ODYSSEAN
INVESTMENT TRUST PLC

Interim Report
for the six months ended 30 September 2020

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 £93.8m as at 30 September 2020.

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").

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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 LSE, which the Portfolio Manager believes are trading below intrinsic value and where this value can be increased through strategic, operational, management and financial initiatives.

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 NAV, across a range of industries.

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.

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.

Investment restrictions

- No exposure to any investee company will exceed 15% of NAV at the time of investment.
- The Company may invest up to 20% 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% of gross assets at the time of investment in quoted securities not traded on the LSE.
- The Company will not invest more than 10%, in aggregate, of gross assets at the time of investment in other listed closed-ended investment funds.

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 10.0% of NAV 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.

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 FCA. Non-material changes to the investment policy may be approved by the Board.

Financial Summary

Results for the period	As at 30 September 2020	As at 31 March 2020	Change
Shareholders' funds	£93.8m	£80.1m	17.1%
NAV per ordinary share	106.6p	90.8p	17.4%
Share price per ordinary share	99.5p	90.0p	10.6%
Share price discount to NAV per ordinary share	(6.7)%	(0.9)%	

	Six months to 30 September 2020	Year to 31 March 2020
Revenue (loss)/income per ordinary share*	(0.5)p	0.6p
Capital return/(loss) per ordinary share*	16.3p	(6.2)p
Total return/(loss) per ordinary share*	15.8p	(5.6)p

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

Performance	Six months to 30 September 2020	Year to 31 March 2020
NAV total return/(loss) per ordinary share*	17.4%	(5.7)%
NSCI ex IT plus AIM Index Total Return**	28.3%	(23.2)%

* Alternative Performance Measure ("APM"). See glossary on page 32.
** Source: Bloomberg.

Cost of running the Company	Six months to 30 September 2020	Year to 31 March 2020
Annualised ongoing charges*	1.4%	1.7%

* Alternative Performance Measure ("APM"). See glossary on page 32.

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 2020 to 30 September 2020.

Performance

The net assets of the Company increased from £80.1m to £93.8m which represented an increase in net asset value ("NAV") of 17.1%. Over the same period, the comparator NSCI ex- IT plus AIM Total Return Index (the "Comparator Index") rose by 28.3%. The markets have been characterised by huge variability in performance across asset classes. Our performance appears poor relative to our comparator despite being 2.2% above the FTSE Small Cap (ex Investment Trusts) Index. Much of this discrepancy is caused by the 41% increase in the AIM Index, driven by technology and mining stocks neither of which we hold. Performance has been extreme and narrowly based. Our high conviction, active management approach has been a successful way to harness some of this performance.

At the end of the period, the Company was 91.1% invested in 20 quoted smaller companies, one of which is quoted outside the UK. This compares to 90% at the beginning of the period, excluding 6% of the portfolio which was invested in Huntsworth, a holding subject to an agreed takeover. The apparent stability of cash as a percentage of the Trust camouflages considerable activity in the portfolio as the Portfolio Manager has sought to position it to benefit from the market disruption caused by COVID-19.

As well as identifying and researching potential new investment opportunities, the team reviewed the existing portfolio in light of the short, medium and long-term impacts of COVID-19. Their conclusion was that only one portfolio company was likely to be impacted materially negatively, and the holding was largely exited during the period. Conversely, whilst there were no obvious short term "winners" from COVID-19, many of the portfolio companies had been managed well through the crisis and were likely to emerge stronger as a result of decisive action.

Since IPO, OIT's NAV per share has increased by 8.4% against the fall in the Comparator Index of 10.3%. The average cash balance over this period was 28%, which will have dampened the NAV growth and the strong underlying performance of the portfolio.

Discount and premium management

The share price lagged the growth in the NAV over the period, closing at a 6.7% discount at the end of September. The sector discount at the end of the period was c.14 %. The Board believes that the widening of the discount over the period was influenced by an aversion to UK equities in general and was mirrored by a general widening of investment companies in the broad UK Smaller Companies sector.

The Company always aims to be proactive in managing its share premium and discount, and the Board received continued authority from shareholders at the last Annual General Meeting on 22 September 2020 to issue and buy back shares. New ordinary shares may be issued by the Company in the event that shares trade at a premium to net asset value per ordinary share, whilst purchases of ordinary shares will be made through the market at prices below the latest published net asset value per share. The Directors will only undertake buybacks if the ordinary shares have traded at an average discount of wider than 5%, for the period of 60 days, or if they believe a buyback to be in shareholders' interests as a means of correcting any imbalance between the supply of, and demand for, the ordinary shares.

The relatively small size of the Company and the stable shareholder base has meant that liquidity can be limited. This, allied to lower trading volumes over the summer,

Chairman's Statement *(continued)*

led to the spread in the shares being wider than desirable. In May the Company repurchased 275,000 shares under such circumstances at a discount exceeding 12%.

Conversely, the stable shareholder register and the prevalence of long-term investors means that the discount could narrow notably once sentiment towards UK equities improves.

In the meantime, the broker will continue working with the Portfolio Manager and Frostrow Capital to try and ensure that as much as possible, larger than usual trades can be matched with interest on the other side, and that the Portfolio Manager and Frostrow will continue to raise the profile of the Company.

Dividend

The Directors expect that returns for shareholders will be primarily driven by capital growth of the shares rather than dividend income. The Board is not proposing to pay an interim dividend.

Portfolio Manager

The Portfolio Manager has adapted well to the revised working conditions caused by the COVID-19 restrictions. Meetings with portfolio companies and existing and prospective investors are now almost exclusively undertaken by Zoom or Microsoft Teams. Whilst not having face-to-face meetings is not ideal, the electronic nature of meetings has allowed meetings with a broader geographic range of potential shareholders than would otherwise be possible.

The Board is delighted that Ed Wielechowski has been made a Partner of the Portfolio Manager over the period. The Board is also pleased to see that Stuart and Ed continue to add to their personal holdings in the Company, and now own just under 2% of the issued share capital.

Appointment of Frostrow Capital LLP

The Board is pleased that the handover of company secretarial and administration services from Link Company Matters to Frostrow Capital LLP with effect from 13 July 2020 has gone smoothly. Frostrow's distribution team has been working well already with the Portfolio Manager and it is pleasing to see some early results in bringing on board new shareholders. Over time, the Board anticipates that these activities, combined with work by the Portfolio Manager's PR advisors, will continue to diversify the shareholder base. The Board is looking forward to working together with Frostrow and would like to express its thanks to the team at Link Company Matters for their efforts over the past two years.

Amendments to Investment Policy

I am delighted by the proposed changes, announced today, to our investment policy. There is a strong desire from your Board, the Fund Manager and the Trust's shareholders to restrict investment in certain sectors or businesses that the Company deems unethical and/or unsustainable.

We believe that by allocating capital away from such sectors we will not only create long-term outperformance but we will also enable a growing group of investors, who have an increasing focus on ethical and sustainable investing, to be confident when allocating capital to us.

Growth of the Company

At launch, the Portfolio Manager set out the goal of investing in a differentiated way to both value and growth/momentum investing, with the ultimate aim of delivering superior and differentiated performance. As we approach the third anniversary of the IPO, both the investment strategy and Portfolio Manager's execution appear to be delivering.

The Company has a niche investment strategy that is highly complementary to other Investment Companies in its sector. Many of the shareholders which backed the Company's launch are keen to see the Company grow.

There are multiple benefits of growing the Company:

- Attract a wider audience of potential shareholders
- Improved liquidity of the shares
- Reduced discount volatility and reduced absolute discount
- Narrower bid offer spread for the shares

In addition, the portfolio is scalable and the Portfolio Manager believes that owning larger stakes in its portfolio companies tends to enhance the effectiveness of corporate engagement.

Chairman's Statement *(continued)*

As market conditions allow, the Board will pursue various options to grow the Company. However, in the current environment the focus continues to be on delivering performance for our shareholders.

Outlook

With the result of the US election behind investors, the two remaining near-term uncertainties are Brexit and the ongoing impact of COVID-19. In these unusual times, when markets and companies are facing a barrage of unknown issues, experienced investors can patiently seek out and execute investments which have the potential to generate attractive long-term returns. The most exciting opportunities tend to be in smaller companies, as they are less well covered by both the buy and sell side market participants.

At some point, the recent strong performance generated by highly rated higher growth AIM companies, particularly those in the technology and telecoms sectors, will lose its momentum. Market leadership will move to companies and investments with different attributes and characteristics. However, given the limited liquidity of smaller companies, an institutional investor is unable to reposition a portfolio over a short time frame. Therefore, it is critical for a portfolio manager in this space to consider what will drive returns not in the next three months, but the next three years.

There is a material polarisation of valuations in the smaller quoted company space. Whilst the Portfolio Manager is not a value investor, it takes account of valuation in trying to spot mis-priced opportunities, as well as avoid over-paying. The Board believes that this disciplined and focused approach should suit the current market environment particularly well. In addition, the Portfolio Managers have more than 34 years' experience investing in UK smaller companies over the last 20 years.

The portfolio has been reshaped somewhat since the beginning of 2020 to reflect portfolio company takeovers, the emergence of compelling investment opportunities presented by the market disruption, as well as the disposal of holdings which have delivered expected returns, or where COVID has irretrievably damaged a business model.

Overall, the prospects for medium to long-term NAV growth look good from this point. UK equities are out of favour and are lowly rated compared with international equities. The dislocation caused by COVID has led to opportunities that the Portfolio Manager describes as "double upside" – recovery situations with self-help. Our Manager's knowledge and experience give us access to these opportunities.

We are very grateful for the support shown by the shareholders during the challenging times in 2020.

Jane Tufnell
Chairman

30 November 2020

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 the Portfolio Manager 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'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

Stuart has spent the last 19 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

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

Progress and performance in the past six months

The period began as markets had started to recover from the difficult first calendar quarter. In the first few weeks of the period, many quoted companies experienced significant recoveries in their share prices.

The Company's NAV increased by 17.5% over the period. This was lower than the NSCI & AIM Comparator Index, but exceeded that of the FTSE Small and Mid-cap indices. The average net cash balance was 7%.

Over the period the NSCI & AIM Index delivered a total return of 28.3%. However, that statistic masks the material variance in performance of full list UK smaller companies compared with those quoted on AIM. The FTSE Small and Mid-cap indices delivered around half of the return of the NSCI & AIM Index. The implication of this is that AIM materially outperformed full list companies, which it did, delivering a total return of more than 40%. This was 50% higher than the NSCI & AIM Index, and more than 172% higher than that of the returns from the FTSE Small and Mid-cap indices. This disparity of index returns is a good example of why we use indices as comparators to understand our performance compared with the broader market, rather than as a short-term benchmark to beat.

There were notable successes over the period. Most material was the performance of SDL, which was the first investment we made after the Company launched, and for much of the period since has been the largest portfolio holding. SDL's shares delivered 72% growth over the period, outstripping the rest of the portfolio.

There were three key drivers of this performance. Firstly, the shares failed to recover during the last few weeks of March, and began the period at a low ebb. Secondly, the company released interim results in August, which showed that trading had been much more resilient than the market had feared. The company also commented that the move to homeworking had highlighted additional potential efficiency savings. The market responded very well to these results, and the shares rose almost 40% in the three days following release of the results. Just over a fortnight after the interim results, the company announced an agreed takeover for shares by a peer and competitor, RWS, whose shares are quoted on AIM. The shares rose 30% in the aftermath of the announcement.

SDL alone contributed around 45% of the total NAV growth over the period. As at the end of September, the shares have delivered 75% Total Return since our first investment immediately following the Company's IPO. The comparator index is down almost 11% over the same period. We have mixed views about the RWS takeover. On the one hand, we believe that consolidation was inevitable, the combined business creates a clear global market leader with scope to grow much faster than the underlying markets, the stated synergies of the RWS team look to be excessively conservative, and the takeover has catalysed an increase in SDL's share price. On the other hand, RWS is a highly rated AIM stock, the offer did not include a cash element and the combined business will have a market capitalisation somewhat larger than our focus area.

As an investment however, we think it is a good validation of our differentiated investment approach, of seeking out valuation opportunities in higher quality companies, which have the scope to improve. Whilst we were invested, SDL had enhanced its mid office resource allocation tool 'Helix', took steps to improve its operating efficiencies, and had proven its ability to add value via M&A. We believed that in time, these initiatives would have delivered an attractive return as a standalone business, but the takeover has accelerated this return.

SDL is the third portfolio company to be taken over in the last year, a validation of our investment process in identifying assets with attributes sought after by trade or financial acquirers. As we have stated before, we do not select investments anticipating them being acquired. However, over the years many investee companies have been subject to takeovers. We see this as either an accelerated return, or alternatively a safety parachute when either a company has a short term set back or is struggling to attract an appropriate rating as a public company.

The other notable positive contributor of more than 200bps was Benchmark Holdings, the niche provider of aquaculture products. After several false dawns, there is tangible evidence that the refocusing and drive for efficiency is gaining traction. The company announced the appointment of a new CEO with highly relevant industry experience in early April. Benchmark's vaccine's facility, a cash consumptive operation with limited commercial prospects, was disposed of in July, which followed earlier disposals of non-core assets in FishVet and Improve International. The company also announced an initiative to cut at least £10m of operating expenditure.

Portfolio Manager's Report *(continued)*

The eagerly awaited approval of BMK 08, the anti-sea lice product it will use in its CleanTreat delivery system, appears to be on track. The shares rose almost 60% over the period.

The remaining three of the top five attributing positions were Flowtech, Chemring and Elementis, which combined generated c.5% points contribution to the NAV. Flowtech pleased the investment community by managing to trade through the worst of the crisis without having to raise capital to strengthen its balance sheet. Roger McDowell, who is very well known to us, became Non-Executive Chairman during the period. We see considerable medium to long term upside as end markets recover. This recovery could be augmented by successful delivery of integration initiatives, as well as the development of its digital offering.

Chemring continued to deliver results and trading updates in line with or slightly ahead of expectations. One of the attractions we saw in the investment back in 2018 was that its prospects were likely to be largely immune from economic turmoil. This has proven to the be the case. The performance of Elementis is detailed in the section below.

Below the top five contributors. we believe that a number of the other portfolio companies shares were "left behind" and have the potential to perform well over the next few periods.

The largest negative contributor to performance was Equiniti. During April and May we evaluated the portfolio to determine which company business models would be impaired by COVID over the medium to long term. We concluded that Equiniti was the only portfolio company which was likely to suffer such damage. In our view, the aggressive cuts to interest rates in the USA and UK were unlikely to be reversed in the medium term and this would have particular impact on Equiniti as historically it has generated meaningful interest income from cash balances it holds. Whilst it has some forward hedges on its savings rates, it seemed inevitable that with rates likely to stay lower for longer, this would be a material drag on earnings. We also discovered that we had underestimated the underlying interest income historically generated by the group. Whilst in theory the management team could seek to re-price contracts given the changed circumstances, this requires a wholesale renegotiation of contracts. As well as taking some time, unless the other two major competitors follow suit, this risks the company losing market share. Ongoing due diligence also highlighted that in retrospect we had probably been over optimistic about the likely proceeds from a break-up of the business.

It is always disappointing to realise an investment below cost, arguably when the company's shares are at a low ebb, and where we believe that there is some prospect of takeover activity. We have redeployed the proceeds into situations which we believe offer a superior reward/risk balance from this point.

The next four largest negative contributors to performance reduced the NAV by c.1% in total.

Portfolio development

Portfolio activity was higher during the period than we would normally expect, driven by a combination of a desire to reposition the portfolio a little towards more recovery situations, profit taking and re-investing the proceeds from the Huntsworth takeover. Across the period, £17.9m was invested into stock purchases. Three new positions were started for a total investment of £7.9m, of which the only top 10 holding is Euromoney. The other two positions are outside of the top 10 holdings, but have scope to scale subject to further due diligence. The remaining £10m was invested into existing positions, mostly Elementis and Clinigen (£5.8m combined), positions that were initiated in late March 2020.

Elementis was the first investment we have made since the onset of COVID-19, which has a distinctly cyclical sales and profit profile. The company had historically made supernormal profits from its cyclical chromium chemicals division (divisional profits peaked in 2011). Using the balance sheet and raising some equity, it had made a small number of large acquisitions in speciality chemicals for the personal care sector (less cyclical) and acquired Mondo Minerals, a major high-grade talc producer. The multiples paid for these assets appear to be full, given precedent M&A transactions. In the case of Mondo, it is of public record that the company's then shareholders appear to have baulked at the agreed purchase price and put pressure on the Elementis board to renegotiate the purchase price downwards, which it subsequently did. This was a very unusual situation. Despite these assets tending to be less cyclical, the company experienced a severe, short downturn in trading due to COVID-19, and its geared balance sheet exacerbated the impact on earnings. The shares were de-rated materially to a point where they were trading on a very substantial discount to book value.

We saw significant medium to long term upside from investing. Firstly, unusually for an industrial company, Elementis has considerable hard fixed assets in the way of hectorite clay and very high-grade talc mines, which provide decades of raw materials for the company. Secondly, this vertical integration gives them material competitive advantage and control of their supply chain. Thirdly, the business model is very cash generative and maintenance capex requirements are low. Fourthly, there are some obvious non-core assets within the group structure. Fifthly and finally, in Autumn 2019 Elementis committed to a programme of self-help initiatives to improve both gross margin performance and operational efficiency. COVID-19 has led to the management team accelerating these self-help initiatives, which should lead to the improved margin target being achieved on a sales level which is lower than 2019.Whilst financial gearing is present, we felt it would be able to trade through the crisis with at worst, a moderate equity fundraising, and at best no fundraising at all.

The takeover of Huntsworth completed early in the period, which realised £4.7m. In addition, the holding in Equiniti was virtually exited in entirety during the period, raising £5.2m, unfortunately a return below cost.

Portfolio Manager's Report *(continued)*

Portfolio detail

At the end of the period under review, the portfolio comprised 20 companies, with three new positions started in the period and two positions fully exited.

Key updates across the period for each of the top 10 positions in the portfolio are given below:

SDL

% NAV: 15%
Sector: TMT

Global leader in provision of content translation services and also develops and sells a range of software products that support the content translation workflow for linguists and enterprises.

SDL posted robust trading updates across the period, confirming it had traded well through COVID-19 and continued to make progress both on its self-help margin improvement plan and also development of its market leading technology suite. The key news in the half was the announcement in late August of a bid approach from RWS plc with a recommended all share offer. As of 4 November 2020 the residential stake was converted into RWS Shares.

nccgroup

% NAV: 9%
Sector: TMT

Leading independent provider of software escrow services and cyber security consulting provided through the Assurance division.

Following initial caution on the impact of COVID-19, NCC full year results demonstrated the group had shifted well to remote working, with strong performance in the Assurance division and stabilisation in the Escrow business. Growing focus on cyber security in a world where working from home is driving a proliferation of IT end points supports ongoing demand for players such as NCC with market leading expertise and reputation.

Chemring Group

% NAV: 8%
Sector: Industrials

Chemring produces countermeasures for aircraft, sophisticated sensor products, and energetic devices including rocket components and provides contracted R&D for governments – primarily serving the defence sector.

Chemring posted a strong set of interim results in early June prompting upgrades. The group delivered robust performance in both its sensors division - supported by the large US DoD contracts - and in its countermeasures business as all sites returned to operation and F-35 production ramped up. On top of this, cash flow was particularly strong. This group has strong order book outlook and limited exposure to COVID-19 positioning the group well for the future

ELEMENTIS

% NAV: 7%
Sector: Industrials

Elementis is a leading producer of specialty chemicals focused on personal care, talc and coatings markets.

Elementis' interims released in July demonstrated a COVID-19 driven slowdown from Q2, but also continued cash generation, progress on self-help cost savings and indications that demand recovery had started through July. A subsequent trading update in September noted a relaxation of banking covenants through FY21 and a continued expectation of a 'significant' reduction of net debt in H2. We see this development as positive alleviating market questions on leverage, leaving a clearer story on continued revenue recovery and delivery of self help cost savings.

Portfolio Manager's Report *(continued)*

CLINIGEN GROUP PLC

% NAV: 7%
Sector: Healthcare

Clinigen provides a range of services to the pharmaceutical market, focused on ensuring that hard to access medicines reach the right patients at the right time. The group supports distribution of unlicensed medicines into smaller or hard to access markets, supports commercialisation of licensed products globally and supports clinical trials.

A full year trading update in July showed Clinigen had performed broadly in-line with market expectations and delivered strong cash flow in H2. Management re-iterated mid-term guidance but flagged negative COVID-19 impact on demand for medical trials and some commercial medicines. The expected release of a generic competitor in Europe for Clinigen's Foscavir product, while not unexpected, also weighed on shares.

FLOWTECH FLUIDPOWER

% NAV: 7%
Sector: Services

Leading UK distributor of hydraulic and pneumatic components.

Flowtech had an active half. Trading updates showed initial strong performance in 2020 before significant COVID-19 impact in April and May before signs of recovery. Management acted decisively to reduce costs and maintain a break-even position through all months, and deliver significant cash benefits through focus on working capital. The key operational development through the period was the ongoing re-structuring of the board, with Roger McDowell being appointed Chairman (he is well known to us). We see this change as highly positive for the group as it continues to work towards delivering cost savings from historic M&A and maximising revenue opportunities from its unique market position.

Benchmark Holdings

% NAV: 6%
Sector: Healthcare

Benchmark has leading positions in key parts of the growing global aquaculture market. The group is a leading provider of genetics services to the salmon market, production of early stage nutrition products primarily for the shrimp market and a developer of health products for the salmon market.

Despite COVID-19 headwinds, Benchmark continued to make progress on its restructuring through the period. Disposals of non-core operations were completed delivering proceeds of c.£40m, leaving the group with much tighter focus on its core aquaculture genetics, healthcare and nutrition operations. New CEO Trond Williksen was appointed in June bringing a strong background in the industry. The new management team have also started a programme to focus on cost reduction and driving cash profitability of the group. We see further opportunities in this area and look to the expected regulatory approval of the groups major new sea lice treatment as the next stages in the company's progression.

Portfolio Manager's Report *(continued)*

volution
ventilation group

% NAV: 6%
Sector: Industrials

Volution is a leading designer, assembler and marketer of ventilation fans and systems for use in domestic households and commercial environments. The group has operations across Europe and Australasia.

Volution's trading updates through the period showed UK revenues severely reduced during the COVID-19 lockdown before recovering into the summer, with the half of group revenue generated outside of the UK proving more resilient. Underlying this top-line performance, the group continued to deliver on its restructuring activities. The benefits of these have been shown in more recent updates from the group indicating a strong recovery in revenues flowing to improving profitability as the group delivers improving momentum.

Wilmington plc

% NAV: 4%
Sector: TMT

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

Wilmington was impacted by COVID-19 restricting its ability to deliver in person training and events. Against this back drop the group delivered pleasing full year results in September at the high end of revised market expectations and agreed revised covenants with its banks de-risking the balance sheet without recourse to shareholders. With the group having delivered a return to organic growth pre the impact of covid we remain encouraged by the strategic direction in which the new management team are taking the group.

Euromoney Institutional Investor PLC

% NAV: 4%
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 was a new position started in the period. The group is a global portfolio of businesses providing essential B2B information into specialist markets, predominantly in financial services. The three core focus areas of the group are i) news, networking and macro research provided to the asset management industry; ii) market and pricing data for a range of commodities markets; and iii) a range of niche information, news and networking events for specialised industries (largely financial services and telecoms).

We believe Euromoney is an exciting investment proposition with multiple value growth levers and a downside protected by a robust, high recurring business model and a net cash balance sheet. Firstly, the group is well positioned to accelerate organic growth, as end markets recover from COVID-19. and management's proactive investment into improving the technology platforms underlying its unique IP deliver benefits. Secondly, we believe there are significant opportunities to reduce central costs and share best practices in what was a business run in a highly silo'd nature historically. Finally, we see the current share price as a significant discount to a sum of the parts value, with the value of the high growth, high quality market data business in particularly underestimated.

The remaining ten investments represent up to 4% of NAV each. These are spread across our core focus sectors and there are a number which we are seeking to scale to 6% holdings as liquidity and due diligence allows.

Portfolio Manager's Report *(continued)*

Outlook

The second half of the Company's current financial year started with three external factors weighing on equities: Brexit, the US Presidential Election, and COVID-19.

At the time of preparation, markets have been buoyed by news of two promising Covid-19 vaccines, as well as the prospect of some certainty with the US election. We anticipate that some form of Brexit deal is likely by the year end.

Regardless of the outcome of these events, we believe that continued monetary stimulus is here to stay. Yet despite the stimulus to date, we are able to find numerous interesting investment opportunities, a number of which offer "double upside" scope for businesses to recover performance in 2021 from the severe lock down of 2020, allied with the potential for "self-help" to improve one or more aspects of their business performance, and quite often where a complex corporate structure has led to shares trading on a discount to the sum of parts valuations. Seeking out self-help situations is a key focus for us, as this will augment recovery as well as providing a stimulus to earnings and potentially ratings in the event of a delay in the recovery of a company's end market.

The vast majority of the newer investments, or those in the pipeline, are full-list companies. Whilst we are not value investors (valuation is important to us, but so is quality and scope for self-help), we have been finding higher quality companies where their shares are trading at a discount to net asset value, and in some cases a discount to tangible net asset value, despite the market recovery since March. Whilst not unprecedented, this is unusual. We believe that many of these companies have sound balance sheets and have the potential to generate excellent medium to long-term rewards compared with the risk of investing. In comparison, whilst many AIM companies are of good quality, there are increasingly few which in our view are trading at a reasonable valuation.

Sector wise, we continue to be reluctant to invest in discretionary consumer facing companies, given the short-term uncertainties around COVID-19, as well as the unknown medium to long-term change in habits that the lockdowns have created. In our view, many discretionary consumer facing businesses have limited long term competitive advantage, and with the exception of some of the pub companies, limited asset backing.

In addition, the high valuations in the technology sector are limiting the supply of compelling investment opportunities which fit our investment strategy. We have been spending more time looking at opportunities in the B2B media, specialist electronics and industrials, Business Services and Healthcare sectors.

Having consulted with shareholders extensively since the Annual Report was released, the Board and the Manager have agreed to propose a change in the investment policy of the Company to implement negative screening of certain investments, which augments our approach to corporate engagement. This provides clarity and certainty to investors and largely formalises the approach we have taken since we launched. In addition, we have begun working with a specialist provider of ESG data on smaller quoted companies, which will enhance our existing due diligence process. It will also enable us to extend the areas in which we engage with portfolio companies, specifically with the aim of improving ESG-related disclosure and performance.

In the Annual Report, we had signalled that we anticipated portfolio turnover to be higher than typical through the current financial year. M&A activity, and the COVID-19 disruption have been the major drivers on this. With the portfolio re-positioned by the end of 2020, in the absence of further M&A activity, it is likely that portfolio turnover will reduce back to a more normalised 4-6 new investments per annum.

Turning to the existing portfolio, we believe that it offers an attractive balance of potential reward for the risks we are taking with each investment. As at the end of the period, c.34% of sales were derived from the UK, which is considerably lower than the average quoted UK smaller company. This provides the portfolio with a more diversified source of revenues and profits in the event that the UK suffers more materially than other geographies in the second COVID-19 wave, and/or there is material disruption during the Brexit period. In addition, overseas profits would be worth more in the event of sterling depreciating against the US Dollar and the Euro.

Over the long term, RWS (the acquirer of SDL) would not be an ideal fit in the portfolio for a number of reasons, including the size of the combined company's market capitalisation. We are also mindful of the size of the investment, the rating of the sector, and the risks of integration. However, we believe that the potential upside from the combination of the businesses has yet to be fully

Portfolio Manager's Report *(continued)*

appreciated by investors. In addition, a suitable investor relations strategy could attract incremental shareholder interest from US investors, who might place a higher valuation on the company than UK shareholders.

Across the rest of the portfolio, we continue to see good potential near and medium-term upside from "double upside" situations. There is no shortage of engagement potential across the portfolio, but we will focus on where we judge that there is the optimal balance of impact and likelihood of successfully engaging.

The shares of a number of portfolio companies are trading at considerable discounts to what we believe to be their value to trade or financial buyers. As we have selected these companies to avoid poison pills or blocking shareholders, in the absence of a re-rating, we would not be surprised to see further M&A activity. Indeed, since the period end, Elementis, the second largest holding at the time of preparation, has received a highly opportunistic bid, which we believe substantially undervalues the company.

We anticipate that the net cash balance is likely to fall further during the rest of the financial year, to around 5%. We will not attempt to market time but will invest gradually over the period as and when suitable situations and liquidity arise.

In summary, we are as confident as we have been since the Company's IPO of delivering attractive medium to long term returns.

- On an absolute basis, the valuations of many companies are underpinned by precedent M&A transactions, and we expect M&A to increase. Some are also trading on discounts to their book values. There is generally poor sentiment towards UK equities, which in time will probably change for the better. We see an attractive opportunity set the immediate pipeline and believe that recent investments have the potential to generate exciting returns over the medium to long term.
- On a relative basis, the recent headwinds of being under-invested in highly rated growth momentum companies (typically AIM) appear to have started to abate. The risks of the existing Business Relief rules becoming less favourable to smaller investors appear to be increasing. Any negative change could be a material catalyst to a wholesale de-rating of AIM companies. With our exposure to these companies being limited, we believe that such a situation would provide many opportunities.

The closed ended fund structure provides us with the capital base and flexibility to make long term investment decisions and invest in less liquid smaller quoted companies. As we do not, and have no intention of managing any similar assets in daily-dealing Open Ended Funds, we can focus on managing the Company's assets free of any time, investment, dealing and liquidity conflicts.

Stuart Widdowson | Ed Wielechowski
Odyssean Capital LLP

30 November 2020

Portfolio of Investments

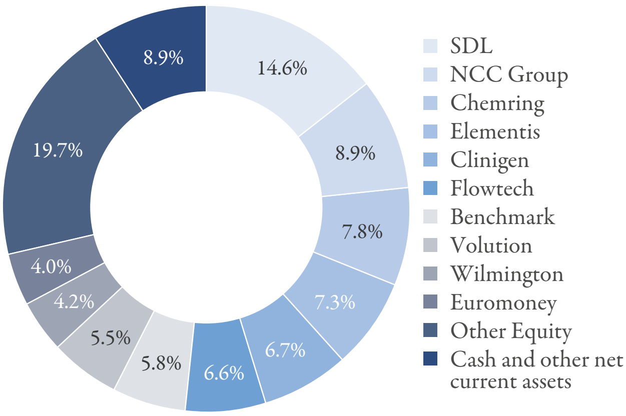
as at 30 September 2020

Company	Sector	Country of Listing	Valuation £'000	% of Net Assets
SDL	TMT	United Kingdom	13,661	14.6%
NCC Group	TMT	United Kingdom	8,354	8.9%
Chemring Group	Industrials	United Kingdom	7,280	7.8%
Elementis	Industrials	United Kingdom	6,840	7.3%
Clinigen Group	Healthcare	United Kingdom	6,299	6.7%
Flowtech Fluidpower	Business Services	United Kingdom	6,202	6.6%
Benchmark Holdings	Healthcare	United Kingdom	5,461	5.8%
Volution Group	Industrials	United Kingdom	5,169	5.5%
Wilmington	TMT	United Kingdom	3,922	4.2%
Euromoney Institutional In	TMT	United Kingdom	3,734	4.0%
Total top 10 equity investments			**66,922**	**71.4%**
Other equity investments			18,530	19.7%
Total equity investments			**85,452**	**91.1%**
Cash and other net current assets			8,326	8.9%
Net assets			**93,778**	**100.0%**

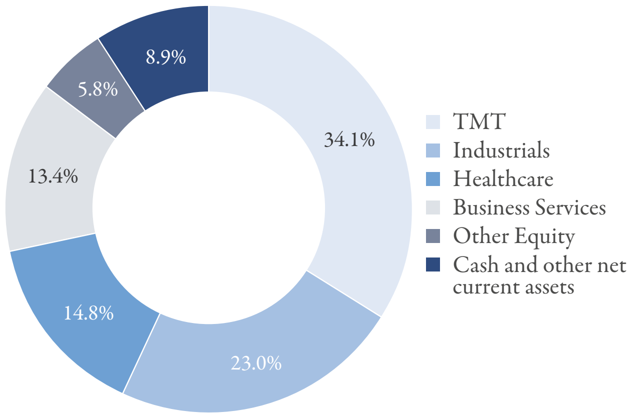
Distribution of Investments

as at 30 September 2020

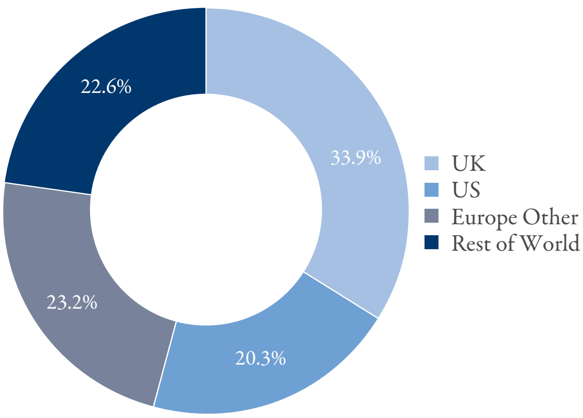
Portfolio holdings
(% of net assets)



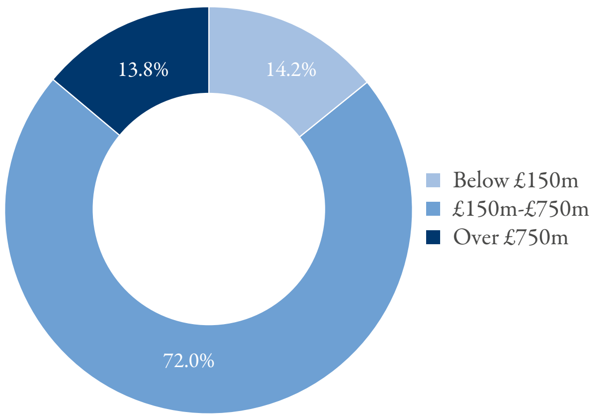
Sector exposure
(% of net assets)



Geographical revenue exposure
(% of invested capital)



Market capitalisation
(% of invested capital)



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 and the Portfolio Manager's report on pages 5 to 16.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company are set out on pages 29 to 32 of the Annual Report and Accounts for the year ended 31 March 2020, 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 2020. 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 during the period.

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', as adopted by the European Union;

- 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

30 November 2020

Condensed Statement of Comprehensive Income

for the six months ended 30 September 2020

	Notes	Six months ended 30 September 2020			Six months ended 30 September 2019			Year ended 31 March 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	3	194	–	194	1,311	–	1,311	1,949	133	2,082
Net gains/(losses) on investments at fair value	9	–	15,144	15,144	–	5,939	5,939	–	(5,588)	(5,588)
Total income/(loss)		194	15,144	15,338	1,311	5,939	7,250	1,949	(5,455)	(3,506)
Expenses										
Portfolio management fee	4	(411)	(807)	(1,218)	(442)	(477)	(919)	(904)	–	(904)
Other expenses	5	(207)	–	(207)	(248)	–	(248)	(495)	–	(495)
Total expenses		(618)	(807)	(1,425)	(690)	(477)	(1,167)	(1,399)	–	(1,399)
(Loss)/return before taxation		(424)	14,337	13,913	621	5,462	6,083	550	(5,455)	(4,905)
Taxation	6	–	–	–	(4)	–	(4)	(7)	–	(7)
(Loss)/return for the period		(424)	14,337	13,913	617	5,462	6,079	543	(5,455)	(4,912)
Basic and diluted (loss)/return per ordinary share (pence)	7	(0.5)	16.3	15.8	0.7	6.2	6.9	0.6	(6.2)	(5.6)

The total column of the statement is the Statement of Comprehensive Income 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.

The notes on pages 25 to 31 form part of these financial statements.

Condensed Statement of Changes in Equity

for the six months ended 30 September 2020

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 30 September 2020						
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 for the period	–	–	–	14,337	(424)	13,913
As at 30 September 2020	883	449	85,245	7,611	(410)	93,778

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 30 September 2019						
Opening balance as at 1 April 2019	883	449	85,475	(1,271)	(529)	85,007
Total comprehensive income for the period	–	–	–	5,462	617	6,079
As at 30 September 2019	883	449	85,475	4,191	88	91,086

The notes on pages 25 to 31 form part of these financial statements.

Condensed Balance Sheet

as at 30 September 2020

	Notes	As at 30 September 2020 £'000	As at 30 September 2019 £'000	As at 31 March 2020 £'000
Non current assets				
Investments at fair value through profit or loss	9	85,452	82,012	72,266
Current assets				
Trade and other receivables		173	469	187
Cash and cash equivalents		9,277	9,413	9,800
		9,450	9,882	9,987
Total assets		94,902	91,894	82,253
Current liabilities				
Trade and other payables		(1,124)	(331)	(2,158)
Total liabilities		(1,124)	(331)	(2,158)
Total assets less current liabilities		93,778	91,563	80,095
Non–current liabilities				
Performance fee provision		–	(477)	–
Net assets		93,778	91,086	80,095
Represented by:				
Share capital	10	883	883	883
Share premium account		449	449	449
Special distributable reserve	10	85,245	85,475	85,475
Capital reserve		7,611	4,191	(6,726)
Revenue reserve		(410)	88	14
Total equity attributable to equity holders of the Company		93,778	91,086	80,095
Basic and diluted net asset value per ordinary share (pence)	8	106.6	103.2	90.8

The notes on pages 25 to 31 form part of these financial statements.

Condensed Cash Flow Statement

for the six months ended 30 September 2020

	Six months ended 30 September 2020 £'000	Six months ended 30 September 2019 £'000	Year ended 31 March 2020 £'000
Reconciliation of profit/(loss) before taxation to net cash outflows from operating activities			
Profit/(loss) before tax	13,913	6,083	(4,905)
(Losses)/gains on investments held at fair value through profit and loss	(15,144)	(5,939)	5,588
Decrease/(increase) in receivables	14	(171)	105
Increase in creditors	759	477	32
Taxation paid	–	(4)	(10)
Net cash (outflow)/ inflow from operating activities	(458)	446	810
Investing activities			
Purchases of investments	(19,737)	(13,937)	(26,405)
Sales of investments	19,902	4,686	17,167
Net cash inflow/(outflow) from investing activities	165	(9,251)	(9,238)
Financing activities			
Shares repurchased into treasury	(230)	–	–
Share issue costs	–	–	10
Net cash (outflow)/inflow from investing activities	(230)	–	10
Decrease in cash and cash equivalents	(523)	(8,805)	(8,418)
Reconciliation of net cash flow movements in funds			
Cash and cash equivalents at the beginning of six months/year	9,800	18,219	18,219
Exchange rate movements	–	(1)	(1)
Decrease in cash and cash equivalents	(523)	(8,805)	(8,418)
Decrease in net cash	(523)	(8,806)	(8,419)
Cash and cash equivalents at end of six months/year	9,277	9,413	9,800

The notes on pages 25 to 31 form part of these financial statements.

Notes to the Financial Statements

for the six months ended 30 September 2020 (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 2020 to 30 September 2020 and has been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

The Company's annual financial statements for the year ended 31 March 2020 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 2020.

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 2020 to 30 September 2020 and 1 April 2019 to 30 September 2019 (unaudited and unreviewed by the Company's Auditor); and 1 April 2019 to 31 March 2020 (audited). The comparative figures for the period 30 September 2019 are not the Company's statutory accounts for that financial year. The Company's statutory accounts are for the year ended 31 March 2020 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)*

for the six months ended 30 September 2020 (unaudited)

3. Income

	Six months ended 30 September 2020 Income £'000	Capital £'000	Total £'000	Six months ended 30 September 2019 Total £'000	Year ended 31 March 2020 Total £'000
Income from investments					
Dividend income	194	–	194	1,294	2,055
Other income					
Bank interest received	–	–	–	17	24
Other income	–	–	–	–	3
Total income	194	–	194	1,311	2,082

4. Portfolio management fee

	Six months ended 30 September 2020			**Six months ended 30 September 2019**			**Year ended 31 March 2020**		
	Revenue £'000	Capital £'000	Total £'000	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Management fee	411	–	411	442	–	442	904	–	904
Performance fee	–	807	807	–	477	477	–	–	–
	411	807	1,218	442	477	919	904	–	904

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 2020, £807,000 of performance fee has been accrued in the NAV.

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 2020 (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 will run from Initial Admission to 31 March 2021.

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)*

for the six months ended 30 September 2020 (unaudited)

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 2020 £'000	Six months ended 30 September 2019 £'000	Year ended 31 March 2020 £'000
Directors' fees*	43	44	86
Company Secretarial and Administration fee – Link**	43	77	149
Frostrow Capital LLP***	44	–	–
Audit fee	14	28	30
Other expenses	63	99	230
	207	248	495

* 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 2020 (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. (Loss)/return per ordinary share

	Six months ended 30 September 2020			Six months ended 30 September 2019			Year ended 31 March 2020		
	Net return £'000	Weighted average ordinary shares	Basic and diluted earnings per share pence	Net return £'000	Weighted average ordinary shares	Basic and diluted earnings per share pence	Net return £'000	Weighted average ordinary shares	Basic and diluted earnings per share pence
Revenue	(424)	88,058,850	(0.5)	617	88,257,211	0.7	543	88,257,211	0.6
Capital	14,337	88,058,850	16.3	5,462	88,257,211	6.2	(5,455)	88,257,211	(6.2)
Total	13,913	88,058,850	15.8	6,079	88,257,211	6.9	(4,912)	88,257,211	(5.6)

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

8. Net asset value per ordinary share

The basic net asset value per ordinary share is based on net assets of £93,778,000 and on 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 months ended 30 September 2020 (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 2020				As at 30 September 2019				As at 31 March 2020			
	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	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	85,452	85,452	–	–	82,012	82,012	–	–	72,266	72,266	–	–
Total	85,452	85,452	–	–	82,012	82,012	–	–	72,266	72,266	–	–

There were no transfers between levels during the period.

Analysis of capital gains and losses	Six months ended 30 September 2020 £'000	Six months ended 30 September 2019 £'000	Year ended 31 March 2020 £'000
(Losses)/gains on sales of investments based on historical cost	(262)	4,681	4,342
Gains/(Losses) on investment holding for the period	15,406	1,258	(9,930)
Net gains/(losses) on investments at fair value	15,144	5,939	(5,588)

Notes to the Financial Statements *(continued)*

for the six months ended 30 September 2020 (unaudited)

10. Share capital and reserves

	Six months ended 30 September 2020		Six months ended 30 September 2019		Year ended 31 March 2020	
	Number of Shares	£'000	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	88,257,211	883
Balance at the end of the period	88,257,211	883	88,257,211	883	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 have been placed into treasury.

11. Related party transactions

The amounts incurred, in respect of portfolio management fees, during the period to 30 September 2020 was £411,000 (30 September 2019: £442,000), of which £224,000 was outstanding at 30 September 2020 (30 September 2019: £224,000).

The amount incurred in respect of Directors' fees during the period to 30 September 2020 was £43,000 (2019: £44,000) of which £nil was outstanding at period end (2019: £nil).

Glossary

AIC

Association of Investment Companies.

CTA

Corporation Tax Act 2010.

Discount/premium

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. If the share price is higher than the NAV per share, the shares are said to be trading at a premium. The size of the discount/premium is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share.

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

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 2020	Year ended 31 March 2020
Opening NAV per ordinary share	90.8p	96.3p
Dividend paid per ordinary share	–	–
Dividend adjusted opening NAV per ordinary share	90.8p	96.3p
Closing NAV per ordinary share	106.6p	90.8p
NAV total return per ordinary share	17.4%	(5.7)%

NSCI ex IT plus AIM Index

Numis Smaller Companies ex Investment Trusts plus AIM Index.

Ongoing charges

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 2020 £'000	Year ended 31 March 2020 £'000
Total expenses per note 4 and note 5	618	1,399
Annualised total expenses	1,262	1,399
Average net asset value	88,200	84,064
Ongoing charges	1.4%	1.7%

TMT

Technology, media and telecom.

Total assets

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

Total return per ordinary share

Total return per ordinary share is the total return for the period expressed as an amount per weighted average ordinary share.

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	88,257,211
Held in Treasury	275,000
Shares with voting rights	87,982,211
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 34. 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	30 September
Interim results announced	November/ December
Company's year end	31 March
Annual results announced	June/July
Annual General Meeting	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
Peter Hewitt
Richard King

Company Secretary and Registered Office

Frostrow Capital LLP
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Website: www.frostrow.com

Frostrow Capital LLP was appointed as the new Company Secretary with effect from 13 July 2020.

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Corporate website

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