



Odyssean Investment Trust PLC

Q1 2021 Update

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Executive Summary – Q1 2021



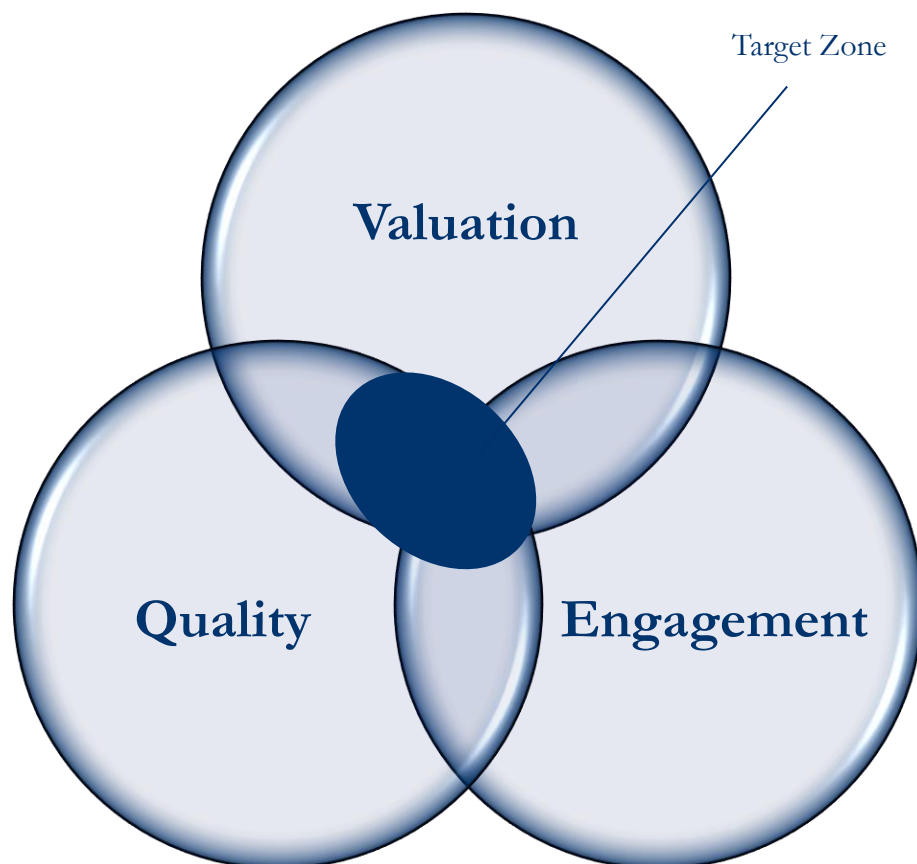
NAV growth c.6.6% over the period

- NAV rose 6.6%^{1,2} in the period, which was less than the NSCI + AIM ex IC index (“Comparator”) which rose 9.9%^{2,3}
 - OIT NAV broadly in line with Comparator Index excluding Retail, Travel & Leisure
 - Net cash averaged 7% over the quarter, ending at c.11%
 - Approaching OIT’s third anniversary since IPO, NAV return since inception of 42% vs 20% for comparator index
- Q1 market performance driven by Retail, Travel and Leisure sectors, which accounted for 11% of the Comparator Index at the start of 2021. We do not invest in these sectors
 - These consumer sectors delivered 3.2% points (or c.1/3) of the Comparator Index return
 - We believe that many of the stocks in these sectors are pricing in CY2022 recovery/material upgrades now
- Portfolio
 - Trading updates have been positive
 - One new “toehold” position made during the period
 - Profits taken in a number of more highly rated holdings which have doubled over the past two years (point to point)
- We remain positive on the medium to long term potential from the portfolio companies due to a blend of reasonably priced growth, self help potential and prospects for value creation from M&A
- OIT’s shares ended the period trading at c.7.4% discount to NAV of 139.3p^{1,2}. Discount has narrowed post the end of the period
- Shareholders approved the change in OIT’s investment policies and enhanced ESG investment approach

As at 31st March 2021. Performance measured from COB 1st May 2018 Source: ¹ Odyssean Capital ² Link Asset Services ³ Bloomberg. The NSCI + AIM ex Investment Company index is only used for the purposes of calculating performance fees. The investment strategy is unconstrained and not benchmarked against any particular index. Past performance is no guarantee of future performance and the value of investments can go up and down

Investment strategy recap – neither growth nor value

Based on 3 pillars: Valuation, Quality and Engagement, with Sector focus



Valuation

- Invest at a significant discount to owner's valuation
- Look for businesses with multiple drivers of equity value growth (sales; margin; rating; free cashflow; M&A)
- “Make money”, not beat an index

Quality

- Strict quality overlay to complement value focus
- “Good companies”
- Limit downside

Engagement

- Seek out “self-help” /transformation situations
- Integrated
- Proactive not reactive
- Tend to engage anyway as a Top 5 shareholder

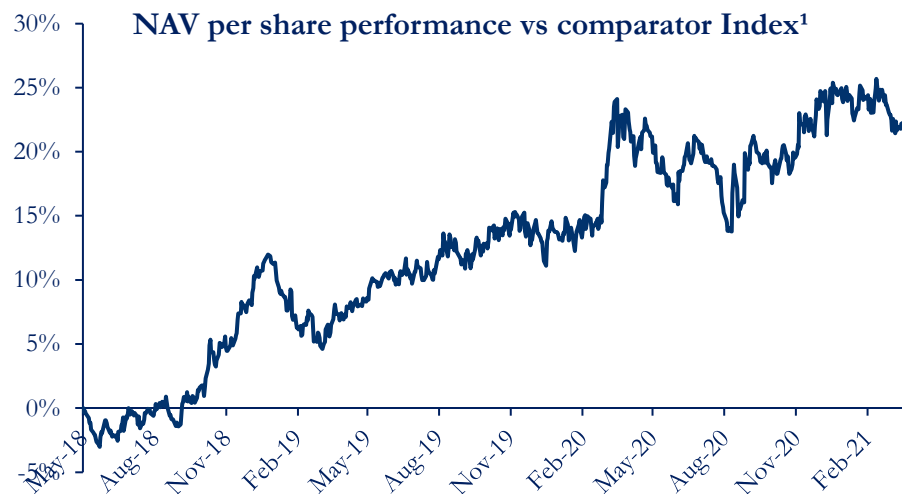
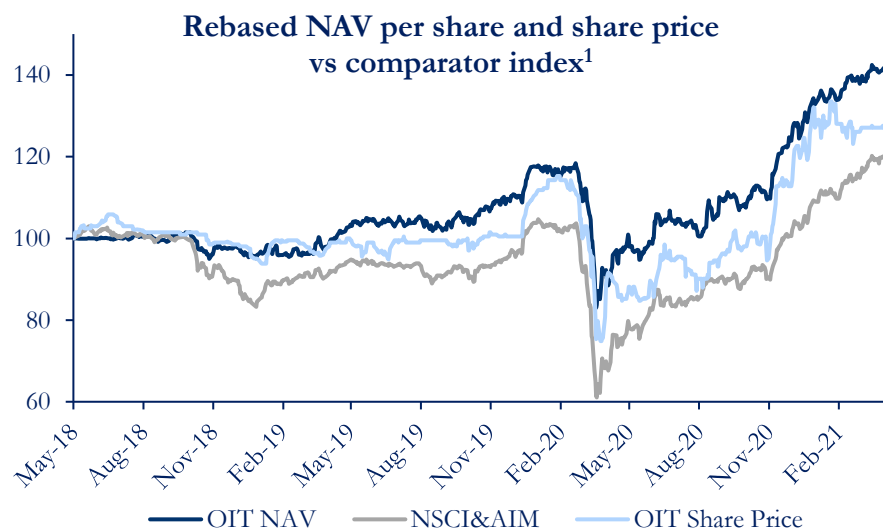
- We aim to make money (target >15% IRR on every investment) with a favourable risk/reward
- Sector focus (TMT, Healthcare, Industrials, Services)

Performance update – approaching 3 year track record

NAV up 42% since inception vs comparator index returns of 20%



Performance	%					
	Q1-21	LTM	CY20	CY19	Inception to Dec-18	Since inception
NAV Total Return Per Share ¹	+6.6%	+53.5%	+13.1%	+22.0%	-3.7%	+41.7%
Share price return ³	0.0%	+43.3%	+14.2%	+17.7%	-4.0%	+29.0%
NSCI + AIM ex IC Total Return ³	+9.9%	+71.3%	+4.9%	+22.2%	-15.0%	+19.8%
Average cash balance ²	7%	8%	9%	17%	65%	24%



• As at end March 2021, aggregate return on investments (realised and unrealised) of 19.6% IRR² net of transaction fees

As at 31st March 2021. Performance measured from COB 1/5/18, share performance since inception assumes IPO price of 100p. Source: ¹Link Asset Services, Bloomberg, Odyssean Capital; Numis Smaller Companies plus AIM ex Investment Companies Total Return Index. Rebased to start NAV ² Link Asset Services, Odyssean Capital ³ Bloomberg. YTD – Year to Date; LTM = Last 12 months. Past performance is no guarantee of future performance and the value of investments can go up and down

Performance drivers in Q1 2021

Key stock contributors



Largest positive contributors



- A strong set of interim results drove upgrades. Showed record organic growth of 7.5% and margins of over 21%
- Good near-term momentum in the business and strong mid-term environmental drivers support ongoing performance. Shares are up c.140% since September and now enjoy a full p/e rating



- A positive AGM statement flagged strong performance in Q1, following on from an in-line full year FY20 performance
- We see scope for COVID recovery to come at RWS and crucially see significantly more synergies from the combination with SDL than the c.£15m so far announced. We look to an update on these synergies in the coming weeks



- An in-line H1 showed underlying progress with revenue growth guidance for FY21 at the top end of management's range offsetting mix and FX profit headwinds
- We continue to be excited by Clinigen's mix of COVID recovery potential, new product opportunities and management driven self-help, all available at a currently undemanding rating

Flat performers / Largest negative contributors



- A broadly positive AGM statement flagged trading remained as expected but shares have retreated from recent highs on FX concerns (USD exposure)
- Chemring remains a high quality business with strong positions in growth markets, unique IP and a management team delivering on repositioning the business into higher quality revenue areas



- Vectura delivered FY20 results ahead of initial expectations and announced a £115m capital return following receipt of litigation proceeds – despite this shares drifted down from December highs
- If executed well, Vectura's ongoing pivot to a pure play CDMO has the potential to generate long term shareholder value. We believe that little of this potential is priced into the shares



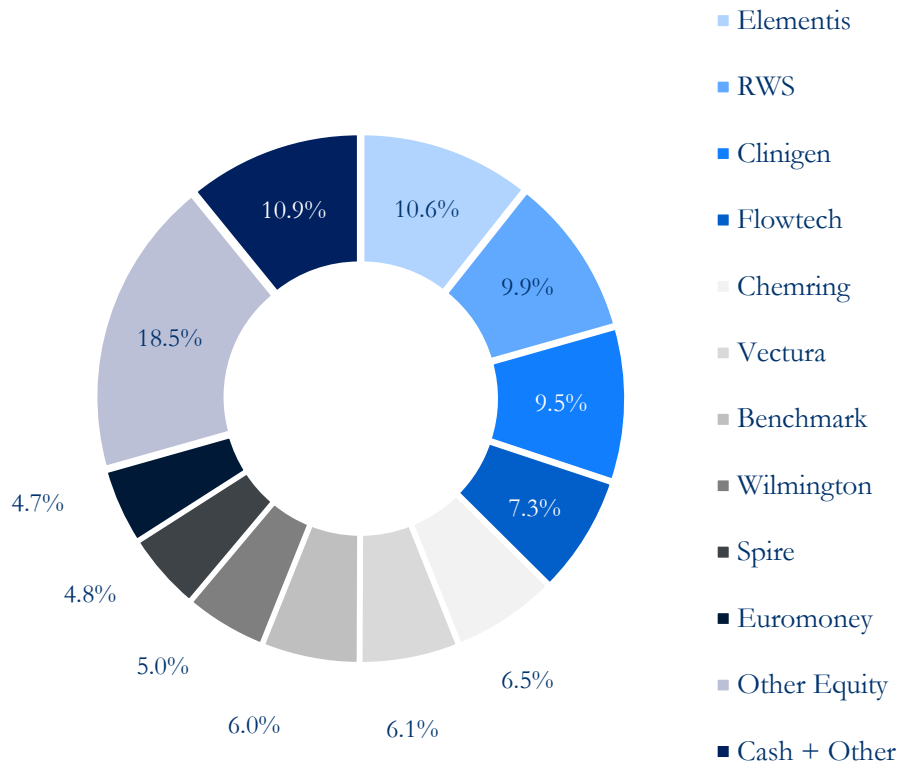
- A solid Q1 showed good growth and improving profitability across all areas of the business – shares drifted down through the period
- Our key focus remains the expected launch of the major new product BMK08 later this year. We see this as a material value driver for the group, which alongside a COVID recovery and improving conditions in the shrimp market, has the potential to drive an inflection in earnings

Portfolio

High conviction portfolio



Top portfolio holdings¹



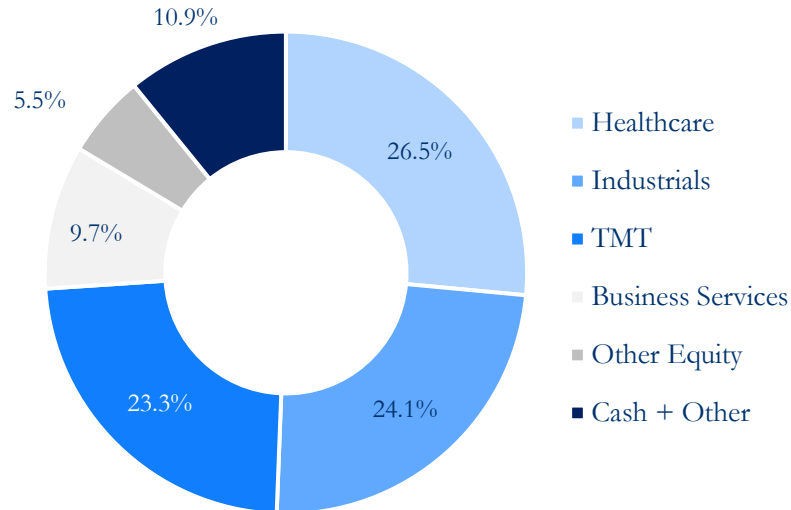
- Top 10 holdings account for 70% of NAV
- Position in Clinigen increased through a period on weakness in share price
- Following strong performances, NCC and Volution were sold down during the quarter moving these investments out of the top 10
- Cash balance built during the period with profits taken from investments which have run well/ahead of expectations
- One new, initial position started during the period (outside of the top 10) with scope to grow as diligence progresses

Portfolio

Focused on our core sectors and core market cap range

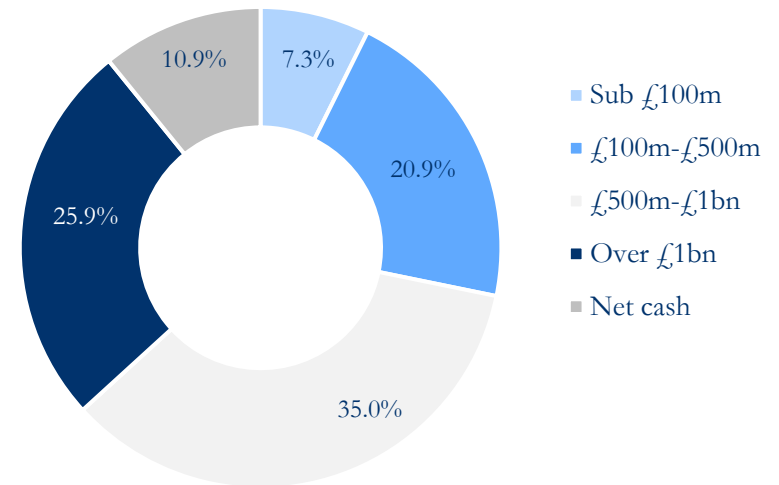


Holding by sector ¹



- Following movements in the period, healthcare is now the largest sector in the portfolio
- Profits taken from strongly performing TMT and Industrials positions during the quarter
- Net cash balance of c.11% - towards the higher end of target range

Holding by market cap ¹

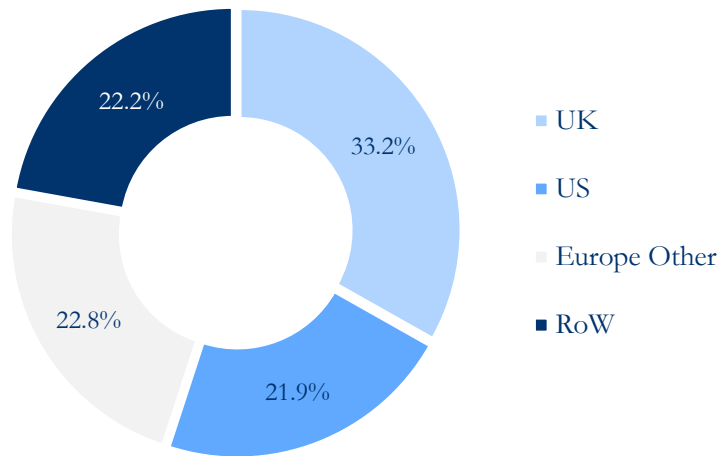


- 63% of invested exposure in core target market cap range of £100m-£1bn
- Growth in % of NAV in companies over £1bn market cap driven by strong performance in certain names (a couple of which fell just over this threshold at period end)

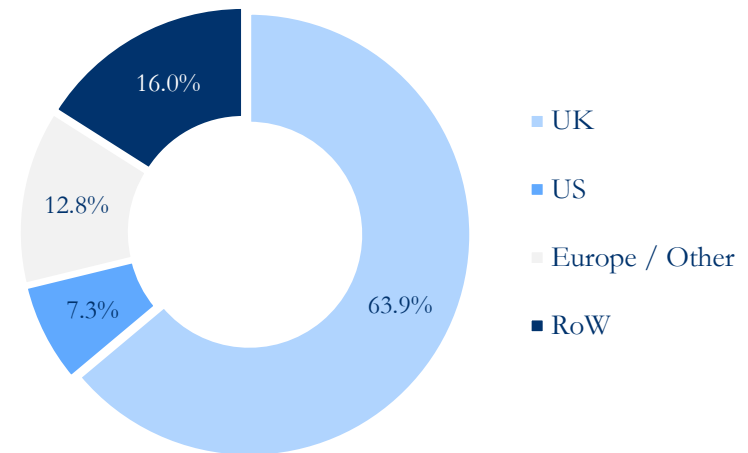


Portfolio has higher proportion of international earnings than the FTSE Small Cap

Revenue exposure of portfolio^{1,2}
(NAV weighted exc. cash)



Revenue exposure of FTSE Small Cap Index³
(% sales)













- Portfolio revenue generation is balanced by geographic area, which we believe spreads political risk
- OIT's portfolio overweight international revenues and underweight UK vs FTSE Small Cap
- Little change in underlying FX exposure during quarter

Top 10 holdings summary

Niche market leaders. Often with international operations



Holding	Activity	Market position
 ELEMENTIS	Speciality chemicals	Global market leader with highest quality talc and highest quality hectorite clay US market leader in chromium chemicals
 RWS	Translation services and software	Global market leader
 CLINIGEN GROUP PLC	Niche pharma services and products	Global market leader in Managed Access Programmes for unlicensed drugs
 FLOWTECH FLUIDPOWER	Fluid power component distribution	UK market leader
 Chemring Group	Niche defence products and services	Global market leader in specialist countermeasures and niche detection technologies A UK market leader in niche defence-related cyber security
 Benchmark [®]	Products and services to aquaculture market	Global market leader in Salmon genetics. Global market leader in specialist aquaculture nutrition. Global market leader in next generation sea lice treatment
 VECTURA	Development and manufacture of inhaled drugs and devices	Global market leader
 Wilmington plc	Business Media Services and Products	Leader in providing data, networking and training across multiple niche, professional end markets
 Spire Healthcare	Owner and operator of private hospitals in the UK	UK market leader – clear leader outside of the M25. Many sites are freehold
 Euromoney Institutional Investor PLC	Business Media Services and Products	Market leader with unique data and IP serving niche, predominantly financial services markets

Our views on growth and self-help potential amongst top 10

Many of top holdings have recovery and self-help potential to augment growth



Holding	Long term organic growth	COVID recovery potential	Self-help/engagement opportunities
ELEMENTIS	GDP + a little	Material as industrial cycle recovers and personal care destocking ends	Plant footprint optimisation; more higher value add products; invest in salesforce
RWS	GDP+	Recovery of patent translation (IP services) business and delivery of delayed contracts in other divisions	Integration of SDL, delivery of synergies and efficiencies. Further M&A
CLINIGEN GROUP PLC	GDP+	Return to normality in clinical trials drives CTS division, backlog of cancer treatments supports demand for commercial medicine products	Cashflow to reduce debt; back and mid office system investment. New COO appointed. Reduce complexity
FLOWTECH FLUIDPOWER	GDP	End market recovery & market share gain from smaller competitors	Integration of past M&A and delivery of synergies. Digital strategy
Chemring Group	GDP+ Programmes of Record & cyber	Limited with business not materially impacted by COVID	Capex to continue to improve automation and productivity
Benchmark*	GDP+	Recovery in shrimp market to improve nutrition business	Reorganisation largely complete. BMK08 approval and Cleantreat commercialisation
VECTURA	GDP+	Limited with business not materially impacted by COVID	Cost reduction in Swiss operation. Lyon manufacturing site. Grow CDMO business. Balance sheet efficiency
Wilmington plc	GDP+	Return of face to face business events and training	Technology investment in sales, CRM and centralising of data to drive growth. Improve IR on a complex story
Spire Healthcare	GDP+?	Significant due to backlog of procedures	Improve predictability. Digital transition/group efficiency through harmonised practices
Euromoney Institutional Investor PLC	GDP+?	Return of face to face business events	Restructuring of Asset Management business, digital investment in DMI and pricing divisions. Balance sheet utilisation.

Source: Views and opinions of Odyssean Capital

Volution case study

A strong return, ahead of expectations, driven by multiple value drivers



Volution TSR vs Comparator¹



Source: Factset as at 31st March 2021

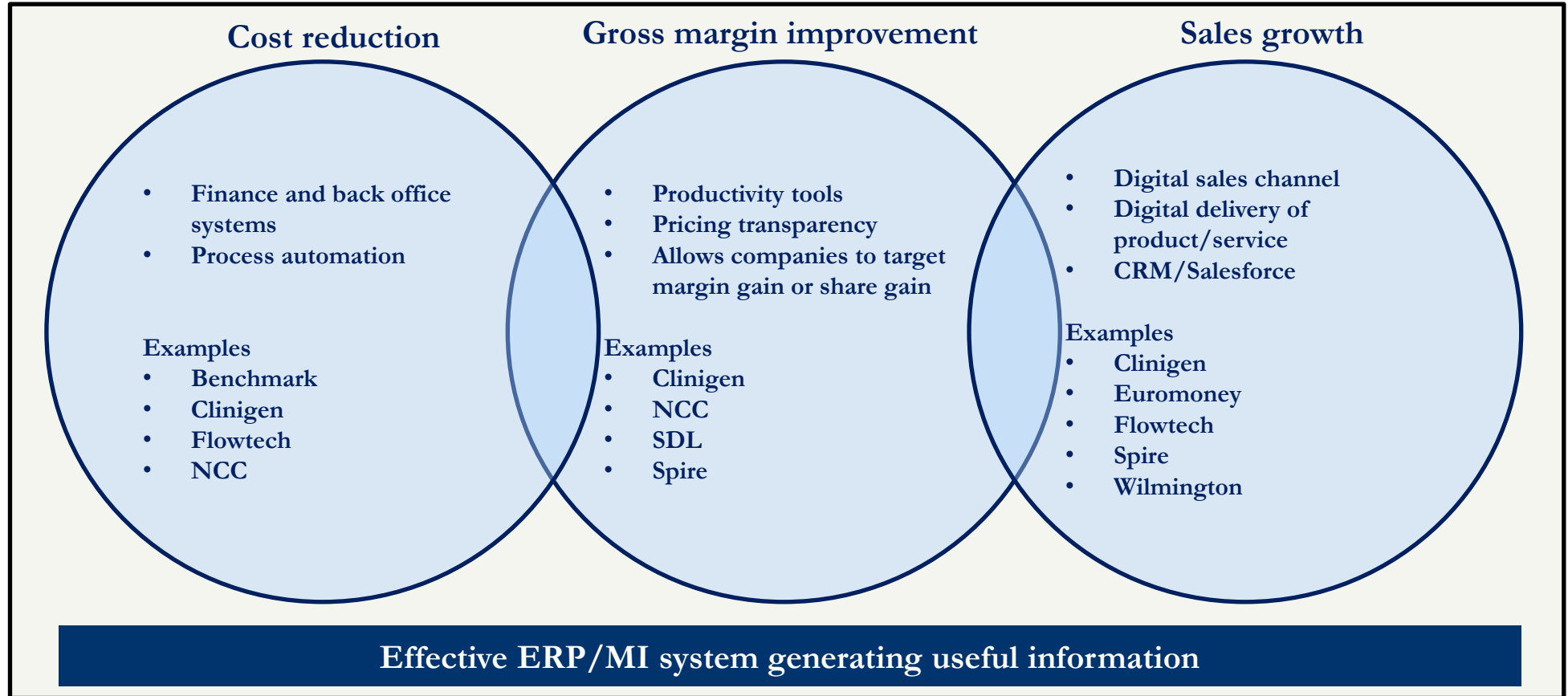
Note: 1. Comparator index is NSC+Aim ex Investment Trusts Total Return index. Charts re-based to Volution share price at end of June 2018. Past performance is no guarantee of future performance and the value of investments can go up and down. 2. Odyssean Capital. 3. Factset consensus at March 2021.

- We initially invested in Volution in August 2018, seeing multiple drivers of value growth
 - Growing markets supported by environmental regulation
 - Self-help opportunity to drive margin -> efficiency gains
 - Attractive cash generation track record
 - Strong management team delivering successful M&A
 - Rating below building materials peers and our view of fair value
- Since our initial purchase Volution has outperformed our expectations, delivering on all five drivers of value growth. Investment has delivered a partially realised gain of 1.9x and 35% IRR²

	Initial purchase / FY18 ³	Current / FY21e ³
Organic growth	c.2.4%	c.7%+
EBIT margin	c.18.0%	c.21.0%
EPS	c.14.5p	c.19.4p
FCF yield	c.5.6%	c.5.5%
M&A	Active	Active
PE rating	c.12.6x	c.19.6x

Technology change can create significant shareholder value

We seek out situations where systems are being upgraded and introduced



- Risk management of technology change at corporates is much improved in last decade
- Market leaders can afford to invest in the best systems to capitalise on and maintain their market leadership/superior economics
- Benefits often take 2-3 years to flow through to financial performance -> ideal for long term investors

ESG - Portfolio company voting record over Q1



Comment		
Number of meetings	4	
Number of resolutions	57	
Number voted	57	
Voted with management	54	
Voted against management	3	<ul style="list-style-type: none">- Authority to allot shares >10% of issued share capital where there is no immediate need to do so- Issuance of >10% of share capital without pre-emption rights

ESG – progress on investment policy and engagement



Example portfolio ESG review report

- Shareholders approved changes to the investment policy to include specific investment restrictions
- ESG related research/due diligence of existing portfolio
 - Third party ESG Company Assessments completed on 100% of portfolio companies
 - Engagement process continues with portfolio companies, with >90% of portfolio companies having received their reports
 - Two portfolio companies were existing CEN clients. One additional portfolio company has signed up with CEN for consulting advice
 - Follow up calls have been had with a further six portfolio companies to discuss their reports in detail
- We continue to believe that improved disclosure by our portfolio companies will drive improved ESG performance over time

Company Assessment

For the year ended: September 2020

Ticker: BMK.LN

Market capitalisation: £389 m

Sector: Healthcare

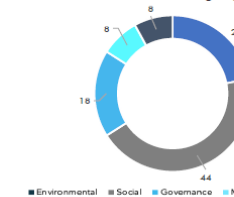
CEN-ESG

21.2

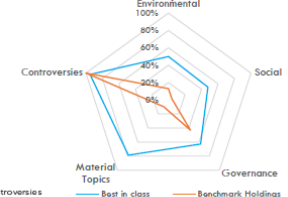
Total score / 100

January 2021

Standard sector ESG weightings



Best in class comparison*



Summary

Benchmark Holdings plc is a UK based company that develops sustainable products and solutions in genetics, health and nutrition for the aquaculture industry. The company employs around 850 people across 26 countries, serving customers in 70 countries. In our first assessment of Benchmark's ESG disclosure, we have identified significant gaps, particularly in the Environmental and Social categories. However, following a major restructure programme in 2019, the company has a renewed focus on ESG and sustainability. In 2020, it reported GHG emissions for the first time and developed a group environmental policy. The structure for disclosure is now in place – improved scoring will require a substantial increase in detail provided. A number of sub-categories within our questionnaire were not applicable for Benchmark's business model, and so re-calibration of the scores resulted in a re-weighting to 24%, 41% and 20% across the Environmental, Social and Governance categories.

Environmental

Score: 2.9/24

Environmental disclosure is low. Policy data is available for categories such as Waste & Hazardous Materials and Water, which helps push up the company's score, but for many other categories including Climate Change/Emissions, policy documents are not available. However, the company has outlined its intention to improve performance and disclosure, and in 2020 recorded GHG emissions for the first time as well as setting site specific targets for emissions reductions, with an ambition of being net carbon zero by 2050. As policies and data are better defined and disclosed, we can expect to see its score improve.

Social

Score: 1.8/41

The Social category covers an exceptionally diverse range of topics from Cybersecurity to Human Rights and it is challenging for a company to cover all areas. Even with this backdrop, the company scores poorly, with points achieved from disclosure in just six of the 16 categories. Disclosure around policies provided most points, although except for the Modern Slavery Act Statement and Gender Pay Gap report, all other policy information is disclosed across the Sustainability section of the corporate website and within the 2020 Annual Report.

Governance

Score: 7.8/20

Governance, on average, is a stronger category for company compliance and reporting, and this is especially so for UK based companies where strong governance is an expectation of the investment community and legal frameworks are in place. Board of Directors is the highest weighted sub-category within Governance, and Benchmark scored 50% of available points. The Risk Governance and Shareholder Voting sub-categories also scored relatively well, achieving 45% and 38% respectively.

Controversies

Score: 8/8

No controversies have been reported within the last five years.

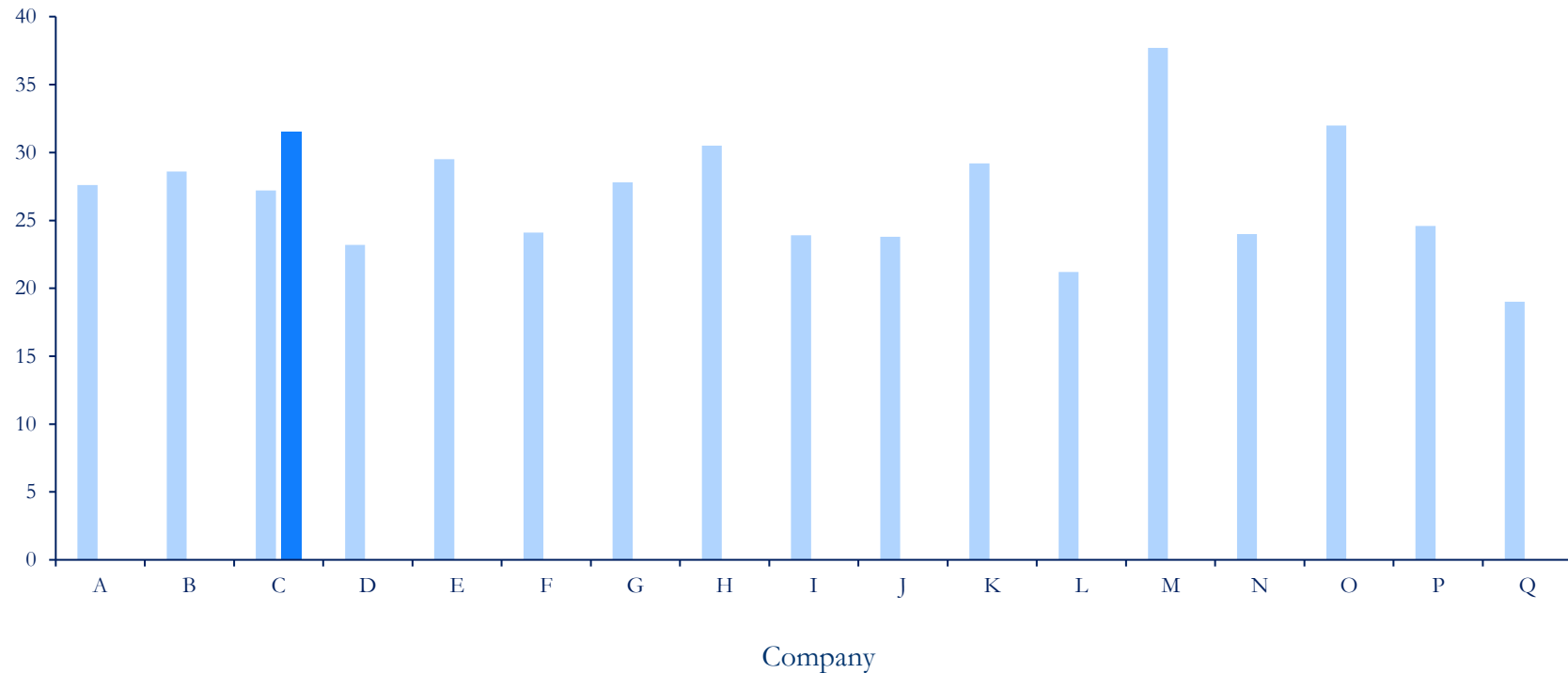
* Best in class is an average score of FTSE100 companies which we consider to be ESG market leaders. Data represents % of available score.

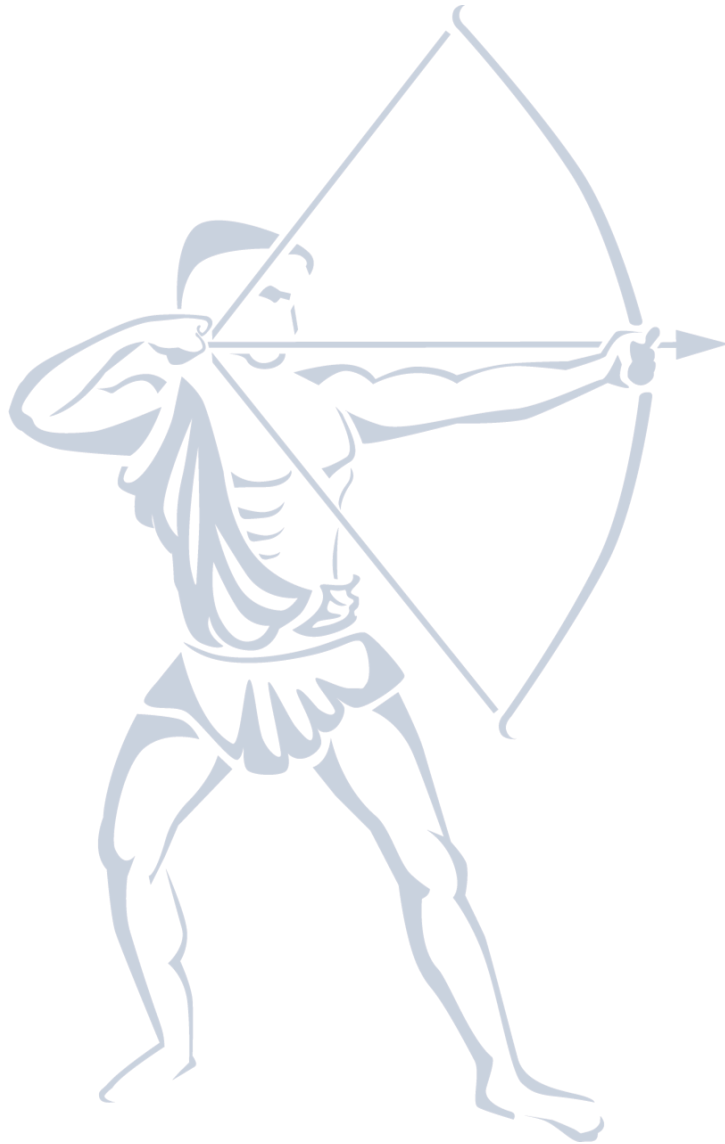
ESG disclosure performance of OIT portfolio

Portfolio company range of 19-37 compared with best in class FTSE 100 of 65



ESG disclosure performance (out of 100) of portfolio companies ordered by market cap





Outlook & Data

Outlook



Despite the healthy recovery in the NAV post March 2020 we still see good long-term upside

Overall market conditions

- UK market has lagged international peers for some time
- Despite this, virus driven market and individual stock volatility is likely to be high in the short-term. This may lead to more pricing anomalies, which we hope to exploit

Opportunities & reasons to be positive

- UK vaccine success supports economic reopening, with significant pent up savings a sharp economic recovery is possible
- Accommodative fiscal and monetary policy likely to continue for now. Financial repression remains the least worst solution?
- Borrowing remains cheap for corporates and governments
- Portfolio has blend of COVID recovery potential and self help, but we believe is reasonably priced
- M&A returning – potential for our portfolio to be an ongoing beneficiary of this

Risks & reasons to be cautious

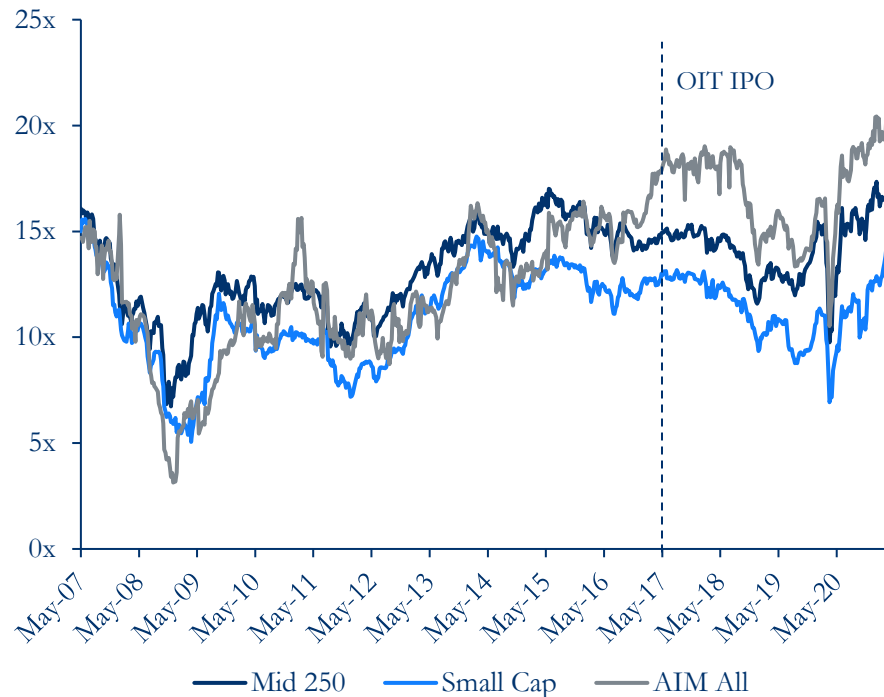
- Uncertain medium & long term changes to economy and consumer buying patterns in a post COVID world
- EU's challenged vaccine programme risks a slower recovery as well as political and economic instability in the Eurozone
- Equity markets, especially highly rated growth stocks, are expensive and dependent on both continuing recovery as well as monetary policy remaining extremely benign. Continued rises in bond yields (i.e. “risk-free rate”) may lead to a re-pricing of equities

Ceteris paribus, there seems more value among full list companies

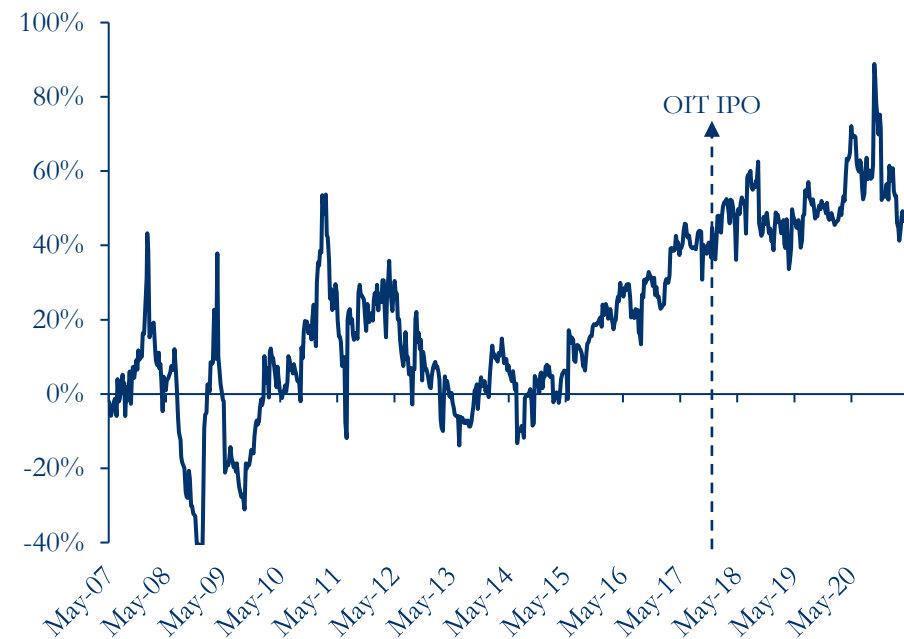
We avoid highly rated “IHT business asset relief favourites” trading on AIM



Forward NTM p/e multiple by FTSE Index¹



FTSE AIM premium to FTSE Small Cap Index¹

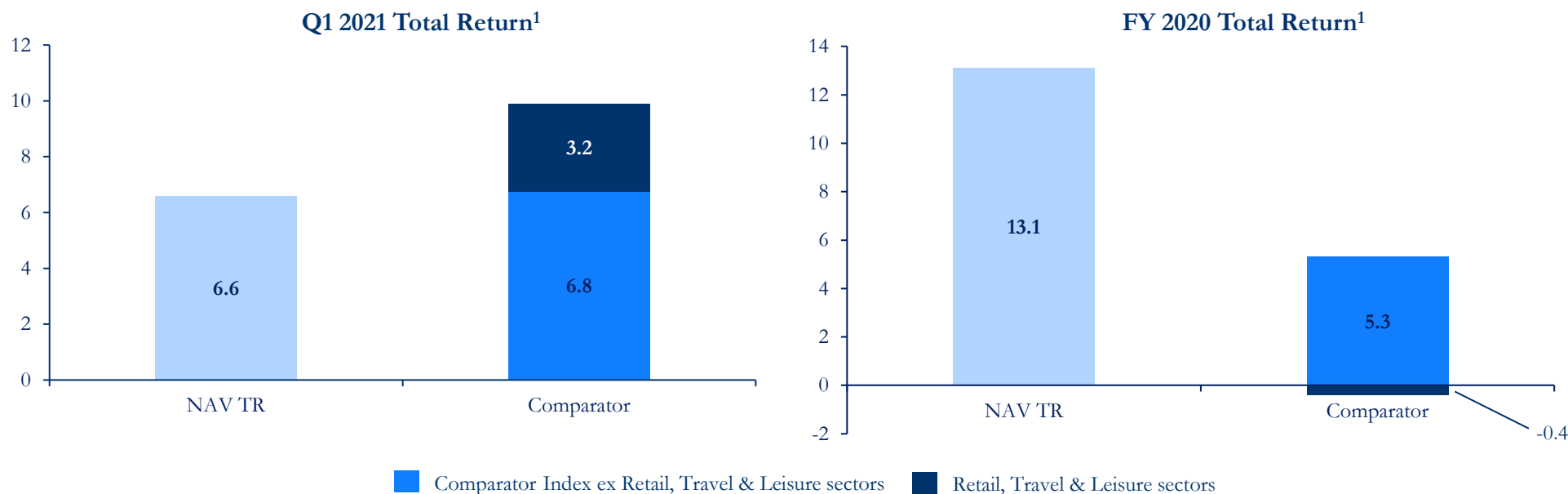


- Sentiment towards UK Small and Mid Cap equities is transformed compared with a year ago
- Ratings leave little room for disappointment

¹As at 1 April 2021. Source Peel Hunt. Only includes positive earning companies

Retail, Travel & Leisure appear to have driven the market in Q1

Our investment strategy has no exposure to these sectors



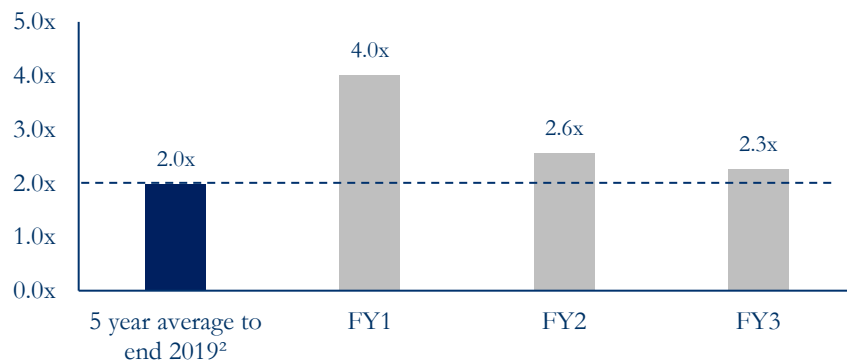
- Our investment strategy does not focus on the discretionary consumer sectors of Retail, Travel & Leisure
- These sectors in aggregate were only a marginal tailwind to OIT's relative performance in FY 2020 but have been a more material headwind in Q1 2021
- In Q1 2021, the Retail, Travel and Leisure sectors contributed almost 1/3 of the Comparator return, despite accounting for 11% of the Comparator Index at the beginning of January 2021

Travel and Leisure sector ratings seem to be full

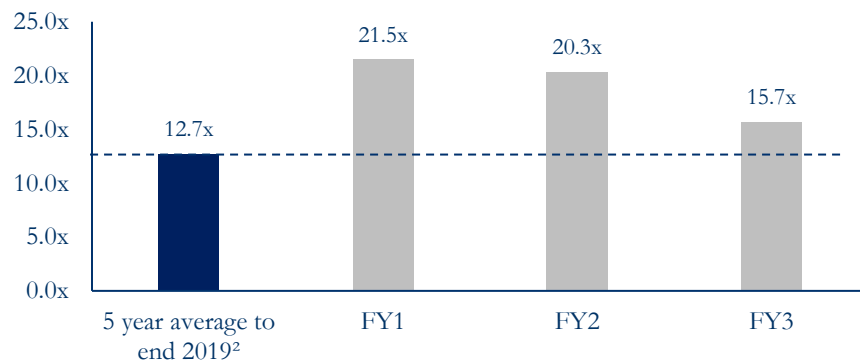
Pricing in recovery/anticipation of material medium and long term upgrades



Travel and Leisure sector average EV/sales ratings¹



Travel and Leisure sector average EV/EBIT ratings¹



- The Travel and Leisure sub-sector has been a significant contributor to market returns in recent months
- Positive sentiment on vaccine roll out and reopening have driven up shares, driving a re-rating of the sector on recovery multiples
- Shares in this sub-sector now seem to be fully pricing in a recovery/upgrades - ratings based on the third unreported period (FY3 – commonly 2023) are currently above the average seen in the five years pre the pandemic
- Delivery and upgrades over the next 3 years against market expectations are required to justify ratings -> a lot is now priced in?

Sectors we focus on

We focus on four key sectors we know well



- We believe the best investment decisions are made from a base of knowledge and experience
- We focus on sectors where the team has expertise and where we have successfully made money
- Our core sector focus is driven by our investment approach
 - TMT: software managed services and niche electronics
 - Services: Higher value-add “white collar” and tech enabled services
 - Healthcare: Services, not speculative pharma/biotech
 - Industrials: Niche, high IP products
- Companies with the following characteristics best suit our investment approach:
 - Low cyclicity
 - B2B focus
 - High/improving ROCE/cash margins
 - In-house sector expertise

Odyssean: view of main sectors

	Low cyclicity	B2B focus	High ROCE/cash margins	Sector expertise
TMT	●	●	●	●
Services	●	●	●	●
Healthcare	●	●	●	●
Industrials	●	●	●	●
Financials	●	●	●	●
Consumer	○	○	●	●
Property	○	●	○	●
Resources	○	●	○	○

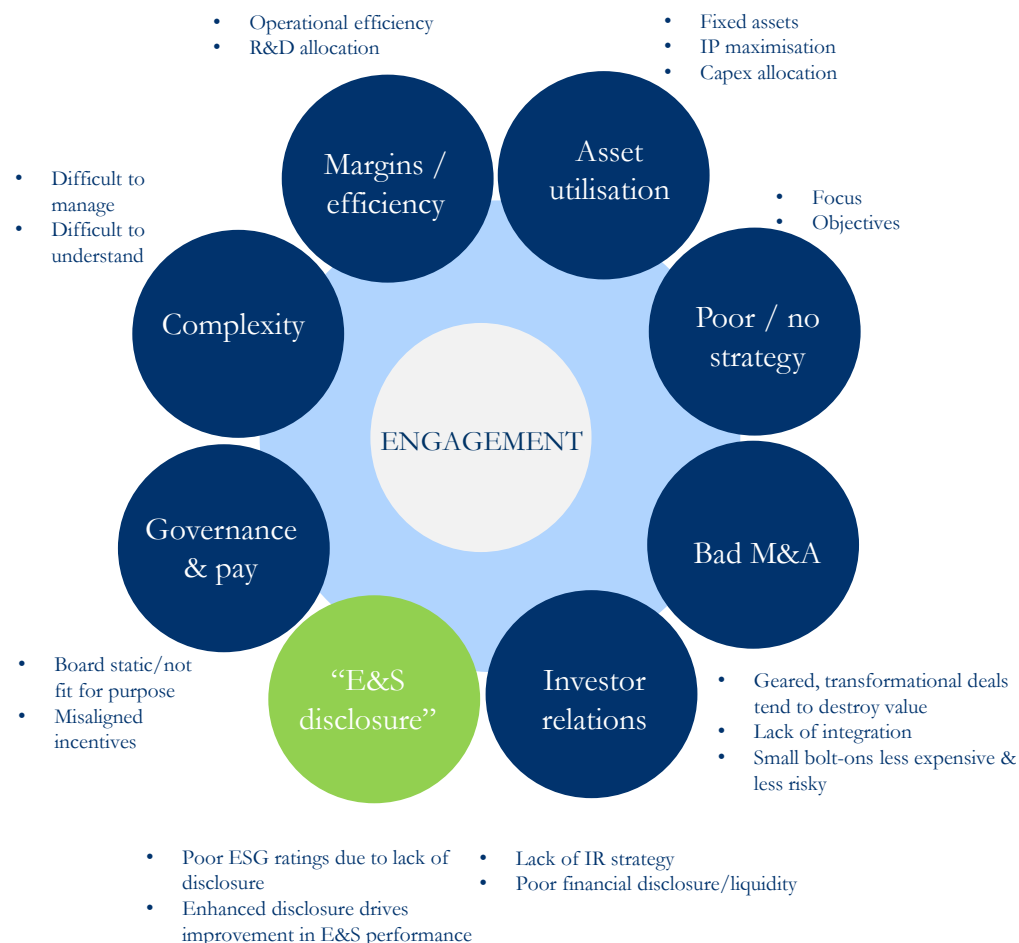
■ Sectors we focus on

Corporate Engagement

Goal to augment returns from stock selection



- We use engagement to create, defend or recover value and to deliver differentiated returns
- The investment team has more than 15 years experience engaging with smaller companies
- Team members are well networked and believe that persuasion with superior knowledge and understanding achieves the best results
- Peers are often open to supporting an engaged shareholder with change proposals
- Historic focus on Governance/financial performance
- Increasing focus on Environmental and Social disclosure and performance



Portfolio construction

Our strategy is more similar to Private Equity than other Public Equity funds



	Typical Long Only	Odyssean Strategy	Typical Private Equity
Number of positions	50-100	Up to 25	10-15
Typical position size	1%	3-8% at cost, max 20%	10%
Typical holding period	Variable	3-5 years	3-5 years
Due diligence	Light to Medium	Medium to High	High/Forensic
Typical target ownership	0.5-3%	2-20%	Majority/Supermajority
Sectors	Own most/All	Focus on a few	Focus on a few
Control	No control	Influencing stake	Full control
Approach to risk	Diversification & tracking error	Focus & due diligence	Focus & due diligence
Investment mindset	Outperform index	Absolute return	Absolute return
Engagement	Negligible	Medium/High	Medium/High
Typical cash balance	0-5%	8-12%	n/a

Odyssean Investment Trust - key company facts



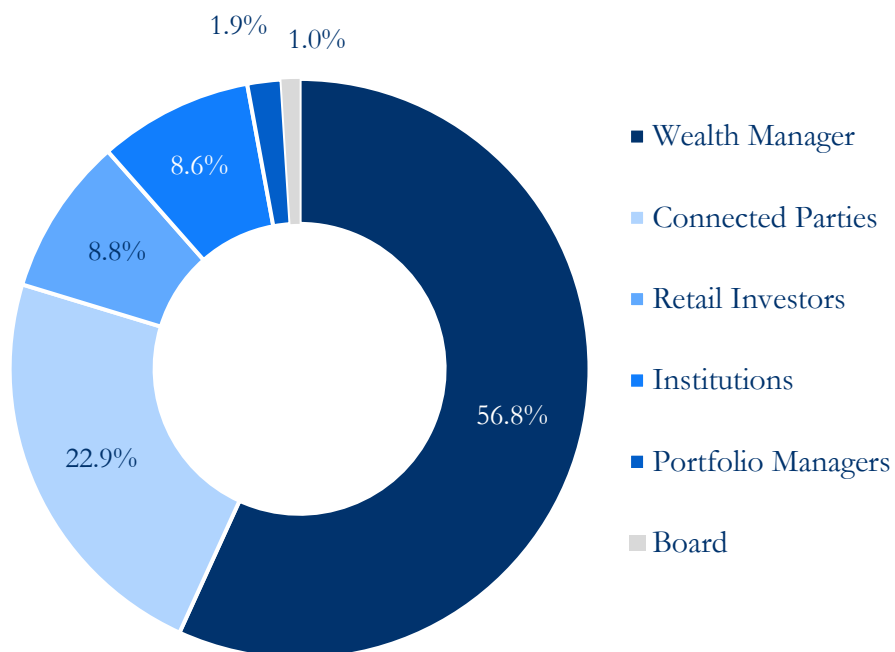
NAV	£123m
Shares in issue	87,982,211
Domicile	UK Full listing, London Stock Exchange
Board	Fully independent. Owns c.1% of issued share capital. Will use all fees, post tax, to buy shares
AIFM	Internally managed small scope UK registered AIFM. Portfolio Management delegated to Odyssean Capital
Discount control/realisation opportunity	Opportunity for shareholders to rollover or realise all of their investment at NAV less costs, every 7 th year post IPO (May 2018) 50% of profit from takeovers to be used to buy back shares if the average discount exceeds 5% for 60 days prior to exit
Gearing	No structural gearing envisaged. Ability to gear up to 10% for short term liquidity purposes. Net cash balances likely to be maintained to enable agile purchases of blocks of stock
Fees	Management fee lower of 1.0% of net assets/market capitalisation. Performance fee 10% of NAV TR outperformance vs (comparator index +1% p.a.) on a rolling three year basis with a high water mark. 50% of performance fees paid in shares/used to buy shares if at a discount
Comparator index	Numis Smaller Companies ex Investment Trusts plus AIM index ¹
Ticker	OIT
ISIN	GB00BFFK7H57

OIT shareholder base

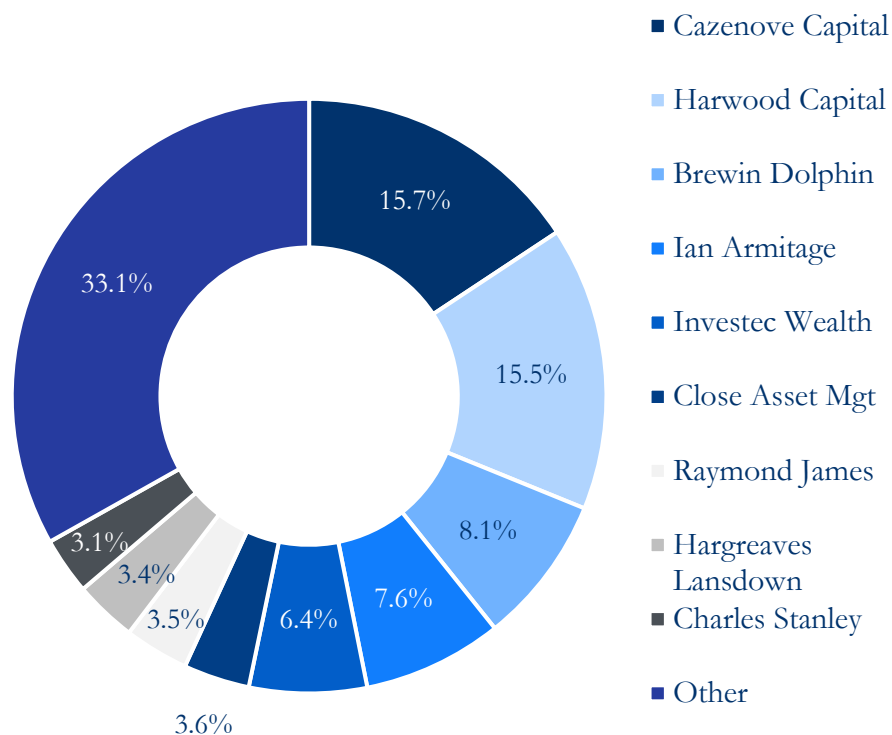
As at 31st March 2021¹



Shareholder base by investor type



Disclosable shareholders



Source: ¹ Equiniti as at 31st March 2021, Odyssean Capital LLP



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