in s974 to s991 of the Companies Act 2006.

Directors' Authority to Allot Shares, to disapply Pre-emption Rights

The authority proposed under Resolution 7 is required so that the Directors may offer existing shareholders the opportunity to add to their investment or to offer potential shareholders an opportunity to invest in the Company in a tax-efficient manner without it having to incur substantial costs. Any consequent modest increase in the size of the Company will, in the opinion of the Directors, be in the interests of shareholders generally. Any issue proceeds will be available for investment in line with the Company's investment policy and may be used, in part, to purchase Ordinary shares in the market.

Resolution 7 renews the Directors' authority to allot Ordinary shares. Such authority would expire at the later of the conclusion of the next AGM following the passing of this Resolution and the expiry of 15 months from the passing of the Resolution, giving the Directors authority to allot up to 20% of the Company's issued share capital as at the date of the notice of AGM. This authority is in addition to existing authorities.

Resolution 8 renews and extends the Directors' authority to allot equity securities for cash without pre-emption rights applying in certain circumstances. This Resolution would authorise the Directors, until at the conclusion of the next AGM of the Company following the passing of this Resolution or, if later, on the expiry of 15 months from the passing of this Resolution, to issue Ordinary shares for cash without pre-emption rights applying by way of an offer to existing shareholders. This power will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders, as a whole. This authority is in addition to existing authorities.

Directors' Authority to Make Market Purchase of its Own Shares

The authority proposed under Resolution 9 is required so that the Directors may make purchases of up to 168,034,116 Ordinary shares, representing approximately 14.99% of the Company's issued share capital as at the date of the notice of AGM. Any shares bought back under this authority will be at a price determined by the Board, (subject to a minimum price of 10p (being the nominal value of such shares) and a maximum price of 5% above the average mid-market quotation for such shares on the London Stock Exchange and the applicable regulations thereunder) and may be cancelled or held in Treasury as may be determined by the Board. The authority conferred by Resolution 9 will expire on the later of the conclusion of the next AGM of the Company following the passing of this Resolution and 18 months from the date of the passing of the Resolution unless renewed, varied or revoked by the Company in a general meeting and will be in addition to existing authorities. This power will be exercised only if, in the opinion of the Directors, a repurchase would be in the best interests of shareholders as a whole.

Cancellation of Share Premium Account

The Board considers it appropriate to obtain shareholders' approval for the cancellation of the amount standing to the share premium account of the Company to create (subject to Court approval) a pool of distributable reserves. A Special Resolution to this effect is being proposed at Resolution 10.

Amendment to the Company's Articles of Association

In light of the Coronavirus pandemic, the Board considers it appropriate to obtain Shareholders' approval for an amendment to the Company's articles of association to allow a meeting of the Company to take place, if necessary, at more than one location and by electronic means.

The Board also considers it appropriate to obtain Shareholders' approval for an increase to the maximum aggregate remuneration that is permitted to be paid to the Directors under the articles of association from £150,000 to £200,000. The amendment is being proposed to allow the Company to increase the number of the Directors to allow for the appointment of Gaenor Bagley. Octopus has agreed to pay for the remuneration of Matt Cooper, the non-independent Director.

Substantial Shareholdings

As at the date of this report, no disclosures of major shareholdings had been made to the Company under Disclosure and Transparency Rule 5 (Vote Holder and Issuer Notification Rules).

Independent Auditor

BDO LLP were originally appointed as Auditor on 15 March 2018 and offer themselves for re-appointment as auditor. A Resolution to re-appoint BDO LLP will be proposed at the forthcoming AGM.

As far as the Directors are aware, there is no relevant audit information of which the auditor is unaware and the Directors have taken all the steps they ought to have taken as a Director in order to make them aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Information given in the strategic report

Information on dividends and likely future development has not been given in the Directors' Report as equivalent disclosure has been given in the Strategic Report.

Corporate Governance Report

The Board of Directors has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (AIC Code).

The AIC Code, addresses the principles and provisions set out in The UK Corporate Governance Code (the UK Code), as well as setting out additional provisions on issues that are of specific relevance to the Company. The Board considers that reporting against principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to shareholders.

The Company is committed to maintaining high standards in Corporate Governance. The Directors consider that the Company has, throughout the period under review, complied with the provisions set out in The UK Code with the exceptions set out in the Compliance Statement on page 37.

The Company has complied with the principles and provisions of the AIC Code.

The AIC Code is available on the AIC website (**www.theaic.co.uk**). It includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Board of Directors

The Company has a Board of six Non-Executive Directors, five of whom are considered to be independent. Mr Cooper is not considered to be independent due to his role as Chairman of Octopus Capital Ltd. The Board meets regularly on a quarterly basis, and on other occasions as required, to review the investment performance and monitor compliance with the investment policy laid down by the Board as set out in the Strategic Report on page 18.

Subject to the provisions of the Companies Act 2006, the Articles of Association of the Company and any directions given by shareholders by Special Resolution, the Articles of Association specify that the business of the Company is to be managed by the Directors, who may exercise all the powers of the Company, whether relating to the management of the business or not. In particular, the Directors may exercise on behalf of the Company its powers to purchase its own shares to the extent permitted by shareholders. Authority was given at the Company's 2020 AGM to make market purchases of up to 5% of the issued ordinary share capital at any time up to the 2021 AGM and otherwise on the terms set out in the relevant resolution, and renewed authority is being sought at the 2021 AGM as set out in the notice of meeting.

The Board has a formal schedule of matters specifically reserved for its decision which include:

- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy;
- approval of the appropriate dividend to be paid to the shareholders;
- approval of the annual report and the unaudited half yearly report;
- the appointments to and resignations from the Board, including the planning for succession;
- the appointment, evaluation, removal and remuneration of Octopus;
- the performance of the Company, including monitoring of the discount of the NAV to the share price; and
- monitoring shareholder profiles and considering shareholder communications.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda, and has no involvement in the day-to-day business of the Company. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that they communicate effectively with shareholders.

The Company Secretary is responsible for advising the Board, through the Chairman, on all governance matters. All of the Directors have access to the advice and services of the Company Secretary, who has administrative responsibility for the meetings of the Board and its committees. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties. The Board does not consider it necessary for the size of the Board or the Company to identify a member of the Board as the senior Non-Executive Director.

The Company's Articles of Association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

During the period the following meetings were held:

	Full Board meetings held	No. of meetings attended	Audit Committee meetings held	Audit Committee meetings attended
John Hustler	6	6	3	3
Matt Cooper	6	6	3	n/a
Mark Hawkesworth	6	6	3	3
Jane O'Riordan	6	6	3	3
Tom Leader	6	6	3	2
Anthony Rockley	n/a	n/a	n/a	n/a

Additional meetings were held as required to address specific issues including considering investment recommendations from Octopus, allotments and purchases of its own shares.

The Company's Articles of Association require that one third of Directors should retire by rotation each year and seek re-election at the AGM, and that Directors appointed by the Board should seek re-appointment at the next AGM. All Directors are required to submit themselves for re-election at least every three years with the exception of Mr Cooper who is not considered to be independent as he is the Chairman of Octopus Capital Ltd., the Company's Portfolio Manager, and therefore is required to stand for re-election each year.

This practice was followed during the year under review.

	Date of Original Appointment	Date of last election/Re-election	Due date for Re-election
John Hustler	29/10/2007	AGM 2020	AGM 2023
Matt Cooper	29/10/2007	AGM 2020	AGM 2021
Mark Hawkesworth	27/11/2014	AGM 2020	–
Jane O'Riordan	27/11/2014	AGM 2018	AGM 2021
Tom Leader	08/08/2018	AGM 2019	AGM 2022
Anthony Rockley	08/04/2021	–	AGM 2021

Performance Evaluation

In accordance with The UK Corporate Governance Code, each year a formal performance evaluation is undertaken of the Board as a whole, its Committees and the directors in the form of one-to-one meetings between the Chairman and each director. The directors were made aware of the annual performance evaluation on their appointment. The Chairman provides a summary of the findings to the Board, which are discussed at the next meeting and an action plan agreed. There were no issues requiring action in the period. The performance of the Chairman was evaluated by the other Directors.

The Board also conducts an evaluation of Octopus, as the Portfolio Manager, and feedback of the results of the evaluation is provided to Octopus.

Appointment and Replacement of Directors

A person may be appointed as a Director of the Company by the shareholders in a general meeting by Ordinary Resolution (requiring a simple majority of the persons voting on the relevant resolution) or by the Directors. No person, other than a Director retiring by rotation or otherwise, shall be appointed or reappointed a Director at any general meeting unless they are recommended by the Directors or, not less than seven nor more than 42 clear days before the date appointed for the meeting, notice is given to the Company of the intention to propose that person for appointment or re-appointment in the form and manner set out in the Company's Articles of Association. Each Director who is appointed by the Directors (and who has not been elected as a Director by the members at a general meeting held in the interval since his appointment as a Director) is to be subject to election as a Director of the Company by the members at the first AGM following his or her appointment. At each AGM one third of the Directors for the time being, or if their number is not three or an integral multiple of three the number nearest to but not exceeding one-third, are to be subject to re-election. The Companies Act 2006 allows shareholders in a general meeting by Ordinary Resolution (requiring a simple majority of the persons voting on the relevant resolution) to remove any Director before the expiration of his or her period of office, but without prejudice to any claim for damages which the Director may have for breach of any contract of service between him or her and the Company. A person also ceases to be a Director if he or she resigns in writing, ceases to be a Director by virtue of any provision of the Companies Act, becomes prohibited by law from being a Director, becomes bankrupt or is the subject of a relevant insolvency procedure, or becomes of unsound mind, or if the Board so decides following at least six months' absence without leave or if he or she becomes subject to relevant procedures under the mental health laws, as set out in the Company's Articles of Association.

The Board does not have a policy of limiting the tenure of any Director, including the Chairman, as the Board does not consider that a Director's length of service reduces his or her ability to act independently of the Portfolio Manager.

Board Committees

It should be noted that there is no formal Management Engagement Committee as matters of this nature are dealt with by the independent Non-Executive Directors. The Board does not have a separate Remuneration Committee as the Company has no employees or executive Directors. Detailed information relating to the remuneration of Directors is given in the Directors' Remuneration Report on pages 40 to 42.

The Board has appointed two committees to make recommendations to the Board in specific areas:

Audit Committee:
Mark Hawkesworth (Chairman)*
John Hustler
Jane O'Riordan
Tom Leader
Anthony Rockley

*Tom Leader has agreed to assume the Chair of the Audit Committee following the retirement of Mark Hawkesworth.

The Audit Committee consists of four independent Directors. The Audit Committee believes that Tom Leader possesses appropriate and relevant financial experience as per the requirements of The UK Corporate Governance Code. The Board considers that the members of the Committee are independent and have collectively the skills and experience required to discharge their duties effectively. The Audit Committee Report is given on pages 38 and 39.

Nomination Committee:
John Hustler (Chairman)
Matt Cooper
Mark Hawkesworth
Jane O'Riordan
Tom Leader
Anthony Rockley

The Nomination Committee considers the selection and appointment of Directors considering the composition and selection of the Board, appointing members on merit, measured against objective criteria with due regard for the benefits of gender and diversity. It also makes recommendations to the Board as to the level of Directors' fees if appropriate.

Internal Controls

The Directors have overall responsibility for keeping under review the effectiveness of the Company's systems of risk management and internal controls. The purpose of these controls is to ensure that proper accounting records are maintained, the Company's assets are safeguarded and the financial information used within the business and for publication is accurate and reliable; such a system can only provide reasonable and not absolute assurance against material misstatement or loss. The systems of risk management and internal control are designed to manage rather than eliminate the risk of failure to achieve the business objectives. The Board regularly reviews financial results and investment performance with Octopus.

Octopus identifies the investment opportunities, monitors the portfolio of investments and manages the assets of the Company on a discretionary basis.

Octopus is engaged to carry out the accounting function and retains physical custody of the documents of title relating to unquoted investments. Octopus regularly reconciles the client asset register with the physical documents.

The Directors confirm that they have established a continuing process throughout the year and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company and have reviewed the effectiveness of the risk management and internal control systems. As part of this process an annual review of the risk management and internal control systems is carried out in accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Board does not consider it appropriate to have an internal audit function due to the nature of the Company's transactions as this would not be an appropriate control for a VCT.

The risk management and internal control systems include the production and review of monthly bank reconciliations and management accounts. All outflows made from the Company's accounts require the authority of two approved signatories from Octopus. The Company is subject to a full annual audit whereby the auditor is the same auditor as for some of the other VCTs managed by Octopus. Further to this, the Audit Partner has open access to the Company's Directors and Octopus is subject to regular review by the Octopus Compliance Department.

Financial Risk Management

The Company is exposed to the risks arising from its operational and investment activities. Further details can be found in Note 16 of the financial statements.

Relations with Shareholders

Shareholders have the opportunity to virtually meet the Board and representatives of the Portfolio Manager at the shareholder event scheduled for 26 May 2021 and at any General Meetings held during the year. At the shareholder event, the Board will be available to answer any questions a shareholder may have for the Board and the Portfolio Manager on any matters relating to the operation and performance of the Company. The proxy figures will be published on the Octopus website and the London Stock Exchange following the AGM.

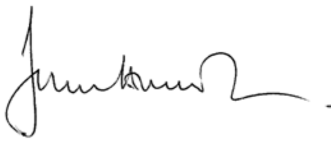
The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at 33 Holborn, London, EC1N 2HT. Alternatively, the team at Octopus will be pleased to answer any questions you may have and can be contacted on **0800 316 2295**.

Compliance Statement

The Listing Rules require the Board to report on compliance throughout the accounting period with all relevant provisions set out in The UK Corporate Governance Code. The preamble to The UK Corporate Governance Code does, however, acknowledge that some provisions may have less relevance for investment companies adding that the AIC Code and AIC Guide can assist in meeting the obligations under The UK Corporate Governance Code. With the exception of the limited items outlined below, the Company has complied throughout the accounting period to 31 December 2020 with the provisions set out in The UK Corporate Governance Code. The section references to The UK Corporate Governance Code are shown in brackets.

1. The Company does not have a Chief Executive Officer or a senior independent Director. The Board does not consider this necessary as it does not have any executive directors. [2.9 and 2.12]
2. The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for a VCT. [4.26]
3. The Company does not have a Remuneration Committee as it does not have any executive directors. The whole Board deals with any matters of this nature. [5.32 – 5.41]
4. The Company has no major shareholders therefore shareholders are not given the opportunity to meet any Non-Executive Directors at a specific meeting other than at the Annual or General Meetings. [1.3]

By order of the Board



John Hustler
Chairman
23 April 2021

Audit Committee Report

This report is submitted in accordance with The UK Corporate Governance Code in respect of the year ended 31 December 2020 and describes the work of the Audit Committee in discharging its responsibilities.

The Committee's key objective is the provision of effective governance of the appropriateness of the Company's financial reporting, the performance of the auditor and the management of the internal control and business risks systems. The Directors forming the Audit Committee can be found on page 36.

The Audit Committee's terms of reference include the following responsibilities:

- reviewing and making recommendations to the Board in relation to the Company's published financial statements and other formal announcements relating to the Company's financial performance;
- advising the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable;
- advising the Board on whether the Annual Report and Accounts provides necessary information for shareholders to assess performance, business model and strategy;
- reviewing and making recommendations to the Board in relation to the Company's internal control (including internal financial control) and risk management systems;
- periodically considering the need for an internal audit function;
- making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional regulatory requirements;
- monitoring the extent to which the external auditor is engaged to supply non-audit services; and
- ensuring that Octopus has arrangements in place for the investigation and follow-up of any concerns raised confidentially by staff in relation to the propriety of financial reporting or other matters.

As part of the process of working with the Board to maximise effectiveness, meetings of the Committee usually take place immediately prior to a Board meeting and a report is provided on relevant matters to enable the Board to carry out their duties.

The Committee reviews its terms of reference and its effectiveness periodically and recommends to the Board any changes required as a result of the review. The terms of reference are available on request from the Company Secretary. The Committee meets twice per year and on an ad hoc basis as necessary and has direct access to BDO LLP, the Company's external auditor. When considering whether to recommend the appointment or reappointment of the external auditor the Committee takes into account the tenure of the current auditor in addition to comparing the fees charged by similar sized audit firms.

A review of the audit services was undertaken in 2018. Following a competitive tender process BDO LLP were appointed on 15 March 2018 as the Company's external auditor. The effectiveness of the external audit is assessed as part of the Board evaluation conducted annually and by the quality and content of the Audit Plan and Report provided to the Committee by the Auditor and the resultant discussions on topics raised. The Committee also challenges the Auditor when present at a Committee meeting, if appropriate.

The Company does not have an internal audit function as it is not deemed appropriate given the size of the Company and the nature of its business. However, the Committee considers annually whether there is a need for such a function and if so would recommend this to the Board. Octopus has an internal audit function which reports to the Board periodically on the outcome of the internal audits that have taken place. Any significant issues arising from the Octopus internal audit that affect the Company would be raised to the Committee immediately. Octopus' Compliance Department also reports regularly to the Board.

The Committee monitors the significant risks at each meeting and Octopus engages closely with the Auditor to mitigate the risks and the resultant impact.

During the year ended 31 December 2020, the Audit Committee discharged its responsibilities by:

- reviewing and approving the external auditor's terms of engagement and remuneration;
- reviewing the external auditor's plan for the audit of the Company's financial statements, including identification of key risks and confirmation of auditor independence;
- commissioning an additional review by BDO of valuations as at 30 June 2020;
- reviewing Octopus' statement of internal controls in relation to the Company's business and assessing the effectiveness of those controls in minimising the impact of key risks;
- reviewing periodic reports on the effectiveness of Octopus' regulatory compliance;
- reviewing the appropriateness of the Company's accounting policies;
- reviewing the Company's draft annual financial and interim results statements prior to Board approval;
- reviewing the external auditor's Audit Findings Report to the Committee on the annual financial statements;
- reviewing the Company's going concern as referred to on page 30; and
- reviewing in detail the valuation of the investment portfolio and supporting data.

The Committee has considered the whole Annual Report and Accounts for the year ended 31 December 2020 and has reported to the Board that it considers them to be fair, balanced and understandable, providing the information necessary for shareholders to assess the Company's performance, business model and strategy.

Significant Risks

The Audit Committee is responsible for considering and reporting on any significant risks that arise in relation to the audit of the financial statements. The Committee and the Auditors have identified the most significant risks for the Company as:

- **Valuation of investment portfolio:** The Committee gives special audit consideration to the valuation of investments and supporting data provided by Octopus. The impact of this risk would be a large gain or loss in the Company's results. The valuations are supported by investment company audited accounts and third party evidence which give comfort to the Audit Committee.
- **Management override of financial controls:** The Committee reviews all significant accounting estimates that form part of the financial statements and consider any material judgements applied by management during the completion of the financial statements.
- **Recognition of revenue from investments:** Investment income is the Company's source of revenue. Revenue is recognised when the Company's right to the return is established in accordance with the Statement of Recommended Practice. Octopus confirms to the Audit Committee that the revenues are recognised appropriately.

These issues were discussed with Octopus and the Auditor at the conclusion of the audit of the financial statements.

The Audit Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the financial statements. The Audit Committee can confirm that there were no significant issues to report to the shareholders in respect of the audit of the financial statements to 31 December 2020.

Mark Hawkesworth
Audit Committee Chairman
23 April 2021

Directors' Remuneration Report

Introduction

This report has been prepared in accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, in respect of the twelve month period ended 31 December 2020. The reporting requirements entail two sections be included, a Policy Report and an Annual Remuneration Report, which are presented below.

The Company's auditor, BDO LLP, is required to give its opinion on certain information included in this report; this comprises the Directors' emoluments section and share information below. Their report on these and other matters is set out on pages 44 to 49.

Consideration by the Directors of Matters Relating to Directors' Remuneration

The Board as a whole considers Directors' remuneration and has not appointed a separate committee in this respect. The Board has not sought advice or services from any external person in respect of its consideration of Directors' remuneration during the year although the Directors expect from time to time to review the fees against those paid to the boards of directors of other VCTs. The Directors' remuneration paid during the period is set out on page 41. The Company does not have a Chief Executive Officer, Senior Management or any employees.

Directors' Remuneration Policy Report

The Board consists entirely of Non-Executive Directors, who meet at least four times a year and on other occasions as necessary, to deal with the important aspects of the Company's affairs. Directors are appointed with the expectation that they will serve for at least a period of three years. All Non-Executive Directors retire at the first general meeting after election and thereafter one third of all Directors are subject to retirement by rotation at subsequent AGMs. Re-election will be recommended by the Board but is dependent upon a shareholder vote.

Each Director received a letter of appointment which is subject to termination by the Director or the Company on three months' notice in writing. None of the Directors are entitled to compensation payable upon early termination of their contract other than in respect of any unexpired notice period.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors. They should be sufficient to attract candidates of high calibre to be recruited. The policy is for the Chairman of the Board and the Chairman of the Audit Committee, to be paid higher fees than the other Directors in recognition of their more onerous roles. The policy is to review these rates from time to time. Due to the nature of the Company, there are no employees other than the Directors and therefore no such issues to consider when determining the Directors' remuneration.

The maximum level of Directors' remuneration is currently fixed by the Company's Articles of Association, not to exceed £150,000 in aggregate. The Board is seeking shareholder approval to increase the maximum aggregate remuneration that is permitted to £200,000. This increase is being proposed to allow the Company to increase the number of the Directors to allow for the appointment of Gaenor Bagley.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears. The fees are not specifically related to the Directors' performance, either individually or collectively. There are no long-term incentive schemes, share option schemes or pension schemes in place. The Articles of Association also entitle the Directors to be repaid all reasonable travelling, subsistence and other expenses incurred by them respectively whilst conducting their duties as Directors; however no other remuneration or compensation was paid or payable by the Company during the year to any of the current Directors.

Annual Remuneration Report

This Remuneration Report is subject to approval by a simple majority of shareholders at the AGM in June 2021, as in previous years.

Statement of Voting at the Annual General Meeting

The 2019 Director's Remuneration Report was presented to the AGM in May 2020 and received shareholder approval following a vote on a show of hands. Of the 17,484,710 votes received, those for the resolution totalled 86.6%, 8.7% of votes were at the discretion of the Chairman and 4.8% of the votes cast were against, with 397,084 votes withheld. The proxy forms returned to the Registrars contained no explanation for the votes against the resolution.

Shareholders' views are always welcome and considered by the Board. The methods of contacting the Board are set out in the Directors' Report on page 37.

Company Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Portfolio Manager through the agreements, as referred to in the Directors' Report.

The performance graph on page 19 also shows the performance of the NAV and Total Value of the Company. Further details of the Company's performance are shown in the graph and table on page 7 in the Portfolio Manager's Review.

Directors' Emoluments (Audited)

The amount of each Director's fees for the period were:

	Year ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
John Hustler (Chairman)	**40**	47
Mark Hawkesworth	**35**	41
Jane O'Riordan	**33**	38
Tom Leader	**33**	38
Matt Cooper*	–	–
Total	**141**	164

*Matt Cooper's fees have been paid by Octopus Investments Limited since 1 May 2016.

The Directors do not receive any other form of emoluments in addition to the Directors' fees; their total remuneration is fixed and not linked to the performance of the Company and no bonuses were or will be paid to the Directors.

The Chairman of the Board and the Chairman of the Audit Committee, receive additional remuneration over the basic Directors' fee in recognition of the additional responsibilities and time commitment required of their roles. From 1 August 2018 Directors' fees have been paid at the following rates: Chairman £40,000; Chairman of the Audit Committee £35,000; and all other Directors £32,500. There has been no increase to the Directors' fees in the reporting period.

Dividends paid to directors in the year as a result of their shareholdings in the Company are shown in Note 20 of the financial statements.

	Expected fees for the year to 31 December 2021 £
Chairman	40,000
Chairman of the Audit Committee	35,000
Non-executive Director	32,500

Relative Importance of Spend on Pay

The actual expenditure in the current period is as follows:

	Year to 31 December 2020 £'000	Period to 31 December 2019 £'000
Total dividends paid	**51,318**	45,125
Total buybacks	**19,994**	17,597
Total directors fees	**141**	164
Total expenses	**20,342**	21,271

There were no other significant payments during the twelve month period relevant to understanding the relative importance of spend on pay.

Statement of Directors' Shareholdings (Audited)

There are no guidelines or requirements for Directors to own shares in the Company. The interests of the Directors of the Company during the year (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) in the issued Ordinary shares of 10p each are shown in the table below:

	Year to 31 December 2020	Period to 31 December 2019
John Hustler (Chairman)	**92,695**	92,695
Matt Cooper	**1,693,398**	1,442,202
Mark Hawkesworth	**96,900**	96,900
Jane O'Riordan	**79,387**	77,668
Tom Leader	**14,358**	8,291

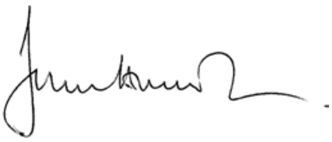
There have been the following changes in the Directors' share interests between 31 December 2020 and the date of this report:

	Shares Purchased
John Hustler	9,763
Matt Cooper	195,276
Jane O'Riordan	9,763

All of the Directors' shares were held beneficially except for Matt Cooper who holds all of his shares in a nominee account and Jane O'Riordan who holds 39,489 Ordinary shares in a nominee account.

Any information required by legislation in relation to executive directors (including a Chief Executive Officer) or employees has been omitted because the Company has neither and therefore it is not relevant.

By Order of the Board



John Hustler
Chairman
23 April 2021

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report and Accounts include information required by the Listing Rules of the Financial Conduct Authority.

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

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

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

In so far as each of the Directors is aware:

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

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

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

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

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

On behalf of the Board

John Hustler
Chairman
23 April 2021

Independent auditor's report to the members of Octopus Titan VCT Plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Octopus Titan VCT plc (the 'Company') for the year ended 31 December 2020 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cashflow Statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We have audited the financial statements of Octopus Titan VCT plc (the 'Company') for the year ended 31 December 2020 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cashflow Statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 15 March 2018 to audit the financial statements for the year ending 31 October 2018 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is three years, covering the periods ended 31 October 2018 to 31 December 2020. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern to ensure they are in line with our expectations based on our understanding of the Company;
- Evaluating management's method of assessing going concern in light of market volatility;
- Calculating financial ratios to ascertain the financial health of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2020	2019
Key audit matters	Valuation of Unquoted Investments	✓	✓
Materiality	£21,000,000 (2019: £17,400,000) based on 2% (2019: 2%) of fixed asset investments, money market funds and corporate bonds		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Valuation of Unquoted investments (Notes 10 and 12 to the financial statements) There is a high level of estimation uncertainty involved in determining the unquoted investment valuations; consisting of both equity and loan stock instruments. 29% of the unquoted portfolio is based on valuations using cost (where the investment was recently acquired) or the price of a recent investment. The remaining 71% of the investment portfolio is valued with reference to more subjective techniques, such as multiple methodologies using revenue or earnings, as described in note 10. The Investment Manager's fee is based on the value of the net assets of the fund, as shown in note 3. As the Investment Manager is responsible for valuing the investments, there is a potential risk of overstatement of investment valuations.	For all investments, we performed the following where relevant: • Checked whether the valuation had been prepared by a suitably qualified individual • Considered whether a valid International Private Equity and Venture Capital Valuation ("IPEV") methodology had been adopted • Verified whether the valuation used up to date trading information For a risk stratified sample of the entire population, we tested 89% of the unquoted investment portfolio as below. **Valuations based on cost** For such investments, we checked the cost to supporting documentation, reviewed the calibration of fair value using an alternative valuation methodology and considered the Investment Manager's determination of whether there were any reasons why the valuation and the valuation methodology was not appropriate at 31 December 2020. **Valuations based on multiples** For such investments we performed the following procedures for all investments within our sample: • Considering whether the valuation methodology is the most appropriate in the circumstances under the IPEV Guidelines • Checked the arithmetic accuracy of the multiples-based investment valuations • Verifying and benchmarking key inputs and estimates to independent information from our own research valuations and against metrics from the most recent investments • Challenging the assumptions inherent to the valuation of unquoted investments and assessing the impact of estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements • Where appropriate, performing sensitivity analysis on the valuation calculations where there is sufficient evidence to suggest reasonable alternative inputs might exist.

	For a sample of loans held at fair value included above, we: • Vouched security held to documentation • Considered the assumption that fair value is not significantly different to cost by challenging the assumption that there is no significant movement in the market interest rate since acquisition and considering the "unit of account" concept • Reviewed the treatment of accrued redemption premium/other fixed returns in line with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") **Key observations:** Based on the procedures performed we consider the methodology and assumptions used by the Investment Manager to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company Financial statements	
	2020	**2019**
Materiality	£21,000,000	£17,400,000
Basis for determining materiality	2% of fixed asset investments, money market funds and corporate bonds	
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of fixed asset investments, money market funds and corporate bonds	
Performance materiality	£15,750,000	£13,050,000
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower Testing Threshold
Revenue return before tax could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. Thus, we have set a lower testing threshold for those items impacting revenue return before tax of £3,900,000 (2019: £3,820,000) which is based on 10% (2019: 10%) of gross expenditure.

Reporting Threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £370,000 (2019: £190,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties; and • The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems ; and • The section describing the work of the audit committee

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the SORP issued in November 2014 and updated in February 2018 with consequential amendments and FRS 102. We also considered the Company's qualification as a VCT under UK tax legislation.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management; and
- review of minutes of board meetings throughout the period.

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our audit work focussed on the valuation of unquoted investments, where the risk of material misstatement due to fraud is the greatest (refer to the Key Audit Matter section). We also:

- Obtained independent evidence to support the ownership of investments;
- Recalculated investment management fees in total; and
- Obtained independent confirmation of bank balances.

In addressing the risk of management override of internal controls we tested journals and evaluated whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
23 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

		Year to 31 December 2020			Period to 31 December 2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on disposal of fixed asset investments	10	**–**	**3,783**	**3,783**	–	15,626	15,626
Losses on disposal of current asset investments		**–**	**–**	**–**	–	(368)	(368)
Fixed asset investments holding gains	10	**–**	**104,930**	**104,930**	–	88,302	88,302
Current asset investments holding gains		**–**	**4,352**	**4,352**	–	1,006	1,006
Investment income	2	**843**	**–**	**843**	1,535	–	1,535
Investment management fees	3	**(764)**	**(14,508)**	**(15,272)**	(784)	(14,890)	(15,674)
Performance fee	3	**–**	**(18,402)**	**(18,402)**	–	(16,965)	(16,965)
Other expenses	4	**(5,070)**	**–**	**(5,070)**	(6,058)	–	(6,058)
Foreign exchange translation		**–**	**159**	**159**	–	(124)	(124)
(Loss)/profit before tax		**(4,991)**	**80,314**	**75,323**	(5,307)	72,587	67,280
Tax	6	**–**	**–**	**–**	–	–	–
(Loss)/profit after tax		**(4,991)**	**80,314**	**75,323**	(5,307)	72,587	67,280
(Loss)/earnings per share – basic and diluted	8	**(0.5)p**	**8.3p**	**7.8p**	(0.6)p	8.6p	8.0p

- 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.

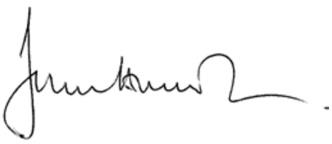
Balance Sheet

		As at 31 December 2020		As at 31 December 2019	
	Notes	**£'000**	**£'000**	£'000	£'000
Fixed asset investments	10		**820,699**		640,109
Current assets:					
Money market funds	12	**137,170**		149,210	
Corporate bonds	12	**89,882**		80,325	
Applications cash*		**3,613**		5,565	
Cash at bank		**9,348**		52,763	
Debtors	11	**6,178**		2,985	
			246,191		290,848
Current liabilities	13	**(23,655)**		(25,117)	
Net current assets			**222,536**		265,731
Net assets			**1,043,235**		905,840
Share capital	14		**107,502**		95,161
Share premium			**564,308**		559,972
Capital redemption reserve			**6,377**		4,074
Special distributable reserve			**150,007**		106,915
Capital reserve realised			**(66,167)**		(45,705)
Capital reserve unrealised			**309,706**		209,089
Revenue reserve			**(28,498)**		(23,666)
Total equity shareholders' funds			**1,043,235**		905,840
NAV per share	9		**97.0p**		95.2p

*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 23 April 2021 and are signed on their behalf by:



John Hustler
Chairman

Company No: 6397765

Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Revenue reserve* £'000	Total £'000
As at 01 November 2018	**65,467**	**299,804**	**2,056**	**169,637**	**11,245**	**79,428**	**(18,235)**	**609,402**
Comprehensive income for the period:								
Management fees allocated as capital expenditure	–	–	–	–	(14,890)	–	–	(14,890)
Current year gain on disposal of fixed asset investments	–	–	–	–	15,626	–	–	15,626
Current year losses on disposal of current asset investments	–	–	–	–	(368)	–	–	(368)
Gains on fair value of fixed asset investments	–	–	–	–	–	88,302	–	88,302
Gains on fair value of current asset investments	–	–	–	–	–	1,006	–	1,006
Loss after tax	–	–	–	–	–	–	(5,307)	(5,307)
Performance fee	–	–	–	–	(16,965)	–	–	(16,965)
Total comprehensive income for the year	–	–	–	–	(16,597)	89,308	(5,307)	67,404
Contributions by and distributions to owners:								
Share issue (includes DRIS)	31,712	270,113	–	–	–	–	–	301,825
Share issue costs	–	(9,945)	–	–	–	–	–	(9,945)
Repurchase of own shares	(2,018)	–	2,018	(17,597)	–	–	–	(17,597)
Dividends paid (includes DRIS)	–	–	–	(45,125)	–	–	–	(45,125)
Total contributions by and distributions to owners	29,694	260,168	2,018	(62,722)	–	–	–	229,158
Other movements:								
Prior year fixed asset losses now realised	–	–	–	–	(38,010)	38,010	–	–
Prior year current asset losses now realised	–	–	–	–	(2,343)	2,343	–	–
Foreign exchange translation	–	–	–	–	–	–	(124)	(124)
Total other movements	–	–	–	–	(40,353)	40,353	(124)	(124)
Balance as at 31 December 2019	**95,161**	**559,972**	**4,074**	**106,915**	**(45,705)**	**209,089**	**(23,666)**	**905,840**

*Reserves are available for distribution, subject to the restrictions tabled in Note 15 of the financial statements.

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

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special distributable reserve* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Revenue reserve* £'000	Total £'000
As at 01 January 2020	**95,161**	**559,972**	**4,074**	**106,915**	**(45,705)**	**209,089**	**(23,666)**	**905,840**
Comprehensive income for the year:								
Management fees allocated as capital expenditure	–	–	–	–	(14,508)	–	–	(14,508)
Current year gain on disposal of fixed asset investments	–	–	–	–	3,783	–	–	3,783
Current year losses on disposal of current asset investments	–	–	–	–	–	–	–	–
Gains on fair value of fixed asset investments	–	–	–	–	–	104,930	–	104,930
Gains on fair value of current asset investments	–	–	–	–	–	4,352	–	4,352
Loss after tax	–	–	–	–	–	–	(4,991)	(4,991)
Performance fee	–	–	–	–	(18,402)	–	–	(18,402)
Total comprehensive income for the year	–	–	–	–	(29,127)	109,282	(4,991)	75,164
Contributions by and distributions to owners:								
Share issue (includes DRIS)	14,644	122,292	–	–	–	–	–	136,936
Share issue costs	–	(3,552)	–	–	–	–	–	(3,552)
Repurchase of own shares	(2,303)	–	2,303	(19,994)	–	–	–	(19,994)
Dividends paid (includes DRIS)	–	–	–	(51,318)	–	–	–	(51,318)
Total contributions by and distributions to owners	12,341	118,740	2,303	(71,312)	–	–	–	62,072
Other movements:								
Share premium cancellation	–	(114,404)	–	114,404	–	–	–	–
Transfer between reserves	–	–	–	–	6,402	(6,402)	–	–
Prior year fixed asset gains now realised	–	–	–	–	2,263	(2,263)	–	–
Prior year current asset losses now realised	–	–	–	–	–	–	–	–
Foreign exchange translation	–	–	–	–	–	–	159	159
Total other movements	–	(114,404)	–	114,404	8,665	(8,665)	159	159
Balance as at 31 December 2020	**107,502**	**564,308**	**6,377**	**150,007**	**(66,167)**	**309,706**	**(28,498)**	**1,043,235**

*Reserves are available for distribution, subject to the restrictions tabled in Note 15 of the financial statements.

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

Cash Flow Statement

	Notes	Year to 31 December 2020 £'000	Period to 31 December 2019 £'000
Reconciliation of profit to cash flows from operating activities			
Profit before tax		**75,323**	67,280
Increase in debtors		**(3,193)**	(135)
Increase in creditors		**490**	14,737
Losses on disposal of current assets		**–**	368
Gains on valuation of current assets		**(4,352)**	(1,006)
Gains on disposal of fixed asset investments		**(3,783)**	(15,626)
Gains on valuation of fixed asset investments		**(104,930)**	(88,302)
Outflow from operating activities		**(40,445)**	(22,684)
Cash flows from investing activities			
Purchase of current asset investments		**(5,205)**	(79,319)
Sale of current asset investments		**–**	61,213
Purchase of fixed asset investments	10	**(95,792)**	(127,618)
Sale of fixed asset investments	10	**23,915**	26,334
Outflow from investing activities		**(77,082)**	(119,390)
Cash flows from financing activities			
Movement in applications account	13	**(1,952)**	(52,114)
Dividends paid (net of DRIS)		**(46,037)**	(33,187)
Purchase of own shares	14	**(19,994)**	(17,597)
Share issues		**131,655**	289,887
Share issue costs		**(3,552)**	(9,945)
Inflow from financing activities		**60,120**	177,044
Increase in cash and cash equivalents		**(57,407)**	34,970
Opening cash and cash equivalents		**207,538**	172,568
Closing cash and cash equivalents		**150,131**	207,538
Cash and cash equivalents comprise			
Cash at bank		**9,348**	52,763
Applications cash		**3,613**	5,565
Money market funds		**137,170**	149,210
Closing cash and cash equivalents		**150,131**	207,538

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

Notes to the Financial Statements

1. Principal Accounting Policies

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

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

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

The financial statements are presented in Sterling (£) to the nearest £'000. The functional currency is also Sterling (£).

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice ("GAAP"), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (October 2019)'.

The principal accounting policies have remained unchanged from those set out in Titan's 2019 Annual Report and Accounts. A summary of the principal accounting policies is set out in the notes.

Titan presents its income statement in a tri-columnar format to give shareholders additional detail of the performance of Titan, split between items of a revenue or capital nature.

The preparation of the financial statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and assumptions mainly relate to the fair valuation of the fixed asset investments particularly unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions are under continuous review with particular attention paid to the carrying value of the investments.

Capital valuation policies are those that are most important to the manifestation of Titan's financial position and that require the application of subjective and complex judgements, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. The critical accounting policies that are declared will not necessarily result in material changes to the financial statements in any given period but rather contain a potential for material change. The main accounting and valuation policies used by Titan are disclosed in the notes below. Whilst not all of the significant accounting policies require subjective or complex judgements, Titan considers that the following accounting policies should be considered critical.

Titan has designated all fixed asset investments as being held at fair value through profit or loss; therefore all gains and losses arising from investments held are taken to the income statement in the period in which they occur. Accordingly, all interest income, fee income, expenses and investment gains and losses are attributable to assets designated as being at fair value through profit or loss. Corporate bonds (part of current asset investments) are held at fair value through profit or loss.

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Quoted investments are valued in accordance with the bid-price on the relevant date, unquoted investments are valued in accordance with current IPEV valuation guidelines, although this does rely on subjective estimates such as appropriate sector earnings multiples, forecast results of investee companies, asset values of subsidiary companies and liquidity or marketability of the investments held.

Although Titan believes that the assumptions concerning the business environment and estimates of future cash flows are appropriate, changes in estimates and assumptions could require changes in the stated values. This could lead to additional changes in fair value in the future.

As announced on 12 July 2019, the Company's accounting reference date was changed from 31 October to 31 December to better align with the Company's fundraise schedule.

Revenue and capital
The revenue column of the income statement includes all income and revenue expenses of Titan. The capital column includes gains and losses on the disposal of investments and gains and losses arising from changes in the fair value of investments at the period end.

Cash and cash equivalents
Cash, for the purposes of the cash flow statement, comprises cash at bank and money market funds. Cash equivalents are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. This comprises investments in money market funds.

Financing strategy and capital structure
Capital management is monitored and controlled by forecasting income and expenditure over both the short and medium terms to enable investments to be made at the same time as controlling short-term liquidity. The investments being managed include equity and fixed-interest investments, and short-term liquidity comprises cash and cash equivalents including debtors and creditors.

We define capital as shareholders' funds and our financial strategy in the medium term is to manage a level of cash that balances the risks of the business with optimising the return on equity. Titan currently has no borrowings nor does it anticipate that it will have any borrowing facilities in the future to fund the acquisition of investments.

Titan does not have any externally imposed capital requirements.

The value of the managed capital is indicated in Note 15. The Board considers the distributable reserves and the total return for the period when recommending a dividend. In addition, the Board is authorised to make market purchases up to a maximum of 14.99% of the issued Ordinary share capital of Titan in accordance with Special Resolution 9 in order to maintain sufficient liquidity in the VCT.

Financial instruments
Titan's principal financial assets are its investments and the policies in relation to those assets are set out in Note 10. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Judgments in applying accounting policies and key sources of estimation uncertainty
This is addressed in Note 10.

Reserves
Share capital – represents the nominal value of shares that have been issued.

Share premium – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Special distributable reserve – includes realised profits and cancelled share premium available for distribution.

Capital redemption reserve – represents the nominal value of shares bought back from shareholders and cancelled.

Capital reserve realised – arises when an investment is sold any balance held on the Capital reserve unrealised is transferred to the Capital reserve realised, as a movement in reserves.

Capital reserve unrealised – arises when Titan re-values the investments still held during the period, any gains or losses arising are credited/charged to the Capital reserve unrealised.

Revenue reserve – revenue profits and losses are credited and charged to this account.

Translation reserve – gains or losses arise when assets other than portfolio assets, and not denominated in sterling, are revalued to the year-end sterling exchange rate.

Subsidiaries
Zenith Holding Company is a subsidiary of Titan, but owing to the exemption permitted under FRS 102 to not have to consolidate investment companies held as part of an investment portfolio (Section 9 of FRS 102, paragraphs 9.9(b) and 9.9B), Titan has not consolidated the assets and liabilities of Zenith Holding Company. Details of the country of incorporation and latest financial information can be found in the Portfolio Manager's Review.

2. Investment income

Accounting Policy

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

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

Disclosure

	Year to 31 December 2020 £'000	Period to 31 December 2019 £'000
Money market funds	**476**	1,153
Loan note interest receivable	**367**	382
Total income	**843**	1,535

3. Investment Management Fees

Accounting Policy

For the purposes of the revenue and capital columns in the income statement, the management fee has been allocated 5% to revenue and 95% to capital, in line with the Board's expected long-term return in the form of income and capital gains respectively from Titan's investment portfolio.

Disclosure

	Year to 31 December 2020			Period to 31 December 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**764**	**14,508**	**15,272**	784	14,890	15,674
Performance fee	**–**	**18,402**	**18,402**	–	16,965	16,965
Total	**764**	**32,910**	**33,674**	784	31,855	32,639

The performance fee has been wholly attributed to capital. For more details please refer to Note 19.

The Portfolio Manager provides investment management services through agreements with Octopus AIF Management Limited and the Company. It also provides accounting and administration services to Titan under an administration agreement. No compensation is payable in the event of terminating the agreement by either party, if the required notice period is given. The fee payable, should insufficient notice be given, will be equal to the fee that would have been paid should continuous service be provided, or the required notice period was given. The basis upon which the management fee is calculated is disclosed within Note 19 of the financial statements.

4. Other Expenses

Accounting Policy

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

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

	Year to 31 December 2020 £'000	Period to 31 December 2019 £'000
Accounting and administration services	**1,674**	1,943
Ongoing advisor charges and trail commission	**2,210**	2,148
Impairment of accrued loan note interest receivable	**–**	461
Listing fees	**94**	436
Depositary fees	**240**	245
Registrar's fees	**120**	193
Directors' remuneration*	**155**	181
Audit fees	**85**	45
Other fees	**492**	406
Total	**5,070**	6,058

*Includes employers' NI.

Total ongoing charges are capped at 2.5% of net assets. For the year to 31 December 2020 the ongoing charges were 1.9% of net assets (2019: 2.4%). This is calculated by summing the expenses incurred in the period (excluding ongoing IFA charges and non-recurring expenses) divided by the average NAV throughout the period.

5. Directors' Remuneration

Total Directors' fees paid during the period were £141,000 (2019: £164,000). Employers' National Insurance contributions paid during the period were £14,000 (2019: £17,000). The highest paid director received £40,000 (2019: £47,000). None of the Directors received any other remuneration or benefit from the Company during the period. The Company has no employees other than non-executive Directors. The average number of non-executive Directors in the period was five (2019: five).

6. Tax on Ordinary Activities

Accounting Policy

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

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

Disclosure

The corporation tax charge for the period was £nil (2019 £nil).

	Year to 31 December 2020 £'000	Period to 31 December 2019 £'000
Profit on ordinary activities before tax	**75,323**	67,280
Current tax at 19% (2019: 19%)	**14,312**	12,783
Effects of:		
Non taxable income	**(16)**	(19)
Non taxable capital gains	**(21,483)**	(19,867)
Non deductible expenses	**38**	40
Zenith distribution	**–**	411
Excess management expenses on which deferred tax not recognised	**7,149**	6,625
Total current tax charge	**–**	–

Unrelieved tax losses of £103,062,000 (2019: £70,195,000) are estimated to be carried forward at 31 December 2020 (subject to completion of the Company's tax return) and are available for offset against future taxable income, subject to agreement with HMRC. Titan has not recognised the deferred tax asset of £19,582,000 (2019: £11,933,000) in respect of these tax losses because there has been no taxable income.

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

7. Dividends

Accounting Policy

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

Disclosure

	Year to 31 December 2020 £'000	Period to 31 December 2019 £'000
Dividends paid in the year		
Previous year's final dividend	**30,494**	26,609
Current period's interim dividend	**20,824**	18,516
	51,318	45,125
Dividends in respect of the year		
Interim dividend paid – 2.0p (2019: 2.0p)	**20,824**	18,516
Second interim dividend – 3.0p (2019: 3.0p)	**33,629**	30,382
	54,453	48,898

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

The second interim dividend of 3.0p for the period ending 31 December 2020 will be paid on 30 April 2021 to shareholders on the register on 16 April 2021.

8. Earnings per Share

	Year to 31 December 2020			Period to 31 December 2019		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
(Loss)/profit attributable to ordinary shareholders (£'000)	**(4,991)**	**80,314**	**75,323**	(5,307)	72,587	67,280
(Loss)/profit per ordinary share (p)	**(0.5)**	**8.3**	**7.8**	(0.6)	8.6	8.0

The total earnings per share is based on 965,043,861 (2019: 836,847,918) Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

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

9. Net Asset Value per Share

	31 December 2020 Ordinary Shares	31 December 2019 Ordinary Shares
Net assets (£)	**1,043,235,000**	905,840,000
Shares in issue	**1,075,024,098**	951,607,197
NAV per share (p)	**97.0**	95.2

10. Fixed Asset Investments

Accounting Policy

Titan's principal financial assets are its investments and the policies in relation to those assets are set out below. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Purchases and sales of investments are recognised in the financial statements at the date of the transaction (trade date).

These investments are managed and their performance evaluated on a fair value basis in accordance with a documented investment strategy and information about them is provided internally on that basis to the Board. Accordingly, as permitted by FRS 102, the investments are measured as being at fair value through profit or loss ("FVTPL") on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. Titan's investments are measured at subsequent reporting dates at fair value.

In the case of unquoted investments, fair value is established by using measures of value such as price of recent transaction, earnings multiples, discounted cash flows and net assets. This is consistent with International Private Equity and Venture Capital valuation guidelines. Where price of recent transaction is used, the valuation is calibrated to a valid methodology.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the income statement and allocated to the capital reserve unealised. Fixed returns on non-equity shares and debt securities which are held at fair value are computed using the effective interest rate, to distinguish between the interest income receivable (which is disclosed as interest income within the revenue column of the Income Statement) and other fair value movements arising on these instruments (which are disclosed as holding gains within the capital column of the Income Statement).

Investments deemed to be associates due to the shareholding and level of influence exerted over the investee company are measured at fair value using a consistent methodology to the rest of Titan's portfolio as permitted by FRS102 and highlighted in the SORP (para 32).

In preparation of the valuations of assets the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

Fair value hierarchy

Paragraph 34.22 of FRS102 recognises a hierarchy of fair value measurements, for financial instruments measured at fair value in the Balance Sheet, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). This methodology is adopted by Titan and requires disclosure of financial instruments to be dependent on the lowest significant applicable input, as laid out below:

Level 1: The unadjusted, fully accessible and current quoted price in an active market for identical assets or liabilities that an entity can access at the measurement date. Titan's quoted investments are included in Level 1.

Level 2: Inputs for similar assets or liabilities other than the quoted prices included in Level 1 that are directly or indirectly observable, which exist for the duration of the period of investment. Titan holds no such investments in the current or prior year.

Level 3: This is where inputs are unobservable, where no active market is available and recent transactions for identical instruments do not provide a good estimate of fair value for the asset or liability. Titan's unquoted investments are included in level 3 in the current and prior year.

There have been no transfers between these classifications in the year (2019: none). The change in fair value of Titan's investments for the current and previous year has been recognised through the income statement.

All items held at fair value through profit or loss were designated as such upon initial recognition. Movements in investments at fair value through profit or loss during the year to 31 December 2020 are summarised below and in Note 12.

Disclosure

	Level 1: Quoted investments £'000	Level 3: Unquoted investments £'000	Total £'000
Valuation and net book amount:			
Book cost at 1 January 2020	6,409	463,622	470,031
Cumulative revaluation at 1 January 2020	(5,657)	175,735	170,078
Valuation at 1 January 2020	**752**	**639,357**	**640,109**
Movement in the period:			
Purchases at cost	–	95,792	95,792
Disposal proceeds	(1,075)	(22,840)	(23,915)
Gain on realisation of investments	875	2,908	3,783
Revaluation in period	1,271	103,659	104,930
Valuation at 31 December 2020	**1,823**	**818,876**	**820,699**
Book cost at 31 December 2020	4,831	540,541	545,372
Cumulative revaluation at 31 December 2020	(3,008)	278,335	275,327
Valuation at 31 December 2020	**1,823**	**818,876**	**820,699**

The investment portfolio is managed with capital growth as the primary focus. The loan and equity investments are considered to be one instrument due to the legal binding stated within the investment agreement and therefore they are combined in the table shown above.

Level 3 valuations include assumptions based on non-observable market data, such as discounts applied either to reflect fair value of financial assets held at the price of recent investment, or, in the case of unquoted investments, to adjust earnings multiples. Further details in respect of the methods and assumptions applied in determining the fair value of the investments are disclosed in the Portfolio Manager's Review. The sensitivity of these valuations to a reasonable possible change in such assumptions is given in Note 16.

At 31 December 2020 there were no commitments in respect of investments not yet completed (2019: none).

11. Debtors

	31 December 2020 £'000	31 December 2019 £'000
Disposal proceeds – deferred consideration	**4,831**	1,947
Interest receivable on loans included in fixed asset investments	**1,161**	921
Prepayments	**43**	5
Other debtors	**143**	112
Total	**6,178**	2,985

12. Current Asset Investments

Accounting Policy

Current asset investments comprise money market funds and Corporate Bonds, which are designated as FVTPL. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve unrealised.

The current asset investments are readily convertible into cash at the option of Titan. The current asset investments are held for trading, are actively managed and the performance is evaluated in accordance with a documented investment strategy. Information about them is provided internally on that basis to the Board.

Disclosure

	31 December 2020 £'000	31 December 2019 £'000
Money Market funds	**137,170**	149,210
Corporate Bonds	**89,882**	80,325
Total	**227,052**	229,535

Money market funds and corporate bonds held at year end sit within Level 1 of the fair value hierarchy for the purposes of FRS 102, as set out in Note 10.

At 31 December 2020 and 31 December 2019 there were no commitments in respect of current asset investments approved by the Portfolio Manager but not yet completed.

13. Current liabilities

	31 December 2020 £'000	31 December 2019 £'000
Applications cash*	**3,613**	5,565
Trade creditors	**18,414**	18,202
Accruals**	**1,628**	1,350
Total	**23,655**	25,117

*Applications cash is cash received from investors to the fund but not yet allotted. The movement in the applications cash creditor is reflected in the cashflow statement as Application inflows not yet allotted.

**Includes the Titan 5 performance fee cumulative accrual.

Included within trade creditors is an amount of £18,402,000 (2019: £18,178,000) relating to a performance fee payable to the Portfolio Manager. For more details please refer to Note 19.

14. Share Capital

	31 December 2020 £'000	31 December 2019 £'000
Allotted and fully paid up:		
1,075,024,098 (2019: 951,607,197) Ordinary shares of 10p	**107,502**	95,161

The capital of Titan is managed in accordance with its investment policy with a view to the achievement of its investment objective as set out on page 20. Titan is not subject to any externally imposed capital requirements.

We define capital as shareholders' funds and our financial strategy in the medium term is to manage a level of cash that balances the risks of the business with optimising the return on equity. Titan currently has no borrowings nor does it anticipate that it will drawdown any borrowing facilities in the future to fund the acquisition of investments.

The Board considers the distributable reserves and the total return for the year when recommending a dividend. In addition, the Board is authorised to make market purchases up to a maximum of 5% of the issued ordinary share capital of Titan as at the date of the AGM for the period to the next AGM in accordance with Special Resolution 9 in order to maintain sufficient liquidity in the Company's shares.

Capital management is monitored and controlled using the internal control procedures set out on page 36 of this report. The capital being managed includes equity and fixed-interest investments, cash balances and liquid resources including debtors and creditors.

10p Ordinary Shares	31 December 2020 '000	31 December 2019 '000
Brought forward	**951,607**	654,666
Shares issued – fundraise	**140,521**	303,894
Shares issued – DRIS*	**5,924**	13,226
Shares repurchased for cancellation	**(23,028)**	(20,179)
Carried forward	**1,075,024**	**951,607**

*The Dividend Reinvestment Scheme ("DRIS") allows shareholders to elect to receive Ordinary Shares instead of a dividend. This is explained further in the Shareholder Information and Contact Details at the back of this Report.

Each share has full voting, dividend and capital distribution rights.

During the period 146,444,651 shares were issued at an average price of 96.5p per share (2019: 317,120,362 shares were issued at a price of 97.9p). The gross consideration received for these shares was £137 million (net, £133 million) including DRIS. (2019: £302 million gross, £292 million net).

Titan repurchased 23,027,750 Ordinary shares for cancellation at a weighted average price of 86.8p (2019: 20,178,694 shares at a price of 87.2p) at a cost of £19,994,000.

The total nominal value of the shares repurchased during the financial year was £2,302,775 representing 2.4% of the issued share capital at the year end. (2019: £2,017,869 representing 3.1%).

15. Reserves

When Titan revalues its investments during the year, any gains or losses arising are credited or charged to the income statement. Unrealised gains/losses are then transferred to the 'Capital reserve unrealised'. When an investment is sold, any balance held on the 'Capital reserve unrealised' is transferred to the 'Capital reserve realised' as a movement in reserves.

Reserves available for potential distribution by way of a dividend are:

	31 December 2020 £'000	31 December 2019 £'000
Brought forward	**37,544**	162,647
Movement in period	**17,798**	(125,103)
Carried forward	**55,342**	37,544

The purpose of the special distributable reserve was to create a reserve which will be capable of being used by Titan to pay dividends and for the purpose of making repurchases of its own shares in the market (subject to the above restriction) with a view to narrowing the discount to NAV at which Titan's Ordinary shares trade.

16. Financial Instruments and Risk Management

Titan's financial instruments comprise equity and fixed interest investments, cash balances and liquid resources including debtors and creditors. Titan holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT qualifying unquoted securities whilst holding a proportion of its assets in cash or near-cash investments in order to provide a reserve of liquidity.

Classification of financial instruments

Titan held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 December 2020:

	31 December 2020 £'000	31 December 2019 £'000
Financial assets held at fair value through profit or loss		
Investments	**820,699**	640,109
Money market funds	**137,170**	149,210
Corporate bonds	**89,882**	80,325
Total	**1,047,751**	869,644
Financial assets at amortised cost		
Applications cash*	**3,613**	5,565
Cash at bank	**9,348**	52,763
Disposal proceeds	**4,831**	1,947
Interest receivable on loans included in fixed asset investments	**1,161**	921
Other debtors	**143**	112
Total	**19,096**	61,308
Financial liabilities at amortised cost		
Trade creditors	**12**	18,202
Unallotted cash*	**3,613**	5,565
Total	**3,625**	23,767

*Applications cash and unallotted cash is cash received from investors by Titan but not yet allotted and is included within cash on the balance sheet.

Fixed asset investments (see Note 10) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with current venture capital industry guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. The Directors believe that the fair value of these assets held at the year end is equal to their book value.

In carrying on its investment activities, Titan is exposed to various types of risk associated with the financial instruments and markets in which it invests. The most significant types of financial risk facing Titan are market risk, interest rate risk, credit risk and liquidity risk. Titan's approach to managing these risks is set out below together with a description of the nature and amount of the financial instruments held at the balance sheet date.

Market risk

Titan's strategy for managing investment risk is determined with regard to Titan's investment objective, as outlined on page 20. The management of market risk is part of the investment management process and is a central feature of venture capital investment. Titan's portfolio is managed in accordance with the policies and procedures described in the Corporate Governance statement on pages 34 to 37, having regard to the possible effects of adverse price movements, with the objective of maximising overall returns to shareholders. Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes. The overall disposition of Titan's assets is regularly monitored by the Board.

Details of Titan's investment portfolio at the balance sheet date are set out on pages 11 to 13.

78.49% (2019: 70.58%) by value of Titan's net assets comprises investments in unquoted companies held at fair value. The valuation methods used by Titan include the application of a multiples ratio derived from listed companies with similar characteristics, and consequently the value of the unquoted element of the portfolio can be indirectly affected by price movements on the London Stock Exchange. A 25% (2019: 25%) overall decrease in the valuation of the unquoted investments at 31 December 2020 would have decreased net assets for the year by £204,719,000 (2019: £159,839,000) and an equivalent change in the opposite direction would have increased net assets for the year by the same amount.

The Portfolio Manager considers that the majority of the investment valuations are based on multiples which are ascertained with reference to the individual sector multiple or similarly listed entities. It is considered that due to the diversity of the sectors, the 25% sensitivity discussed above provides the most meaningful potential impact of average multiple changes across the portfolio, taking into account the potential impact of the Covid-19 pandemic.

Interest rate risk

Some of Titan's financial assets are interest-bearing, of which some are at fixed rates and some variable. As a result, Titan is exposed to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Fixed rate

The table below summarises weighted average effective interest rates for the fixed interest-bearing financial instruments:

	As at 31 December 2020			As at 31 December 2019		
	Total fixed rate portfolio by value £'000	**Weighted average interest rate**	**Weighted average time for which rate is fixed in years**	Total fixed rate portfolio by value £'000	Weighted average interest rate	Weighted average time for which rate is fixed in years
Fixed-rate investments in unquoted companies	**23,271**	**4.16%**	**2.9**	21,866	3.03%	3.3

Due to the relatively short period to maturity of the fixed rate investments held within the portfolio, it is considered that an increase or decrease of 1% in the base rate as at the reporting date would not have had a significant effect on Titan's net assets for the year.

Floating rate
Titan's floating rate investments comprise interest-bearing money market funds as at 31 December 2020. Titan's cash held at bank earns no interest due to the HMRC VCT rule which prohibits VCTs from earning more than 30% of its income in non-VCT qualifying income, and interest earned on bank balances is non-qualifying income. The benchmark rate which determines the rate of interest receivable on Titan's money market investment is the Bank of England base rate, which was 0.1% at 31 December 2020. The amounts held in floating rate investments at the balance sheet date were as follows:

	31 December 2020 £'000	31 December 2019 £'000
Money market funds	**137,170**	149,210
Total	**137,170**	149,210

A 1% increase in the base rate would increase income receivable from these investments and the net assets for the year by £1,372,000 (2019: £1,492,000).

Credit risk
There were no significant concentrations of credit risk to counterparties at 31 December 2020. By fair value, no individual investment exceeded 8% (2019: 5%) of Titan's net assets at 31 December 2020.

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with Titan. The Portfolio Manager and the Board carry out a regular review of counterparty risk. The carrying values of financial assets represent the maximum credit risk exposure at the balance sheet date.

At 31 December 2020 Titan's financial assets exposed to credit risk comprised the following:

	31 December 2020 £'000	31 December 2019 £'000
Cash at bank	**9,348**	52,763
Applications cash	**3,613**	5,565
Money market funds	**137,170**	149,210
Corporate bonds	**89,882**	80,325
Fixed rate investments in unquoted companies	**23,271**	21,866
Total	**263,284**	309,729

Credit risk relating to listed money market funds is mitigated by investing in a portfolio of investment instruments of high credit quality, comprising securities issued by major UK companies and institutions. Credit risk relating to loans to and preference shares in unquoted companies is considered to be part of market risk.

The investments in money market funds and Corporate bonds are uncertified.

Credit risk arising on the sale of investments is considered to be small due to the short settlement and the contracted agreements in place with the settlement lawyers.

Titan's deposit and current accounts are maintained with HSBC Bank plc. The Portfolio Manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. Should the credit quality or the financial position of HSBC deteriorate significantly, the Portfolio Manager will move the cash holdings to another bank.

Liquidity risk
Titan's financial assets include investments in unquoted equity securities which are not traded on a recognised stock exchange and which generally may be illiquid. They also include investments in AIM-quoted companies, which, by their nature, involve a higher degree of risk than investments on the main market. As a result, Titan may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

Titan's listed money market funds are considered to be readily realisable as they are of high credit quality as outlined above.

Titan's liquidity risk is managed on a continuing basis by the Portfolio Manager in accordance with policies and procedures laid down by the Board. Titan's overall liquidity risks are monitored on a quarterly basis by the Board.

Titan maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses. At 31 December 2020 these investments were valued at £227,052,000 (2019: £229,535,000).

17. Post Balance Sheet Events

The following other events occurred between the balance sheet date and the signing of these financial statements:

- To take into account any material movements that occurred within the portfolio post the balance sheet date, the Board and Portfolio manager reviewed the portfolio on 29 March 2021. This resulted in a revised NAV of 104.0p per share, an increase from 97.0p per share at the balance sheet date. This NAV change reflects movements in some of the material holdings within the portfolio as well as the announcement on 29 March 2021 that Cazoo intends to publicly list on the New York Stock Exchange via a Special Purpose Acquisition Company. This revised NAV was used for the allotments on 30 March 2021 and 9 April 2021.
- There was a further review in April in advance of the DRIS allotment and certain Share Buybacks which resulted in an additional increase to the NAV per share to 105.5p at 23 April 2021 (net of the 3.0p dividend which went ex-dividend on 15 April 2021).
- e-Therapeutics plc was sold at a loss for total proceeds of £0.6 million.
- 50.3 million shares were issued on 30 March 2021 at an allotment price of 110.1p under the Offer closed on 3 March 2021.
- 2.2 million shares were issued on 9 April 2021 at an allotment price of 110.1p under the Offer closed on 3 March 2021.
- 6.6 million shares were repurchased at a price of 92.7p per share on 24 March 2021.
- Lord Rockley was appointed as an independent non-executive Director with effect from 8 April 2021.
- The Company announced the intention to appoint Gaenor Bagley as an independent non-executive Director subject to the approval by shareholders at the forthcoming Annual General Meeting of a resolution to amend the Company's Articles of Association to increase the aggregate annual remuneration of directors to allow for her appointment.
- 9 new investments completed totalling £38.0 million.
- 3 follow-on investments completed totalling £2.0 million.

18. Contingencies, Guarantees and Financial Commitments

Provided that an intermediary continues to act for a shareholder and the shareholder continues to be the beneficial owner of the shares, intermediaries will be paid an annual IFA commission of 0.5% of advised investors' gross NAV from Titan. IFA charges of £2,210,000 was expensed during the period (2019: £2,148,000) and there was £1,292,000 (2019: £1,128,000) outstanding at the period end.

There were no contingencies, guarantees or financial commitments as at 31 December 2020 (2019: £nil).

19. Transactions with Manager and Portfolio Manager

Since 1 September 2017, the Company has been classified as a full-scope Alternative Investment Fund under the Alternative Investment Fund Management Directive (the "AIFM Directive"). As a result, since 1 September 2017, the Company's investment management agreement was assigned by way of the deed of novation from Octopus to Octopus AIF Management Limited to act as Manager (an authorised alternative investment fund manager responsible for ensuring compliance with the AIFM Directive). Octopus AIF Management Limited has in turn appointed Octopus to act as Portfolio Manager to Titan (responsible for portfolio management and the day-to-day running of the fund). These agreements ensure the same personnel are managing the Company's portfolio both before and after 1 September 2017.

Titan paid Octopus AIF Management £15,272,000 (2019: £15,674,000) in the period as a management fee. The management fee is payable quarterly in advance and is based on 2.0% of the NAV calculated at quarterly intervals from 31 December.

Octopus also provides accounting and administrative services to Titan, payable quarterly in advance. The fee is the lower of either (i) 0.3% of the Company's NAV and (ii) the administration and accounting costs of the Company for the year ending 31 October 2018, with inflation increases going forward, calculated at quarterly intervals from 31 October. During the period £1,674,000 (2019: £1,943,000) was paid to Octopus for the accounting and administrative services.

In addition, Octopus is entitled to performance-related incentive fees. The incentive fees were designed to ensure that there were significant tax-free dividend payments made to Shareholders as well as strong performance in terms of capital and income growth, before any performance-related fee payment was made.

Due to positive performance in the period, the total value has increased to 178.0p, representing a total return of 6.8p.

The High Water Mark for FY 2021 will therefore be 178.0p. If, on a subsequent financial year end, the Performance Value of Titan falls short of the High Water Mark on the previous financial year end, no performance fee will arise. If, on a subsequent financial year end, the performance exceeds the previous best High Water Mark of Titan, the Manager will be entitled to 20% of such excess in aggregate.

Octopus received £0.19 million in the period to 31 December 2020 (2019: £0.34 million) in regards to arrangement and monitoring fees in relation to investments made on behalf of the Company.

Changes to the IMA and AA

On 10 December 2018, the Company terminated its existing investment management agreement ("IMA") and administration agreement ("AA") and agreed new terms with the Manager.

The annual management charge ("AMC") will remain at 2% of the Company's NAV in respect of existing funds 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 AMC 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 (which currently consist of OEICs and money market funds) subject to a 0% floor and (ii) 2% of the Company's NAV. The AMC will be payable quarterly in advance and calculated using the latest published NAV of the Company and the number of Shares in issue at each quarter end.

Octopus currently receives fees from the companies that the Company invests in (for example, when making or selling an investment in a company, as well as for appointing a representative to the board of directors of the investee company). The costs of all deals that do not proceed to completion are typically borne by either the company seeking funding or by the Manager. From 31 October 2018, Octopus will no longer receive such fees in respect of new investments or any such new fees in respect of further investments into portfolio companies in which the Company invested on or before 31 October 2018, with any such fees received after that time being passed to the Company.

The cap relating to the Company's total expense ratio, that is the regular, recurring costs of the Company expressed as a percentage of its NAV, above which Octopus has agreed to pay, will be reduced from its present level of 3.2% to 2.5%, calculated in accordance with the AIC Guidelines.

The Administration Fee will be capped at the lower of either (i) 0.3% of the Company's NAV and (ii) the administration and accounting costs of the Company for the year ending 31 October 2018 (£1.6 million), with inflation increases going forward. It is also proposed that the Administration Fee will be calculated using the latest published NAV of the Company and the number of Shares in issue at each quarter end of the Company.

20. Related Party Transactions

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

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

Mr Cooper, a Non-Executive Director of Titan, is also Chairman of Octopus Capital Ltd. and owns shares in Octopus.

The Directors received the following dividends from Titan:

	Year to 31 December 2020 £	Period to 31 December 2019 £
John Hustler (Chairman)	**4,635**	4,634
Matt Cooper	**83,707**	71,541
Jane O'Riordan	**3,926**	3,847
Mark Hawkesworth	**4,845**	4,845
Tom Leader	**535**	407

21. Voting Rights and Equity Management

The following table shows the percentage of voting rights held by Titan for each of the top 10 investments held in Titan. Titan has no other substantial interests that require separate disclosure.

Investments	% equity held by Titan
Bought By Many Limited	10.3%
Amplience Limited	37.9%
DePop Limited	10.2%
Wave Optics Limited	21.8%
Cazoo Limited	2.8%
Zenith Holding Company Limited	100.0%
Permutive Inc.	23.4%
Chiaro Technology Limited	14.1%
Elliptic Enterprises Limited	18.7%
Streethub Limited	26.4%

Zenith Holding Company is a subsidiary of Titan, but owing to the exemption permitted under FRS 102 to not have to consolidate investment companies held as part of an investment portfolio (Section 9 of FRS 102, paragraphs 9.9(b) and 9.9B), Titan has not consolidated the assets and liabilities of Zenith Holding Company. Details of the country of incorporation and latest financial information can be found in the Portfolio Manager's Review.

Shareholder Information and Contact Details

Octopus Titan VCT 2 plc was renamed Octopus Titan VCT plc on 27 November 2014 following the merger with Octopus Titan VCT 1 plc, Octopus Titan VCT 3 plc, Octopus Titan VCT 4 plc and Octopus Titan VCT 5 plc on the same date.

The Company was incorporated on 12 October 2007. In collaboration with Octopus Titan VCT 1 plc, over £30.8 million in aggregate (£29.5 million net of expenses) was raised through an Offer for Subscription during the year to 31 October 2008. Since then, further funds have been raised through fundraises as follows:

- £1.37 million (£1.29 million net of expenses) during the year to 31 October 2010;
- £1.40 million (£1.32 million net of expenses) during the year to 31 October 2012;
- £4.82 million (£4.58 million net of expenses) during the year to 31 October 2013;
- £10.78 million (£10.41 million net of expenses) during the year to 31 October 2014;
- £54.69 million (£52.56 million net of expenses) during the year to 31 October 2015;
- £99.81 million (£96.30 million net of expenses) during the year to 31 October 2016;
- £124.10 million (£119.89 million net of expenses) during the year to 31 October 2017;
- £204.93 million (£198.35 million net of expenses) during the year to 31 October 2018;
- £289.62 million (£279.67 million net of expenses) during the period to 31 December 2019; and
- £252.76 million (£246.07 million net of expenses) during the period to 31 December 2020.

The Offer for Subscription is now closed. This was detailed in the Prospectus issued on 21 October 2020, to raise up to £120 million in aggregate, with an overallotment facility of a further £80 million. On 30 March 2021, £54 million (£52 million net of expenses) was allotted at a price of 1101p per share, equivalent to the current NAV at the time of 104.0p grossed up by 5.5% as set out in the Prospectus. On 9 April 2021, £2 million (£2 million net of expenses) was allotted at a price of 110.1p per share, equivalent to the current NAV at the time of 104.0p grossed up by 5.5% as set out in the Prospectus. The offer closed on 3 March 2021.

Further details of the Company's progress are discussed in the Chairman's Statement and Portfolio Manager's Review on pages 2 to 5 and 6 to 17 respectively.

Venture Capital Trusts ("VCTs")

VCTs were introduced in the Finance Act 1995 to provide a means for private individuals to invest in unquoted companies in the UK. Subsequent Finance Acts have introduced changes to VCT legislation. The tax benefits currently available to eligible new investors in VCTs include:

- up to 30% upfront income tax relief;
- exemption from income tax on dividends paid; and
- exemption from capital gains tax on disposals of shares in VCTs.

The principal activity of the Company is to invest in a diversified portfolio of UK smaller companies in order to generate capital growth over the long-term as well as an attractive tax-free dividend stream. The Company has been granted full approval as a VCT by HM Revenue & Customs ("HMRC").

In order to maintain its approval the Company must comply with certain requirements on a continuing basis including the provisions of chapter 3 of the Income Tax Act 2007, in particular s280A:

- at least 80% of its investments must comprise 'qualifying holdings'* (as defined in the legislation); at least 70% of the 80% of qualifying holdings must be invested in Ordinary shares with no preferential rights (for money allotted pre April 2011 the limit is 30% for new investments);
- no single investment made can exceed 15% of the Company's total value; and
- a minimum of 10% of each Qualifying Investment must be in Ordinary shares with no preferential rights.

*A 'qualifying holding' consists of up to £5 million invested in any one year in new shares or securities in an unquoted company (or companies quoted on AIM) which is carrying on a qualifying trade and whose gross assets do not exceed a prescribed limit at the time of investment. The definition of a 'qualifying trade' excludes certain activities such as property investment and development, financial services and asset leasing.

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-5.30pm, Monday to Friday excluding public holidays in England and Wales.

Computershare can be contacted in writing at:

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

The table below shows the NAV per share and lists the dividends that have been paid since the launch of Titan:

Period Ended	NAV	Dividends paid in period	NAV + cumulative dividends (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

A second interim dividend of 3.0p per share will be paid on 30 April 2021 to shareholders on the register on 16 April 2021.

The Company also offers a Dividend Reinvestment Scheme ("DRIS"). Any shareholder wishing to reinvest their dividends, who has not already elected to do so, can request a DRIS instruction form by calling Computershare on **0370 703 6324**. The application form can also be found on the Octopus Investments Limited website: **www.octopusinvestments.com**. If you are uncertain about your current DRIS position, please call Computershare on the number above or complete a new form.

Share Price

Titan'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 (22 April 2021)	96.0 pence per share

Buying and Selling Shares

The Company's Ordinary shares can be bought and sold via 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.

Buyback of Shares

The Company operates a policy of buying its own shares for cancellation as they become available, and envisages that purchases will be made at no greater than a 5% discount to the prevailing NAV. The Company is, however, unable to buyback shares directly from shareholders. If you are considering selling your shares please contact Octopus Investments who can talk to you about the options available. They will also be able to provide details of closed periods (when the Company is prohibited from buying shares) and details of the price at which it has been bought and can be contacted as follows:

Octopus Client Relations Team	0800 316 2295 investorsupport@octopusinvestments.com

If you are considering trading on the secondary market or would like to talk directly to the Company's Corporate Broker, Panmure Gordon (UK) Limited ('Panmure') they can be contacted as follows:

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

Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000. Qualifying investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

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 71.

Other Information for Shareholders

Shareholders can obtain a full copy of the Company's Annual Report as well as previously published Annual Reports and Interim Reports on the Octopus website at **Octopustitanvct.com.**

All other statutory information can also be found here.

Electronic Communications

We also publish reports and accounts and all other correspondence 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 6324**. 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 offer for free company reports.

Please note that it is very unlikely that either Octopus or the Company's 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/scamsmart/share-bond-boiler-room-scams**. You can report any share fraud to them by calling **0800 111 6768**.

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 the Company's progress. A number of terms within this Glossary have been identifies as APMs.

Net asset value or NAV
The value of the VCTs' 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 the Company is the sum of the underlying assets less the liabilities of the Company 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 exclude irrecoverable VAT, exceptional costs and trail commission. 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 the fund in the future.

This is calculated by dividing the ongoing expenses, which includes the expenses listed out in Note 4 on page 58 but excludes irrecoverable VAT, exceptional costs and trail commission, by the average net assets in the period.

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 the Fund, 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 the Fund, as it reflects the underlying value of the portfolio at the reporting date.

Directors and Advisers

Board of Directors
John Hustler (Chairman)
Mark Hawkesworth
Jane O'Riordan
Matt Cooper
Tom Leader
Anthony Rockley

Company Number
Registered in England & Wales
No. 06397765

Secretary and Registered office
Octopus Company Secretarial Services Limited
33 Holborn
London
EC1N 2HT

Portfolio Manager
Octopus Investments Limited
33 Holborn
London
EC1N 2HT
Tel: 0800 316 2295
www.octopusinvestments.com

Manager
Octopus AIF Management Limited
33 Holborn
London
EC1N 2HT
Tel: 0800 316 2295
www.octopusinvestments.com

Corporate Broker
Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF
020 7886 2500

Independent Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Tax Adviser
PricewaterhouseCoopers UK
1 Embankment Place
London
WC2N 6RH

VCT Status Adviser
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers
HSBC Bank plc
31 Holborn
London
EC1N 2HR

Registrars
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 703 6324
(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/

Depositary
BNP Paribas Securities Services
10 Avenue
London
NW1A 6AA

Notice of Annual General Meeting

In light of the current Coronavirus 'stay at home' measures in the UK, it is likely that the meeting will need to be held on a closed basis. This means that shareholders will not be able to attend the AGM in person. Therefore, we strongly encourage all shareholders to appoint the Chairman of the Meeting as their proxy to vote on their behalf. However, the board intends to hold a shareholder event on Wednesday 26 May 2021 at 10.00am to enable shareholders to receive a presentation on the fund performance from the Portfolio Manager and ask the Board any questions relating to the AGM resolutions or the Report & Accounts.

Notice is hereby given that the AGM of Octopus Titan VCT plc will be held at the offices of Octopus Investments, 33 Holborn, London, EC1N 2HT on Monday, 7 June 2021 at 11.00am for the purposes of considering and if thought fit, passing the following resolutions of which Resolutions 1 to 7 will be proposed as Ordinary Resolutions and Resolutions 8 to 11 will be proposed as Special Resolutions:

Ordinary Business

1. To receive and adopt the financial statements for the year to 31 December 2020 and the Directors' and Auditor's Reports.

2. To approve the Directors' Remuneration Report.

3. To re-elect Jane O'Riordan as a Director.

4. To re-elect Matt Cooper as a Director.

5. To elect Anthony Rockley as a Director.

6. To re-appoint BDO LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider and if thought fit, pass Resolution 7 as an Ordinary Resolution and Resolutions 8, 9, 10 and 11 as Special Resolutions:

7. Authority to allot relevant securities
THAT, in addition to existing authorities, the Directors be and are generally and unconditionally authorised in accordance with s551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to a maximum nominal amount of £22,419,495 (representing approximately 20% of the ordinary share capital in issue as at the date of this notice) such authority to expire at the later of the conclusion of the Company's next AGM following the passing of this Resolution and the expiry of 15 months from the passing of this Resolution (unless previously renewed, varied or revoked by the Company in general meeting), save that such authority allows the Company to make any offer or agreement before the expiry of the said authority, which would or might require shares to be allotted after the expiry of such authority and the directors may allot shares in pursuance of any such offer or agreement notwithstanding the expiry of such authority.

8. Empowerment to make allotments of equity securities
THAT, conditional upon the passing of Resolution 7 above and in addition to existing authorities, the Directors be empowered pursuant to s571 of the Companies Act 2006 to allot or make offers or agreements to allot equity securities (as defined in s560(1) of the said Act) for cash pursuant to the authority granted by Resolution 7 above as if s561 of the said Act did not apply to any such allotments and so that:

(a) reference to allotment of equity securities in this Resolution shall be construed in accordance with s560(2) of the said Act; and

(b) the power conferred by this Resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding the expiry of such power.

And this power shall come to an end at the conclusion of the next AGM of the Company following the passing of this Resolution or, if later, on the expiry of 15 months from the passing of this Resolution (unless previously renewed, varied or revoked by the Company in general meeting).

9. Authority to make market purchases
THAT, in addition to existing authorities, the Company be and is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of s693(4) of the Act) of Ordinary shares of 10p each in the Company ('Ordinary shares') provided that:

(a) the maximum number of Ordinary shares so authorised to be purchased shall not exceed 168,034,116 Ordinary shares, representing approximately 14.99% of the present issued ordinary share capital of the Company as at the date of this notice;

(b) the minimum price which may be paid for an Ordinary share shall be 10p;

(c) the maximum price, exclusive of expenses, which may be paid for an Ordinary share is an amount equal to the higher of (i) 105% of the average of the middle market quotation for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is contracted to be purchased; and (ii) the amount stipulated by Article 5(6) of the Market Abuse Regulation;

(d) the authority conferred by this resolution shall expire at the later of the conclusion of the next AGM of the Company or 15 months from the passing of this Resolution(unless previously renewed, varied or revoked by the Company in general meeting); and

(e) the Company may enter into a contract to purchase its Ordinary shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of this authority and the Company may make a purchase of its Ordinary shares in pursuance of any such contract.

10. Cancellation of Share Premium

THAT, subject to the approval of the High Court of Justice, the amount standing to the credit of the share premium account of the Company be cancelled.

11. Articles of Association

THAT the Articles of Association produced to the meeting, and for the purposes of identification initialled by the Chairman, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By Order of the Board

John Hustler
Chairman
23 April 2021

Notes:

(a) A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member.

(b) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

(c) A form of proxy is enclosed which, to be effective, must be completed and delivered to the registrars of the Company, **Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY** or alternatively, you may register your proxy electronically at **www.investorcentre.co.uk/eproxy**, in each case, so as to be received by no later than 48 hours (excluding non-working days) before the time the AGM is scheduled to begin. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form.

Appointment of a proxy, or any CREST proxy instruction (as described in paragraph (d) below) will not preclude a member from subsequently attending and voting at the meeting should he or she choose to do so. This is the only acceptable means by which proxy instructions may be submitted electronically.

(d) To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours (excluding non-working days) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(e) Any person receiving a copy of the Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a 'Nominated Person') should be aware that the provisions in Notes (a) and (b) above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.

(f) Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the AGM which relates to the business of the meeting although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.

Questions from our shareholders in relation to the AGM can be sent via email to **TitanAGM@octopusinvestments.com**. The Company may, however, elect to provide answers to questions raised within a reasonable period of days after the conclusion of the AGM.

(g) Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last AGM, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement required to be placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

(h) Under sections 338 and 338A Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:

(i) To give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or

(ii) To include in the business to be dealt with at the meeting any matters (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

(i) (In the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

(ii) It is defamatory of any person; or

(iii) It is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than six weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

(i) A copy of the Notice of AGM and the information required by Section 311A Companies Act 2006 is included on the Company's website, **Octopustitanvct.com**. Copies of the Directors' Letters of Appointment, the Register of Directors' Interests in the Ordinary shares of the Company kept in accordance with the Listing Rules and a copy of the Memorandum and Articles of Association of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday from the date of this notice until the AGM, and at the place of that meeting for at least 15 minutes prior to the commencement of the meeting until its conclusion, subject to Covid-19 pandemic restrictions.

(j) As at 23 April 2021 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 1,120,974,754 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 23 April 2021 are 1,120,974,754.

Intentionally blank

Intentionally blank