

ODYSSEAN
INVESTMENT TRUST PLC



Interim Report

for the six months ended 30 September 2021



About Us

Odyssean Investment Trust PLC (the “Company”, the “Trust” or “OIT”) is an investment trust which is listed on the premium segment of the Official List of the FCA and admitted to trading on the premium segment of the main market for listed securities of the LSE. The Company had total net assets of £147.6m as at 30 September 2021.

The Board of the Company comprises four non-executive Directors, all of whom are independent of the portfolio manager, Odyssean Capital LLP (“Odyssean” or the “Portfolio Manager”). For further details please see page 35.



Contents

OVERVIEW

- 2 Investment Objective
- 3 Investment Policy

INTERIM REPORT

- 4 Financial Summary
- 5 Chairman's Statement
- 8 Portfolio Manager's Report
- 18 Portfolio of Investments
- 19 Distribution of Investments
- 20 Interim Management Report and Statement of Directors' Responsibilities

FINANCIAL STATEMENTS

- 22 Condensed Income Statement
- 23 Condensed Statement of Changes in Equity
- 24 Condensed Balance Sheet
- 25 Condensed Cash Flow Statement
- 26 Notes to the Financial Statements

ADDITIONAL INFORMATION

- 33 Glossary
- 34 Shareholder Information
- 35 Corporate Information

Investment Objective



The investment objective of the Company is to achieve attractive total returns per share principally through capital growth over a long-term period.



Investment Policy

The Company primarily invests in smaller company equities quoted on markets operated by the London Stock Exchange, where the Portfolio Manager believes the securities are trading below intrinsic value and where this value can be increased through strategic, operational, management and/or financial initiatives. Where the Company owns an influencing stake, it will engage with other stakeholders to help improve value. The Company may, at times, invest in securities quoted on other recognised exchanges and/or unquoted securities.

It is expected that the majority of the Portfolio by value will be invested in companies too small to be considered for inclusion in the FTSE 250 Index, although there are no specific restrictions on the market capitalisation of issuers into which the Company may invest.

The portfolio will typically consist of up to 25 holdings, with the top 10 holdings accounting for the majority of the Company's aggregate Net Asset Value ("NAV") across a range of industries. The Company will adhere to an exclusion-based investment approach to avoid investment in companies involved in activities the Company deems unethical and/or unsustainable.

The Company may hold cash in the Portfolio from time to time to maintain investment flexibility. There is no limit on the amount of cash which may be held by the Company from time to time.

Investment restrictions

- No exposure to any investee company will exceed 15 per cent. of Net Asset Value at the time of investment.
- The Company may invest up to 20 per cent. of Gross Assets at the time of investment in unquoted securities where the issuer has its principal place of business in the UK.
- The Company may invest up to 20 per cent. of Gross Assets at the time of investment in quoted securities not traded on the London Stock Exchange.
- The Company will not invest more than 10 per cent., in aggregate, of Gross Assets at the time of investment in other listed closed-end investment funds.

Ethical and sustainability investment restrictions

The Company will not invest¹ in companies which derive any revenue from, or are engaged in:

- the production or direct distribution of pornography;
- the manufacture, production or retail of controversial weapons² (e.g. chemical, biological or nuclear weapons, cluster munitions, landmines), civilian firearms and ammunition;

- the manufacture of alcohol and tobacco products;
- the ownership or operation of gambling facilities;
- sub-prime and/or predatory lending;
- oil and gas production (both conventional and unconventional, including shale oil and gas, coal seam gas, coal bed methane, thermal coal, tar sands, Arctic onshore/offshore deepwater, shallow water and other onshore/offshore) and includes extraction and refining;
- animal experimentation or animal testing, (a) where there is a proven alternative and/or where testing is not mandated by regulation; or (b) where there is no proven alternative and/or the experimentation or testing is mandated by regulation, but where the investee company is not adhering to the "three Rs" ethics of Replacement, Reduction and Refinement.

The Company will not invest more than 10 per cent., in aggregate, of Gross Assets at the time of investment in companies involved in distributing, licensing, retailing or supplying tobacco and/or alcohol beverage products.

¹ The Company will base its analysis of an investee company's revenues and activities on publicly available information, and will exclude revenues and activities that are considered to be de-minimis, being those that represent less than 1% of the investee company's revenue.

² Controversial weapons are those that have an indiscriminate and disproportional humanitarian impact on civilian populations, the effects of which can be felt long after military conflicts have ended.

Borrowings

The Company does not intend to incur borrowings for investment purposes, although the Company may, from time to time, utilise borrowings over the short term for working capital purposes up to 10 per cent. of Net Asset Value at the time of borrowing.

Derivatives and Hedging

The Company will not use derivatives for investment purposes. It is expected that the Company's assets will be predominantly denominated in Sterling and, as such, the Company does not intend to engage in hedging arrangements, however, the Company may do so if the Board deems it appropriate for efficient portfolio management purposes.

General

The Company will not be required to dispose of any asset or to rebalance the Portfolio as a result of a change in the respective valuations of its assets.

The Company intends to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the CTA 2010.

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the Financial Conduct Authority. Non-material changes to the investment policy may be approved by the Board.



Financial Summary

Company performance	As at 30 September 2021	As at 31 March 2021	Change
Shareholders' funds	£147.6m	£122.6m	20.4%
NAV per ordinary share	158.1p	139.3p	13.5%
Share price per ordinary share	163.0p	129.0p	26.4%
Share price premium/(discount) to NAV per ordinary share#	3.1%	(7.4)%	

	Six months to 30 September 2021	Year to 31 March 2021
Revenue income/(loss) per ordinary share*	0.8p	(0.7)p
Capital return per ordinary share*	17.6p	49.2p
Total return per ordinary share*	18.4p	48.5p

Performance	Six months to 30 September 2021	Year to 31 March 2021
NAV total return per ordinary share#	13.5%	53.4%
NSCI ex IT plus AIM Index Total Return#**	9.1%	71.3%

Cost of running the Company	Six months to 30 September 2021	Year to 31 March 2021
Annualised ongoing charges#	1.4%	1.4%

* Based on the weighted average number of shares in issue during the period.

** Source: Bloomberg.

Alternative Performance Measure ("APM"). See glossary on page 33.

Past performance is not a guide to future performance.



Chairman's Statement

Introduction

I am pleased to present the Interim Report and Financial Statements for Odyssean Investment Trust PLC ("OIT" or the "Company") covering the period from 1 April 2021 to 30 September 2021.

Performance

In a period marked by mounting concerns over the prospect of rising inflation and increasing global supply chain disruption, the net assets of the Company increased by £25.0m to £147.6m, representing an increase in net asset value per share ("NAV") of 13.5%. Over the same period, the NSCI ex IT plus AIM Total Return Index (the "comparator index") rose by 9.1%. The period was one where different investment styles came in and out of fashion. Value, which had been rallying since end-2020, began to wane from early June eclipsed by a resurgence in growth, but by early September higher rated growth companies weakened alongside all investment styles.

The ability to be agile in the face of the inflationary threat has become front and centre to investors. A company's control over raw materials and components whether in terms of price or supply is essential in the face of the well-publicised supply chain challenges. In hand with this is the importance of being able to pass price rises on to the customer.

From inception on 30 April 2018 to 30 September 2021, the NAV per share has grown by 61% - roughly double the return from the comparator index. More impressively, this performance has been delivered with an average net cash position in the portfolio of 22%, demonstrating the underlying strength of the performance of the portfolio companies.

Discount and premium management

The share price has exceeded the NAV growth through the period, due to the discount narrowing. The shares ended the period trading at a modest premium of 3.1%, and on average traded broadly at par over the period. In the Board's view, the narrowing of the discount during the period was driven by a number of factors, including: the inclusion of the Company's shares in the All-Share Index in June, leading to passive funds buying in for the first time; ongoing positive press for the Company notably following the successful passing of the third-year anniversary; and active work by the Portfolio Manager to engage with potential new shareholders.

In response to buying demand and to manage the premium to which its shares trade, the Company issued a total of 5.3m shares at a premium which meant that there was no dilution for existing shareholders. Of these, 3.7m were issued to the Portfolio Manager and connected parties in a small placing in mid-July 2021.

The Board believes that the Company's strong relative rating is driven by a number of factors including good performance, effective communication with existing and potential investors, a clear discount control policy (including a periodic redemption facility) and multiple features which align the interests of shareholders with the Portfolio Manager.

Dividend

The Directors expect that returns for shareholders will be primarily driven by capital growth of the shares rather than dividend income.



Chairman's Statement *(continued)*

Portfolio Manager

As shareholders have read in the last annual report, the Portfolio Manager was paid a performance fee in respect of the NAV's outperformance over the hurdle set by the Board. In the period under review, the Portfolio Manager has fulfilled its obligation to re-invest 50% of the proceeds from the performance fee earned for the year ended 31 March 2021. These shares were purchased in the market and as part of the placing in July. This provides continued alignment of interests with the Company's shareholders for the long term.

Growth of the Company

The majority of the growth in the Company since launch has been organic through the strong performance delivered by the Portfolio Manager, although as previously mentioned, the Company has taken the opportunity to issue new shares at a premium to net asset value.

The Board believes that growth in the Company provides a number of benefits to shareholders including greater liquidity in the shares and a lower ongoing charges ratio as the fixed costs of the Company are spread over a larger asset base. The Board is also of the view that investors typically prefer to invest in larger more liquid trusts and hence further growth in the Company's assets can be expected to broaden the pool of potential shareholders and contribute to the demand for, and the rating of, OIT shares. The Board will continue to look for opportunities to grow the Company through issuance or other strategic initiatives where possible.

Outlook

The Board shares the Portfolio Manager's concern that inflation will be more persistent than many expect.

This is in part likely to be driven by the severe disruption many businesses and consumers are experiencing with the breakdown of global supply chains, impacted as the world "turns back on producing and buying" at normal levels after the COVID-19 lockdowns. These supply chain issues are leading to considerable uncertainty and changing behaviours for businesses and consumers. The Portfolio Manager has reported that investee companies are expecting this disruption to last until at least the summer of 2022 and have planned accordingly.

Through periods of uncertainty, the Board believes that the Portfolio Manager's team background and expertise, facilitated by the closed ended nature of the Company, offers shareholders a differentiated approach to investing. The disciplined approach to valuation combined with the unconstrained investment approach, led to the Portfolio Manager building cash through the period as it took profits, leaving it well placed to capitalise on the disruption in markets seen at the end of the period and just after. The part of the market in which the Portfolio Manager invests is often ripe with mispricing, which is one reason why it is such a fertile area for an experienced investor.

Moreover, the Portfolio Manager's desire to seek out smaller companies with improvement potential is another differentiator and potentially strong contributor to returns. Smaller companies react more quickly to a change agenda, both in terms of their behaviours as well as their financial and share price performance.

The chairman of a company is the key change agent. The Board notes how many of the portfolio companies have had chairmen appointed within the last three years, where in a number of cases the Portfolio Manager has been engaged in the process. As a result, the Board shares the Portfolio Manager's view that, with change effectively executed, there is attractive medium to long term upside in several portfolio companies, which has the potential to be delivered independent of market gyrations.

A common misconception is that investing in UK smaller companies is investing in the UK economy. However, there are many UK quoted smaller companies which have significant international operations and sales. The Portfolio Manager is particularly keen to seek out these niche global players as they provide a geographic balance to revenues and profits, and if mispriced by UK investors, tend to become more attractive to overseas investors and potentially acquirers. At the end of the period, the underlying revenues of the portfolio were split fairly equally between the UK, USA, Europe and the rest of the world. In comparison, the average FTSE Small Cap company derives c.60% of its revenues from the UK. This broad geographic exposure, is an output of the Portfolio Manager's investment approach, and one factor supporting differentiated performance.



Chairman's Statement *(continued)*

In uncertain markets a clear investment philosophy and a consistent, proven process come into their own. The Portfolio Manager's investment approach has been honed from decades of team experience in both public and private equity investing, identifying undervalued market leaders with self-help opportunities, and has demonstrated its worth across a number of cycles. This gives the Board confidence that the Company is well-placed, with its closed ended structure, to exploit opportunities the market presents to generate long term capital growth.

We are very grateful for the support shown by the shareholders during the period.

Jane Tufnell
Chairman

24 November 2021

Overview

Interim Report

Financial Statements

Additional Information



Stuart Widdowson *Co-fund Manager*



Ed Wielechowski *Co-fund Manager*

Portfolio Manager's Report

Details of the Portfolio Manager

The Company's Portfolio Manager is Odyssean Capital LLP.

The Portfolio Manager was founded in 2017 by Stuart Widdowson and Harwood Capital Management Limited, an independently owned investment group, and is jointly owned by both parties. The Chairman of Odyssean Capital LLP is Ian Armitage, former CEO and Chairman of HgCapital.

The Portfolio Manager's investment team, Stuart Widdowson and Ed Wielechowski, identify and undertake research on potential investee companies as well as managing the portfolio. They draw on the experience of a three-strong Panel of Advisors, who have run and invested in multiple quoted and unquoted smaller companies. In addition, the investment team draws on the expertise and experience of Mr Armitage and Mr Christopher Mills, who sits on Odyssean Capital's Board as a Non-Executive Director. Mr Armitage and Mr Mills have more than 85 years' combined investment experience in quoted and unquoted smaller companies.

Stuart Widdowson, Co-fund Manager

Stuart has spent the last 21 years investing in public and private UK small and mid-size corporates and a further two years providing investment advisory services in the same field.

Prior to founding the Portfolio Manager, Stuart was at GVQ Investment Management ("GVQ"), where he held the position of fund manager and head of strategic investments for more than seven years. During his time at GVQ, Stuart led the transformation of the performance of Strategic Equity Capital plc ("SEC") and significantly improved shareholder value. Stuart led SEC to win several industry awards and was recognised as Fund Manager of the Year at both the PLC and QCA awards in 2015.

Stuart began his career as a strategy consultant undertaking commercial due diligence and strategy projects for private equity and corporate clients. In 2001, he joined HgCapital and spent five years working on small and mid-cap leveraged buyouts in the UK and Germany. During this time, he worked on a number of public to private transactions of UK quoted companies.

Ed Wielechowski, Co-fund Manager

Ed joined the Portfolio Manager in December 2017 as a Fund Manager.

Prior to joining Odyssean, Ed was a Principal in the technology team at HgCapital. He joined HgCapital in 2006 and worked on numerous completed deals, including multiple bolt-on transactions made by portfolio companies. He has additional quoted market experience, having led the successful IPO of Manx Telecom plc in 2014, as well as having evaluated and executed public to private transactions. Ed started his career as an analyst in the UK mergers and acquisitions department of JPMorgan in 2004.



Portfolio Manager's Report *(continued)*

The investment approach

Our investment approach applies the core elements of the private equity investment philosophy – highly focused, long-term, engaged ‘ownership’ style investment – to public markets. We believe that this approach creates a portfolio unlike that of many typical public equity funds and that, when well executed, can offer attractive, differentiated, risk-adjusted returns.

- **Highly concentrated portfolio:** We look to build a highly concentrated portfolio of no more than 25 investee companies where we carry out intensive diligence, only investing in our highest conviction ideas.
- **Narrow focus:** We are focused on smaller companies typically too small for inclusion in the FTSE 250 index. We believe this market is less efficient, offering more opportunities to find mis-pricings. Further, we believe the best investment decisions are made from a base of knowledge and experience, and we will make the majority of investments in industry sectors that we and our advisors, know well (TMT, Services, Industrials and Healthcare).
- **Targeting long-term holding periods:** We will evaluate each investment opportunity over a 3 to 5-year investment horizon. We have structured our business to reflect this belief and do not intend to run any capital which is redeemable over short time periods. To think like an ‘owner’ of a business we believe your capital should behave like one too.
- **Engaged investment style:** We are engaged investors. We like investing in companies which, whilst good, are underperforming their potential and where we see the opportunity for constructive corporate engagement to unlock improved sustainable returns for all stakeholders.

The Company's investment objective is to deliver long term capital growth rather than outperform a specific index. Our differentiated investment approach, allied with our sector focus and the recently revised investment restrictions approved in January 2021, is likely to lead to periods of NAV per share performance materially different to those of the broader market. We fully anticipate this potential short-term performance variance and will focus on comparative investment performance on a rolling three-year basis.

The absolute return mentality of the strategy, allied with the desire to avoid being a forced seller, may lead to net cash balances being held over the long-term. We anticipate a core range of 5-15% over the long term. Net cash balances will not be used as an attempt to market time, but to enable us to invest where blocks of stock are available rather than being required to sell a less liquid holding on short notice.

Implementing the investment strategy

There are three key factors we look for when we analyse a potential investment;

- 1) a valuation opportunity;
- 2) in a higher-quality company; and
- 3) with improvement potential.

Our view is that buying at a fair price and supporting improved performance generates capital growth, while our quality filters mitigate losses in the event of unexpected headwinds.

Valuation

We look for two valuation factors in every investment. Firstly, what we refer to as “static valuation” - does the company trade at a discount to its current value? This is not only judged by traditional public market ratios. We also seek to model every company through the lens of a private equity buyer (of which we have considerable experience) as well as evaluating its attractiveness to strategic trade buyers.

Secondly, we are looking for companies which can grow their value over time – “dynamic valuation”. We particularly look for situations where there are multiple, independent drivers of value creation present, and where management actions can unlock these. We believe seeking multiple value drivers makes an investment case more secure and less exposed to single areas of uncertainty or misjudgement.

Quality

We assess every potential investment against qualitative and quantitative quality criteria. The quality assessment is important to mitigate the risk of permanent capital destruction from investments which fail to achieve their value potential. In our experience, higher quality



Portfolio Manager's Report *(continued)*

companies are more likely to maintain a minimum value through difficult times and are more able to attract high calibre management teams to rectify underperformance.

Improvement potential and engagement

We particularly like companies that are in some way underperforming relative to their potential, and where the current valuation does not price in the potential for improvement. Once invested, constructive corporate engagement can help to unlock value. Our mantra is to buy good businesses and sell excellent businesses. The spectrum of areas which can be improved is broad and includes operating performance, asset utilisation, overly complex business structures/organisation, strategic direction, poor M&A, investor relations, and governance and pay.

ESG in our investment process

We have historically focused on evaluating and engaging on corporate governance ("G") and financial performance as part of our investment process.

In January 2021, shareholders approved a change in the investment policy of the Company to implement negative screening of certain investments, deemed unethical and or involved in activities which were deemed unsustainable. These restrictions augment our approach to corporate engagement and provide clarity and certainty to investors and largely formalises the approach we have taken since we launched.

Our partnership with the specialist ESG data provider for smaller quoted companies, announced in December 2020, has enabled us to analyse all our portfolio companies ESG performance. Many of these companies are too small to have attracted ratings from the major ESG rating agencies. As at the time of preparation, we have shared these reports with each of our portfolio companies.

This is in line with the pragmatic approach to environmental and social engagement given the more resource-constrained nature of smaller quoted companies. Our focus is on how boards approach sustainability, where the scope for improvement is, how progress is evaluated and how it is reported to investors. Our belief is that performing ahead of peers and market expectations on ESG should attract new shareholders, a higher rating and a lower cost of equity, all things which will drive enhanced returns and benefit the Company's shareholders.

Progress and performance in the past year

The six months ending September 2021 saw markets begin in a positive fashion, buoyed by the ongoing success of vaccine roll outs in the developed world, alongside progressive relaxation of many of the most stringent lockdown protocols. Through the period, there was a notable style shift in our part of the market, with the value rally which began in November 2020 seeming to peter out, and growth/momentum enjoying a strong renaissance during the summer months. Through September, concerns about inflation and stagflation weighed on markets. There were also flashbacks to the 1970s with many of us experiencing fuel shortages. Although the price of petrol has remained largely in check, oil shares performed extremely well.

The Company's net asset value (NAV) per share rose 13.5% in the period, exceeding the 9.1% rise in the NSCI & AIM index. The second half of the period saw an increase in absolute, as well as relative, volatility. Lack of exposure to oil and gas shares impacted the Company's relative NAV per share performance during September.

Unusually, AIM stocks underperformed both full list small and mid-cap indices, rising only 4.4% over the period. The mid-cap indices delivered a similar return to the NSCI & AIM Index, and the FTSE Small Cap index delivered a return similar to that of the Company's NAV.

The top five positive contributors to performance were Vectura, Flowtech, Elementis, Chemring and Spire. Highly unusually two of these companies, Vectura and Spire, received bid approaches on the same day in May 2021.

Both companies are in the healthcare sector, and we had increased our exposure to this sector, and these companies, materially during Q4 2020, a time when many investors were more focused on investing on consumer cyclical recovery situations. We thought neither bid was a knock-out but believed that there was more chance of a counterbidder in the case of Vectura, where the initial approach had been from a private equity house, seemingly bringing no synergies. In July, Philip Morris counter bid for Vectura which sparked a bidding war. Ultimately Philip Morris prevailed and the position was exited in full at the end of September, with the investment having generated 1.7x cash and 40% internal rate of return (IRR) over our holding period.



Portfolio Manager's Report *(continued)*

We were more sceptical that a competing bidder would emerge to counter Ramsay Health Care for Spire, and sold a third of the holding at a premium to the bid. No competing approach arrived and the bid was ultimately voted down by shareholders.

The bids for Vectura and Spire represent the fifth and sixth portfolio companies to receive bids since November 2019. During the period, Elementis also received a further takeover approach, the third in nine months, this time from US peer Innospec. The media reported this to be at c.160p. We believed that this substantially undervalued the company and we were supportive of the board's approach not to engage with the bidder.

There were three negative contributors during the period. The only one of note was Clinigen, which suffered from an unscheduled and highly disappointing negative trading update in June, just before its financial year end. The mixed sentiment surrounding the company turned extremely negative, leading to a fierce reaction in the share price. This event has led to significant changes in the shareholder register, with special situations investors such as Elliot and Slater becoming the largest shareholders. Also, through the period the longstanding Chairman left, a new Senior Non-Executive Director joined the board, and the CFO left. This is likely to be the start of a one to two year phase of change for the company.

We believe there is meaningful upside in the shares through a combination of a) improving operational efficiencies; b) simplifying the group, including unlocking the discount to the sum of parts to which the shares trade; c) improving the company's perception with the investment community. Medium term, success or otherwise of Proleukin (the immune response drug Clinigen has the rights to) offers a material upside option.

The portfolio was on average 93% invested across the period. Net cash began the period at 11% and ended the period at 12%. The portfolio consisted of 17 holdings as at the end of September 2021.

Portfolio development

Following a very busy period through the sharp market gyrations at the start of the COVID-19 pandemic, portfolio activity returned to more normalised levels during the first half of the year.

In total c.£30.9m was invested across the period. Two new positions were started for a total investment of c.£8.9m, of which Dialight is a top 10 position. The other new position is outside the top 10 but has scope to scale further. The remaining £22.0m investment went into existing positions with notable further investments into Xaar, Elementis and Spire growing these relatively newer positions as our diligence progressed. We also made further investment into Clinigen, where we felt that the sharp fall in shares on the disappointing trading update offered an attractive risk/reward balance.

Through the period we realised £29.6m, with two positions fully exited raising £16.1m. The largest single position exited was Vectura as a result of a successful bid from Phillip Morris (detailed previously). We also fully exited our position in Volution selling down into the market.

Volution has been an extremely successful investment with the business delivering on our targets for margin improvement, cash generation and revenue growth. With the shares performing well and reaching a level above our view of a fair value (and above the level of recent trade deals in the sector) we saw more attractive, balanced returns elsewhere in the portfolio and in new opportunities. Over our investment period our holding in Volution returned c.1.9x our money and a 37% IRR. Of the other stock sales, we have taken profits on names which have performed well and where valuations have exceeded our view of current fair value. We have also recycled capital from our position in RWS inherited from the takeover of SDL.

Overview

Interim Report

Financial Statements

Additional Information



Portfolio Manager's Report *(continued)*

As a result of investment activity in the period, industrials has become the largest sector exposure of the portfolio. This positioning does not represent a cyclical call, but rather the specific, special situations we have found in the sector. We believe that each of our industrial investments has significant self-help potential which if delivered can both drive growth above market levels in the coming years, and drive a material step up in margins to levels above pre-COVID-19 peaks. This exciting combination is currently not reflected in valuations, with our industrial investments trading below long run average multiple of revenues. These holdings have the potential to offer attractive upside.

We have continued to actively engage with the portfolio where appropriate in order to drive value and are pleased to see progress being made.



Portfolio Manager's Report *(continued)*

Portfolio detail

At the end of the period under review, the portfolio comprised 17 companies. During the period two new positions were initiated and two positions fully exited as detailed above.

Key updates through the period for the largest ten positions (accounting for 68% of net asset value) are detailed below:

ELEMENTIS

% NAV: 12%

Sector: Industrials

Leading producer of specialty chemicals focused on personal care, talc and coatings markets.

The key news for Elementis during the period was a further unsolicited bid approach in April from Innospec Inc at a valuation of 160p per share. We viewed this offer as undervaluing the potential of the company and were supportive of the board not engaging with the bidder. Interim results in July were in-line with expectations with the recovery from COVID-19 progressing. We continue to see the group as well positioned to return revenues to levels above their prior peak as the recovery continues, on margins enhanced by already delivered cost actions – an outcome which has seemingly not been priced in by the investment community.



% NAV: 9%

Sector: Services

Leading UK distributor of hydraulic and pneumatic components.

Flowtech delivered an in-line set of interim results in September. These showed a return to growth and a positive outlook for the remainder of the year. More pleasing was the notable progress on key self-help initiatives, with cost savings from integration of legacy M&A delivered and the potential from building out the group's e-commerce capabilities coming more clearly into focus. Despite potential near term challenges from supply chain pressures, we see these operational improvements positioning the group to emerge stronger from COVID-19 with significant further mid-term growth potential.



% NAV: 9%

Sector: Healthcare

Provides a range of services and products to the pharmaceutical market, focused on ensuring that hard to access medicines reach the right patients at the right time.

Trading updates from Clinigen through the period were disappointing with downgrades driven by COVID-19 slowing demand for key, high margin immune response treatment Proleukin. The shares fell sharply on this news. On the back of this obviously disappointing news, we have actively engaged with the company and other shareholders around the opportunity to strengthen the company board and the need to set out a clear strategy to maximise value from the group. We have been pleased to see the announcement of a rapid change in Chairman and appointment of a new senior non-executive director. We believe this marks the start of a needed professionalisation of the company's activities, further strengthening of the board and a review of the strategic direction of the business.

Overview

Interim Report

Financial Statements

Additional Information



Portfolio Manager's Report *(continued)*

Chemring Group

% NAV: 8%

Sector: Industrials

Producer of countermeasures, sophisticated sensor products, and energetic devices primarily for the defence sector.

Interim results and subsequent trading updates from Chemring have continued to show the group delivering in-line with expectations as the company continues to grow its impressive track record of delivery. Shares have performed well through the period and we continue to be positive on the outlook for the company. End markets for the group's countermeasure products are supported by the ongoing F-35 platform roll out, demand for the group's Roke cyber security services is strong and the company is well placed on forthcoming large US DoD contracts.

New Top 10 Position

XAAR

% NAV: 6%

Sector: Industrials

Leading independent designer and manufacturer of industrial inkjet print heads.

Xaar is a new disclosable top ten position in the period. The group is a leading designer and manufacturer of inkjet print heads for industrial use. Originally formed around technology spun out from the University of Cambridge, Xaar benefits from intellectual property (IP) and a printhead architecture fundamentally different to others on the market with advantages in printing high viscosity, highly pigmented ink. The strength of Xaar's IP however was overshadowed in recent years by a period under previous management of over investment in facilities and R&D, combined with a number of commercial miss-steps.

We see Xaar as an exciting investment with a new management team driving clear self-help actions to right past mistakes, and commercialise years of R&D investment to increase the addressable market for the group's products. With this done, we believe that Xaar retains a strong IP advantage in growth markets where a rehabilitation of its reputation with customers can drive a return to revenue growth. Historic investment in capacity has left the group with scope to double revenues with minimal investment, driving the potential for rapid profit recovery. Finally, a net cash balance sheet de-risks any near term uncertainty in this turnaround story.



Benchmark Holdings

% NAV: 6%

Sector: Healthcare

Leading supplier to the global aquaculture market offering genetics, early-stage nutrition and health products.

Interim and Q3 trading updates from Benchmark were broadly in-line with demand for its salmon genetics products strong and a recovery being seen in demand for its nutrition products. The key operational news flow from the group was the receipt of Norwegian marketing authority for its new salmon sea lice treatment BMK08/Ectosan along with its unique Cleantreat delivery system. This approval marks the first new sea lice treatment brought to market in over a decade and the high efficacy of the product, combined with the environmentally friendly Cleantreat system (which releases no chemicals into the wider ecosystem), has been well received with initial demand expected to be strong. Roll out of this solution, will be a key driver of growth for the group in the coming years. This key announcement is further evidence of the transformation of Benchmark into a more professional business supporting ongoing value growth.



Portfolio Manager's Report *(continued)*

Euromoney Institutional Investor PLC

% NAV: 5%

Sector: TMT

Global B2B information business providing data, pricing information and insight to the asset management, commodities and a range of financial services markets.

Euromoney's interim results came in ahead of expectations driven by strong subscription sales and tight cost control. Pleasingly, the group also flagged that the turnaround of its more troubled Asset Management division was being delivered ahead of plan. We continue to see Euromoney as a somewhat overlooked COVID-19 recovery story. The group has a well invested, high quality core business and a strong balance sheet. The coronavirus impact on in-person events has been a headwind, but market peers are demonstrating that vaccine roll out in developed countries is being followed by growing demand for a return of in person (or blended digital) events. The continuation of this trend bodes well for continuing strong performance at Euromoney which we see as yet to be priced in to shares.

New Top 10 Position

Dialight

% NAV: 5%

Sector: Industrials

Designer and manufacturer of LED lighting solutions primarily sold into hazardous industrial environments.

Dialight is a new disclosable top ten position in the period. The group is a leader in the market for LED lights, primarily for use in hazardous and high reliability industrial applications. This niche market is growing well driven by replacement of traditional lighting solutions by more economic and more ESG friendly LED based solutions. The business itself has had a tumultuous recent history with previous management failing to outsource production of a complex product range to an ill prepared partner, causing production issues and material loss of share.

Under a new management team, we see these historic issues as now being resolved with production brought back in house. This has left the business well placed to see revenues rebound strongly as capital investment budgets restart with COVID-19 unlocking. The business should see significant operational leverage come through from its now well invested manufacturing footprint. The current share price fails to capture this potential, and we note Dialight's IP and strong US sales force would be highly attractive to larger industrial companies in the sector.

Wilmington plc

% NAV: 5%

Sector: TMT

B2B information, training and media provider focused on the compliance, healthcare and professional business markets.

Wilmington delivered full year results to June which were ahead of expectations. The group has navigated the pandemic well, the core of recurring revenue from data/information products has proved resilient and the group has readily pivoted to digital delivery of many of its training courses and in person events. We remain positive on the team at Wilmington and their efforts to restructure the operating model of the group, to construct a more coherent, integrated whole from the legacy disparate group of businesses. We see further upside in the shares as the transformation continues and in person events recover.

Overview

Interim Report

Financial Statements

Additional Information



Portfolio Manager's Report *(continued)*



DEVRO

% NAV: 4%

Sector: Consumer

Leading provider of edible, collagen-based sausage casings.

Devro delivered solid trading updates through the period. The group continued its strong track record of delivering cost savings, but also pleasingly delivered volume growth supported by particularly strong performance across emerging markets. We believe that Devro remains an attractive investment opportunity; a capable management team is beginning to see a return on investment in standardising operations, but now also from the strengthening of the businesses commercial function. Delivery of revenue growth, continuing strong margins and cash flow should support continuing value creation.

The remaining seven investments represent up to 4% of NAV each. They are weighted towards our core focus sectors and include positions with the potential to scale as liquidity and due diligence allows.

Outlook

At the time of preparation, the key drivers of uncertainty in markets are supply chain issues, and inflation.

On the former, we have engaged with our portfolio companies to understand what direct and indirect supply chain issues they face. The direct impacts (specifically availability of raw materials/components) have been managed well, with companies having either increased raw material inventories and/or secured supply. The indirect impacts are more difficult to predict and plan for: e.g., if you supply a component to a customer, which has shortages in other components from other suppliers, the customer could cut future orders from you until it can secure future supply of other components.

In April, we assessed our portfolio companies against the risks of increasing inflation. Our conclusions were that given many had market leadership, could pass on price increases relatively quickly, and had limited customer or supplier concentration, they are well positioned to perform resiliently. There are few companies where labour and/or energy are very significant proportions of costs. Some might have a small lag before being able to full pass on temporary costs such as freight surcharges, but certain portfolio companies could thrive in periods of inflation.

Despite short-term uncertainty, we have become increasingly confident of the medium to long term value uplift potential of many of our portfolio companies. We like companies with the potential to drive improvements in their value through “self-help” – strategic, operational, capital allocation improvements, as well as enhancing

their communications with investors. Such change requires a catalyst and often change of mindset and culture. This change typically starts from the top.

The role of a chairman is often under appreciated. An engaged and high calibre chairman can make a material positive impact on a smaller company. Unless it is a “deep rescue” situation, the appointment of a good new chairman typically leads to a three-to-six month review, followed by six to twelve months of implementation, and then an improvement journey visible to the investment community. From that point, we often observe multiple periods of strong share price performance, and sometimes takeovers from high quality trade bidders. We believe that high quality trade bidders prefer to pay a premium to a high price for a “clean/fixed” company, rather than a bargain for an underperforming company with potential. Other stock market investors are also more attracted to “clean/fixed” businesses.

It is notable that a high proportion of our portfolio companies have had a new chairman join since the beginning of 2020. We believe this augurs well for medium term relative and absolute performance.

This is particularly the case with our industrial cyclical investments (Dialight, Elementis, Flowtech and Xaar), all of which we believe have recovery and self-help potential, and have had new chairmen since April 2020. Unlike many companies in the industrial sector, we do not believe that these companies' shares are pricing in recovery, with their valuations trading on discounts to average long-term Enterprise Value to Sales (despite their business models being robust), when their forecast sales



Portfolio Manager's Report *(continued)*

remain notably below previous peak nominal sales. All have been raising prices of late too. The balance sheets of these companies appear robust. We see the prospect of attractive returns over the next three years for these companies. These investments accounted for c.30% of NAV at the end of the period.

Two other significant areas of potential NAV growth over the next two to three years are a) the healthcare & life sciences special situations, Benchmark and Clinigen; and b) the B2B media companies.

We believe Benchmark and Clinigen trade at significant discounts to their sum of parts valuations. The executive team change was completed at Benchmark more than a year ago and we believe that restructuring and change is well embedded. In comparison, the change process at Clinigen is in its infancy.

The B2B media investments in Euromoney and Wilmington may not offer as much upside as some other recovery plays in the portfolio but both have the potential to deliver attractive returns over the next two to three years in excess of our investment hurdles. Unlike other recovery plays, their asset light nature means their progress is not encumbered by supply chain issues. B2B media companies tend to operate on negative working capital so, their cash generation during recovery phases should exceed profits. Both companies enjoy strong balance sheets which will give them the potential to execute value-enhancing acquisitions.

We continue to look for situations where there are multiple drivers of capital increase leading to a balanced return, not just sales-driven earnings growth. Likewise, we are not interested in "cheap" stocks with problems, instead looking to pay below our view of the intrinsic value for higher quality companies.

Increased volatility in both directions means we usually reduce and exit positions in portfolio companies when the market value exceeds the intrinsic value and the likely value as a takeover target to a trade buyer. This discipline of pegging intrinsic value to a takeover valuation and selling as our opinion of fair value has been reached, has helped us raise capital during the summer, which we have redeployed during the recent market weakness.

We are fortunate to manage an unconstrained mandate without a benchmark, allowing us to wait for compelling investments, and not be drawn into short term fads. We can thus maintain a net cash balance sheet and only invest when we see compelling investment opportunities.

A closed-ended structure allows investment in a highly concentrated portfolio of less liquid companies, enabling us to select a small number of investments each year which we believe offer an attractive risk/reward balance. Unlike open ended funds, which are subject to daily fund inflows and outflows, we have certainty of the capital base we are investing, so we can make long term investment decisions.

We are confident the existing portfolio has the potential to generate attractive returns over the next three to five years and our patience should be rewarded as market conditions present new attractive opportunities.

Stuart Widdowson | Ed Wielechowski
Portfolio Managers
Odyssean Capital LLP

24 November 2021

Overview

Interim Report

Financial Statements

Additional Information



Portfolio of Investments

as at 30 September 2021

Company	Sector	Country of Listing	Cost £'000	Valuation £'000	% of Net Assets
Elementis	Industrials	United Kingdom	9,034	17,880	12.2%
Flowtech Fluidpower	Business Services	United Kingdom	10,305	13,550	9.2%
Clinigen Group	Healthcare	United Kingdom	12,621	12,700	8.6%
Chemring Group	Industrials	United Kingdom	8,213	11,803	8.0%
XAAR	Industrials	United Kingdom	6,417	8,673	5.9%
Benchmark Holdings	Healthcare	United Kingdom	7,033	8,622	5.8%
Euromoney Institutional Investor	TMT	United Kingdom	6,269	7,112	4.8%
Dialight	Industrials	United Kingdom	6,240	7,110	4.8%
Wilmington	TMT	United Kingdom	4,762	7,057	4.8%
Devro	Consumer	United Kingdom	5,695	6,405	4.3%
Total top 10 equity investments			76,589	100,912	68.4%
Other equity investments*			22,459	29,098	19.7%
Total equity investments			99,048	130,010	88.1%
Cash and other net current assets				17,543	11.9%
Net assets				147,553	100.0%

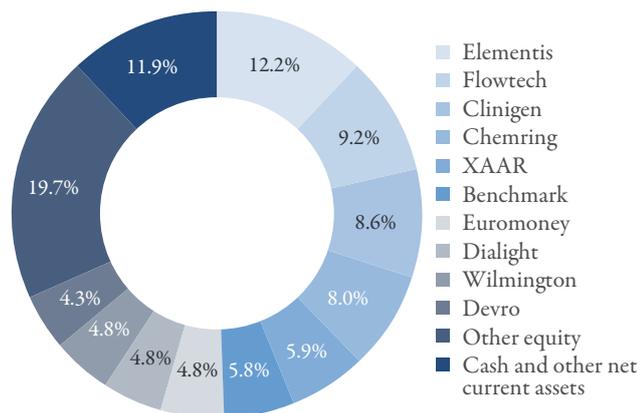
*Other equity investments include seven investments, each representing between c.1% and 4% of NAV. These are spread across our core focus sectors and all offer scope to scale, subject to further due diligence and pricing remaining attractive.



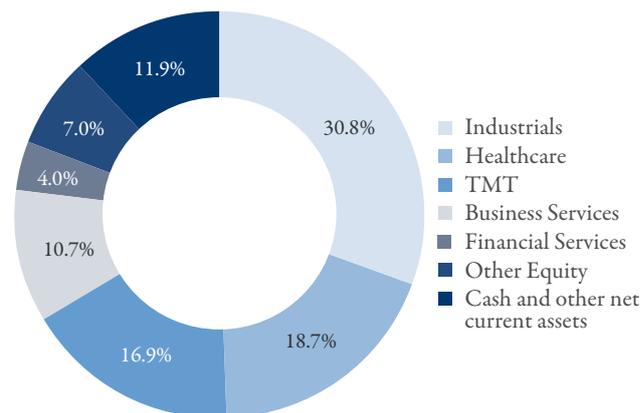
Distribution of Investments

as at 30 September 2021

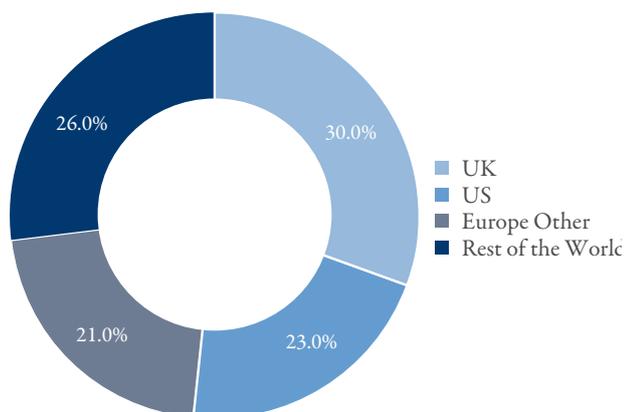
Portfolio holdings
(% of net assets)



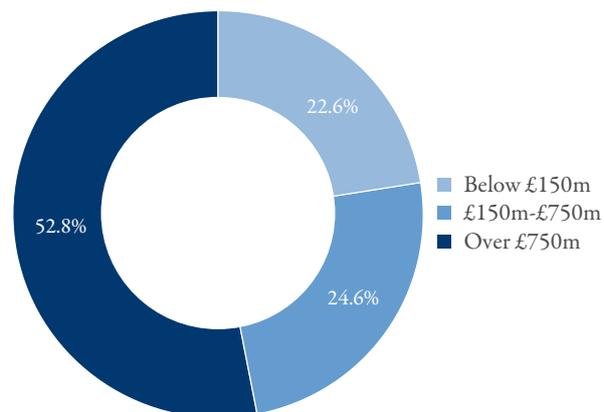
Sector exposure
(% of net assets)



Geographical revenue exposure
(% of invested capital)



Market capitalisation
(% of invested capital)



Overview

Interim Report

Financial Statements

Additional Information

Interim Management Report and Statement of Directors' Responsibilities



Interim management report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal factors that could impact the remaining six months of the financial year are set out in the Chairman's statement on pages 5 to 7 and the Portfolio Manager's report on pages 8 to 17.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company are set out on pages 35 to 41 of the Annual Report and Accounts for the year ended 31 March 2021, which is published on the Company's website. Such risks and uncertainties are as applicable for the remaining six months of the Company's financial year as they have been for the period under review. The risks can be summarised under the following headings: investment performance not being comparable to the expectations of investors, share price performance, loss of personnel or reputation of the Portfolio Manager, material changes within the Portfolio Manager's organisation, valuation of unquoted investments, reliance on the performance of third-party service providers, market risks (including market price risk, currency risk and interest rate risk), liquidity risk and credit risk.

The Board notes that equity markets experienced substantial volatility during the period due to uncertainties linked to the Covid-19 pandemic. The Directors have considered the impact of the continued uncertainty on the Company's financial position and, based on the information available to them at the date of this report, have concluded that no adjustments are required to the accounts as at 30 September 2021. The Board is also aware that the UK's exit from the European Union has introduced elements of political and economic uncertainty. Developments continue to be closely monitored by the Board.

Related Party Transactions

During the first six months of the current financial year no material transactions with related parties other than those set out in the notes to the financial statements have taken place which have affected the financial position of the performance of the Company.

Going concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties relating to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this Interim Report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting';
- the Half Year Report and condensed financial statements give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the Interim Management Report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

Interim Management Report and Statement of Directors' Responsibilities



(continued)

- b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions that could do so.

The Half Year Report has not been reviewed or audited by the Company's Auditors.

This Half Year Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

For and on behalf of the Board

Jane Tufnell
Chairman

24 November 2021

Overview

Interim Report

Financial Statements

Additional Information



Condensed Income Statement

for the six months ended 30 September 2021

	Notes	Six months ended 30 September 2021 (unaudited)			Six months ended 30 September 2020 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	3	1,718	–	1,718	194	–	194
Net gains on investments at fair value	9	–	17,621	17,621	–	15,144	15,144
Total income		1,718	17,621	19,339	194	15,144	15,338
Expenses							
Portfolio management fee	4	(702)	(1,713)	(2,415)	(411)	(807)	(1,218)
Other expenses	5	(329)	–	(329)	(207)	–	(207)
Total expenses		(1,031)	(1,713)	(2,744)	(618)	(807)	(1,425)
Return/(loss) before taxation		687	15,908	16,595	(424)	14,337	13,913
Taxation	6	–	–	–	–	–	–
Return/(loss) for the period		687	15,908	16,595	(424)	14,337	13,913
Basic and diluted return/(loss) per ordinary share (pence)	7	0.8	17.6	18.4	(0.5)	16.3	15.8

The total column of the statement is the Income Statement of the Company prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed by the European Union (“EU”). The supplementary revenue and capital columns are presented for information purposes as recommended by the Statement of Recommended Practice (“SORP”) issued by the AIC.

All items in the above Statement derive from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income, and therefore the profit for the period after tax is also the total comprehensive income for the period.

The notes on pages 26 to 32 form part of these financial statements.

Condensed Statement of Changes in Equity



for the six months ended 30 September 2021

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 30 September 2021 (unaudited)						
Opening balance as at 1 April 2021	883	449	85,245	36,562	(579)	122,560
Share released from treasury	–	212	230	–	–	442
Net proceeds from share issuance	50	7,906	–	–	–	7,956
Total comprehensive income for the period	–	–	–	15,908	687	16,595
As at 30 September 2021	933	8,567	85,475	52,470	108	147,553

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 30 September 2020 (unaudited)						
Opening balance as at 1 April 2020	883	449	85,475	(6,726)	14	80,095
Share repurchases into treasury	–	–	(230)	–	–	(230)
Total comprehensive income/(loss) for the period	–	–	–	14,337	(424)	13,913
As at 30 September 2020	883	449	85,245	7,611	(410)	93,778

The notes on pages 26 to 32 form part of these financial statements.

Overview

Interim Report

Financial Statements

Additional Information



Condensed Balance Sheet

as at 30 September 2021

	Notes	As at 30 September 2021 £'000 (unaudited)	As at 31 March 2021 £'000 (audited)
Non-current assets			
Investments at fair value through profit or loss	9	130,010	109,259
Current assets			
Trade and other receivables		81	143
Cash and cash equivalents		19,652	15,689
		19,733	15,832
Total assets		149,743	125,091
Current liabilities			
Trade and other payables	4	(2,190)	(2,531)
Total liabilities		(2,190)	(2,531)
Total assets less current liabilities		147,553	122,560
Net assets		147,553	122,560
Represented by:			
Share capital	10	933	883
Share premium		8,567	449
Special distributable reserve	10	85,475	85,245
Capital reserve		52,470	36,562
Revenue reserve		108	(579)
Total equity attributable to equity holders of the Company		147,553	122,560
Basic and diluted net asset value per ordinary share (pence)	8	158.1	139.3

The notes on pages 26 to 32 form part of these financial statements.



Condensed Cash Flow Statement

for the six months ended 30 September 2021

	Six months ended 30 September 2021 £'000 (unaudited)	Six months ended 30 September 2020 £'000 (unaudited)
Reconciliation of profit before taxation to net cash outflows from operating activities		
Profit before tax	16,595	13,913
Gains on investments held at fair value through profit and loss	(17,621)	(15,144)
Decrease in receivables	62	14
(Decrease)/increase in payables	(41)	759
Taxation paid	–	–
Net cash outflow from operating activities	(1,005)	(458)
Investing activities		
Purchases of investments	(31,308)	(19,737)
Sales of investments	27,878	19,902
Net cash (outflow)/inflow from investing activities	(3,430)	165
Financing activities		
Net proceeds from share issuance	7,956	–
Shares released from/(repurchased into) treasury	442	(230)
Net cash inflow/(outflow) from investing activities	8,398	(230)
Increase/(decrease) in cash and cash equivalents	3,963	(523)
Reconciliation of net cash flow movements in funds		
Cash and cash equivalents at the beginning of period	15,689	9,800
Increase/(decrease) in cash and cash equivalents	3,963	(523)
Cash and cash equivalents at end of period	19,652	9,277

The notes on pages 26 to 32 form part of these financial statements.

Overview

Interim Report

Financial Statements

Additional Information

Notes to the Financial Statements



for the six months ended 30 September 2021 (unaudited)

1. General information

Odyssean Investment Trust PLC is a listed public limited company incorporated in England and Wales. The registered office of the Company is 25 Southampton Buildings, London WC2A 1AL.

2. Accounting policies

a) Basis of preparation/statement of compliance

The interim financial information covers the period from 1 April 2021 to 30 September 2021 and has been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

The Company's annual financial statements for the year ended 31 March 2021 were prepared in conformity with IFRS as adopted by the EU, which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and as applied in accordance with the SORP for the financial statements of investment trust companies and venture capital trusts, except to any extent where it is not consistent with the requirements of IFRS.

The accounting policies used by the Company followed in these half-year financial statements are consistent with the most recent Annual Report for the year ended 31 March 2021.

The interim financial information is being sent to shareholders and copies will be made available to the public at the registered office of the Company and on the Company's website: www.oitplc.com.

b) Functional and presentation currency

The condensed financial statements are presented in GBP Sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

c) Comparative information

The financial information contained in this Interim Report does not constitute statutory accounts as defined in the Companies Act 2006. The financial information contained within this report relates to the following periods: 1 April 2021 to 30 September 2021 and 1 April 2020 to 30 September 2020 (unaudited and unreviewed by the Company's Auditor); and as at 31 March 2021 (audited) for the Balance Sheet. The comparative figures for the period 30 September 2020 are not the Company's statutory accounts for that financial year. The Company's statutory accounts are for the year ended 31 March 2021 and were reported on by the Company's Auditor and delivered to the Registrar of Companies. The report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

d) Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date on which these financial statements were approved). Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, debt and investment commitments.

Notes to the Financial Statements *(continued)*



3. Income

	Six months ended 30 September 2021			Six months ended 30 September 2020
	Income £'000	Capital £'000	Total £'000	Total £'000
Income from investments				
Dividend income	1,718	–	1,718	194
Total income	1,718	–	1,718	194

4. Portfolio management fee

	Six months ended 30 September 2021			Six months ended 30 September 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Portfolio management fee	702	–	702	411	–	411
Performance fee	–	1,713	1,713	–	807	807
	702	1,713	2,415	411	807	1,218

The Company is liable to pay a performance fee depending on the performance of the Company over a three-year period and thereafter a rolling three-year period as set out in the Company's prospectus dated 26 March 2018. Based on the performance of the Company to 30 September 2021, £1,713,000 (2020: £807,000) of performance fee has been accrued in the NAV and included in Trade and Other Payables in the Balance Sheet.

Pursuant to the terms of the Portfolio Management Agreement, the Portfolio Manager is entitled, with effect from Initial Admission, to receive an annual management fee equal to the lower of: (i) 1.0% of the net asset value (calculated before deduction of any accrued but unpaid management fee and any performance fee) per annum; or (ii) 1.0% per annum of the Company's market capitalisation. The annual management fee is calculated and accrues daily and is payable quarterly in arrears.

In addition, the Portfolio Manager will be entitled to a performance fee (the "Performance Fee") in certain circumstances.

Notes to the Financial Statements *(continued)*



for the six months ended 30 September 2021 (unaudited)

4. Portfolio management fee *(continued)*

The Company's performance is measured over rolling three-year periods ending on 31 March each year (each a "Performance Period"), by comparing the net asset value total return per ordinary share over a Performance Period against the total return performance of the NSCI ex IT plus AIM Index (the "Comparator Index"). The first Performance Period ran from Initial Admission to 31 March 2021 and £1,824,000 was paid to the Investment Manager.

A Performance Fee is payable if the net asset value per ordinary share at the end of the relevant Performance Period (as adjusted to: (i) add back the aggregate value of any dividends per ordinary share paid (or accounted as paid for the purposes of calculating the net asset value) to shareholders during the relevant Performance Period; and (ii) exclude any accrual for unpaid Performance Fee accrued in relation to the relevant Performance Period) (the "Net Asset Value Total Return per Share") exceeds both:

- (i) (a) the net asset value per ordinary share at Initial Admission, in relation to the first Performance Period; and (b) thereafter the net asset value per ordinary share on the first business day of a Performance Period; in each case as adjusted by the aggregate amount: of (i) the total return on the Comparator Index (expressed as a percentage); and (ii) 1.0% per annum over the relevant Performance Period (the "Target Net Asset Value per Share"); and
- (ii) the highest previously recorded net asset value per ordinary share as at the end of the relevant Performance Period in respect of which a Performance Fee was last paid (or the net asset value per ordinary share as at Initial Admission, if no Performance Fee has been paid) (the "High Watermark"),

with any resulting excess amount being known as the "Excess Amount".

The Portfolio Manager will be entitled to 10% of the Excess Amount multiplied by the time weighted average number of ordinary shares in issue during the relevant Performance Period to which the calculation date relates. The Performance Fee will accrue daily.

Payment of a Performance Fee that has been earned will be deferred to the extent that the amount payable exceeds 1.75% per annum of the net asset value at the end of the relevant Performance Period (amounts deferred will be payable when, and to the extent that, following any later Performance Period(s) with respect to which a Performance Fee is payable, it is possible to pay the deferred amounts without causing that cap to be exceeded or the relevant net asset value total return per share to fall below both the relevant target net asset value per share and the relevant High Watermark for such Performance Period, with any amount not paid being retained and carried forward).

Subject at all times to compliance with relevant regulatory and tax requirements, any Performance Fee paid or payable shall:

- where as at the relevant calculation date, the ordinary shares are trading at, or at a premium to, the latest published net asset value per ordinary share; be satisfied as to 50% of its value by the issuance of new ordinary shares by the Company to the Portfolio Manager (rounded down to the nearest whole number of ordinary shares) (including the reissue of treasury shares) issued at the latest published net asset value per ordinary share applicable at the date of issuance;
- where as at the relevant calculation date, the ordinary shares are trading at a discount to the latest published net asset value per ordinary share; be satisfied as to 100% of its value in cash and the Portfolio Manager shall, as soon as reasonably practicable following receipt of such payment, use 50% of such Performance Fee payment to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within four months of the date of receipt of such Performance Fee payment,

(in each case "Restricted Shares").

Notes to the Financial Statements *(continued)*



4. Portfolio management fee *(continued)*

Each such tranche of Restricted Shares issued to, or acquired by, the Portfolio Manager will be subject to a lock-up undertaking for a period of three years post issuance or acquisition (subject to customary exceptions).

At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant whitewash resolution having been passed in accordance with the Takeover Code, to receive, or acquire, further ordinary shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. Where any restriction exists on the issuance of further ordinary shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash.

In addition, the Portfolio Manager is entitled to reimbursement for all costs and expenses properly incurred by it in the performance of its duties under the Portfolio Management Agreement.

The initial term of the Portfolio Management Agreement is three years commencing on the date of Initial Admission (the “Initial Term”). The Company may terminate the Portfolio Management Agreement by giving the Portfolio Manager not less than six months’ prior written notice, such notice not to be served prior to the end of the Initial Term. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than six months’ prior written notice, such notice not to be served prior to the end of the Initial Term.

5. Other expenses

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Directors’ fees*	44	43
Company Secretarial and Administration fee – Link**	–	43
Frostrow Capital LLP***	162	44
Audit fee	19	14
Other expenses	104	63
	329	207

* Peter Hewitt is not receiving a Director fee in respect of his services to the Company. Each of the Directors has agreed to use their applicable Directors’ fees (net of applicable taxes) to acquire ordinary shares in the secondary market, subject to regulatory requirements. In relation to any dealings, the Directors will comply with the share dealing code adopted by the Company in accordance with the Market Abuse Regulation. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

** Link Company Matters Ltd was appointed as Company Secretary and Administrator up until 12 July 2020.

*** Frostrow Capital LLP was appointed with effect from 13 July 2020.

Notes to the Financial Statements *(continued)*



for the six months ended 30 September 2021 (unaudited)

6. Taxation

The Company has an effective tax rate of 0%. The estimated effective tax rate is 0% as investment gains are exempt from tax owing to the Company's status as an investment trust and there is expected to be an excess of management expenses over taxable income and thus there is no charge for corporation tax.

7. Return/(loss) per ordinary share

The capital, revenue and total return/(loss) per ordinary share are based on the net return/(loss) shown in the Condensed Income Statement and the weighted average number of ordinary shares during the period of 90,438,153 (2020: 88,058,850).

There are no dilutive instruments in issue and therefore no difference between the basic and diluted return/(loss) per ordinary share.

8. Net asset value per ordinary share

The basic net asset value per ordinary share is based on net assets of £147,553,000 (2020: £93,778,000) and on 93,299,553 (2020: 87,982,211) ordinary shares, being the number of ordinary shares in issue at the period end.

There are no dilutive instruments in issue and therefore no difference between the basic and diluted total net asset per ordinary share.

9. Investments at fair value through profit or loss

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements *(continued)*



for the six month ended 30 September 2021 (unaudited)

9. Investments at fair value through profit or loss *(continued)*

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data from investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid or closing prices at the close of business on the Condensed Balance Sheet date, without adjustment for transaction costs necessary to realise the asset.

	As at 30 September 2021				As at 31 March 2021			
	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Quoted at fair value	130,010	130,010	–	–	109,259	109,259	–	–
Total	130,010	130,010	–	–	109,259	109,259	–	–

There were no transfers between levels during the period.

Overview

Interim Report

Financial Statements

Additional Information

Notes to the Financial Statements *(continued)*



for the six months ended 30 September 2021 (unaudited)

10. Share capital and reserves

	Six months ended 30 September 2021		Year ended 31 March 2021	
	Number of Shares	£'000	Number of Shares	£'000
Issued and fully paid:				
Ordinary shares of 1p:				
Balance at the beginning of the period	88,257,211	883	88,257,211	883
New shares issued during the period	5,042,342	50	–	–
Balance at the end of the period	93,299,553	933	88,257,211	883

Special distributable reserve

Upon initial placing and subsequent issuance of the Company's ordinary shares on 1 May 2018 and 27 June 2018 respectively, the Company accumulated a premium account of £85,495,000. Following approval of the Court, effective on 8 August 2018, the share premium account was cancelled and the balance after cancellation cost of £20,000 was transferred to the special distributable reserve.

On 22 May 2020, the Company purchased 275,000 of its own ordinary shares at a total cost of £230,000 and these shares were placed into treasury, but subsequently released through share issuance during the six months ended 30 September 2021.

11. Related party transactions

The amount incurred, in respect of portfolio management fees, during the period to 30 September 2021 was £702,000 (30 September 2020: £411,000), of which £377,000 was outstanding at 30 September 2021 (30 September 2020: £224,000).

The amount incurred in respect of Directors' fees during the period to 30 September 2021 was £44,000 (2020: £43,000) of which £nil was outstanding at period end (2020: £nil).



Glossary

AIC

Association of Investment Companies.

CTA

Corporation Tax Act 2010.

Premium/discount (APM)

A description of the difference between the share price and the net asset value per share. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Premium/(discount) calculation	30 September 2021	31 March 2021
Closing NAV per share (p)	158.1	139.3
Closing share price (p)	163.0	129.0
Premium/(discount) (%)	3.1	(7.4)

FCA

Financial Conduct Authority.

IPO

Initial public offering.

LSE

London Stock Exchange.

M&A

Mergers and acquisitions.

NAV

NAV stands for net asset value and represents shareholders' funds. Shareholders' funds are the total value of a company's assets at current market value less its liabilities.

NAV total return per ordinary share (APM)

NAV total return is the closing NAV per share including any cumulative dividends paid as a percentage over the opening NAV.

	Six months ended 30 September 2021	Year ended 31 March 2021
Opening NAV per ordinary share (p)	139.1	90.8
Dividend paid per ordinary share (p)	–	–
Dividend adjusted opening NAV per ordinary share (p)	139.1	90.8
Closing NAV per ordinary share (p)	158.1	139.3
NAV total return per ordinary share (%)	13.5	53.4

NSCI ex IT plus AIM Index

Numis Smaller Companies ex Investment Trusts plus AIM Index.

Ongoing charges ratio (APM)

Based on total expenses, excluding finance costs and certain non-recurring items for the period or year, and average daily net asset value.

	Six months ended 30 September 2021	Year ended 31 March 2021
Total expenses per note 4 and note 5 (£'000)	1,031	1,442
Annualised total expenses (£'000)	2,062	1,442
Average net asset value (£'000)	143,025	101,160
Ongoing charges (%)	1.44	1.43

TMT

Technology, media and telecom.

Total assets

Total assets are the sum of both fixed and current assets with no deductions.



Shareholder Information

Investing in the Company

The Company's shares are traded on the LSE and can be bought or sold through a stock broker or other financial intermediary.

Shares in the Company are available through savings plans, including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs, which facilitate both regular monthly investments and lump sum investments in the Company's shares. The Company's shares are also available on various investment platforms.

Share capital and NAV information

Ordinary 1p shares	93,299,553 as at 30 September 2021
Held in Treasury	Nil
Shares with voting rights	93,299,553 as at 30 September 2021
SEDOL number	BFFK7H5
ISIN	GB00BFFK7H57
Ticker	OIT
LEI	213800RWVAQJKXYHSZ74

The Company's NAV is released daily to the LSE and published on the Company's website.

Sources of further information

Copies of the Company's Annual and Interim Reports, Stock Exchange announcements and further information on the Company can be obtained from its website: www.oitplc.com, or from the Company Secretary at info@frostrow.com.

Share register enquiries

The register for the ordinary shares is maintained by Equiniti Limited. In the event of queries regarding your holding, please contact the Registrar on 0371 384 2030. Changes of name and/or address must be notified in writing to the Registrar at the address shown on page 35. You can check your shareholding and find practical help on transferring shares or updating your details at www.shareview.co.uk.

Key dates

Company's half-year end Interim results announced	30 September November/ December
Company's year end Annual results announced Annual General Meeting	31 March June/July September

Association of Investment Companies

The Company is a member of the AIC, which publishes monthly statistical information in respect of member companies. The AIC can be contacted on 020 7282 5555, enquiries@theaic.co.uk or visit the website: www.theaic.co.uk.



Corporate Information

Directors

Jane Tufnell (Chairman)
Arabella Cecil (Senior Independent Director)
Peter Hewitt (Chairman of the Management Engagement Committee)
Richard King (Chairman of the Audit Committee)

Portfolio Manager

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www.oitplc.com

Company registration number

11121934 (registered in England and Wales)

Overview

Interim Report

Financial Statements

Additional Information

