ODYSSEAN
INVESTMENT TRUST PLC

Half Year Report
for the six months ended 30 September 2023

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 £182.5m as at 30 September 2023.

The Board of the Company comprises six non-executive Directors, all of whom are independent of the portfolio manager, Odyssean Capital LLP ("Odyssean" or the "Portfolio Manager"). For further details please see page 32.

Winner at the Investment Company of the Year Awards 2023 – UK Smaller Companies Category.

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

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

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

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

Investment restrictions

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

Ethical and sustainability investment restrictions

The Company will not invest[1] in companies which derive any revenue from, or are engaged in:

- the production or direct distribution of pornography;
- the manufacture, production or retail of controversial weapons[2] (e.g. chemical, biological or nuclear weapons, cluster munitions, landmines), civilian firearms and ammunition;
- the manufacture of alcohol and tobacco products;
- the ownership or operation of gambling facilities;
- sub-prime and/or predatory lending;
- oil and gas production (both conventional and unconventional, including shale oil and gas, coal seam gas, coal bed methane, thermal coal, tar sands, Arctic onshore/offshore deepwater, shallow water and other onshore/offshore) and includes extraction and refining;
- animal experimentation or animal testing, (a) where there is a proven alternative and/or where testing is not mandated by regulation; or (b) where there is no proven alternative and/or the experimentation or testing is mandated by regulation, but where the investee company is not adhering to the "three Rs" ethics of Replacement, Reduction and Refinement.

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

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

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

Borrowings

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

Derivatives and Hedging

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

General

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

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

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

Financial Summary

Company performance	As at 30 September 2023	As at 31 March 2023	Change
Shareholders' funds	£182.5m	£181.2m	0.7%
NAV per ordinary share	156.2p	160.4p	(2.6)%
Share price per ordinary share	156.2p	164.0p	(4.8)%
Share price premium to NAV per ordinary share#	–	2.2%	

	Six months to 30 September 2023	Year to 31 March 2023
Revenue (loss)/income per ordinary share*	(0.5)p	0.2p
Capital loss per ordinary share*	(3.7)p	(4.1)p
Total loss per ordinary share*	(4.2)p	(3.9)p

Performance	Six months to 30 September 2023	Year to 31 March 2023
NAV total loss per ordinary share#	(2.6)%	(2.2)%
NSCI ex IT plus AIM Index Total Return#**	(2.9)%	(13.4)%

Cost of running the Company	Six months to 30 September 2023	Year to 31 March 2023
Annualised ongoing charges#	1.45%	1.45%

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

** Source: Bloomberg.

\# Alternative Performance Measure ("APM"). See glossary on page 30.

Past performance is not a guide to future performance.

Chairman's Statement

Introduction

I am pleased to present the Half Year Report and Financial statements for Odyssean Investment Trust PLC ("OIT" or the "Company") covering the period from 1 April 2023 to 30 September 2023.

Performance

Over the period, the net asset value per share ('NAV per share') of your Company fell by 2.6%. This compares to a decline of 2.9% in our comparator benchmark.

The net assets of your Company increased during the period by £1.3m to £182.5m due to a small amount of new shares being issued. It is encouraging to see support for the Company and its differentiated investment strategy.

Discount and premium management

The share price has tracked in line with the NAV per share over the period, albeit with continued volatility. The Company's shares ended the period trading around its NAV per share.

The Company issued a total of 3.9m shares at a premium to NAV per share, which meant that there was no dilution to existing shareholders. Since the period end and up to the date of this report a further 0.6m shares have been issued at a premium to NAV.

The Company's average discount since IPO has been 0.2%. The Board believes that the Company's strong absolute and relative rating is driven by a number of factors including good performance, a differentiated strategy, effective communication with existing and potential investors, a clear approach to discount control and a well-balanced register of long term shareholders.

The Company's realisation facility coming up in the seventh year after initial admission, starts on 1 May 2024 and should anchor the price of our shares around NAV.

Dividend

The Directors expect that returns for shareholders will be driven primarily by capital growth of the shares rather than dividend income. No interim dividend will be paid for the year ending 31 March 2024.

Board of Directors

At the time of launch, the Board had four independent directors, each now in their sixth year of service. As part of succession planning, Neil Mahapatra was appointed as a fifth independent director in February 2023. In April 2024, the Company will be entering into its seventh year, during which a commitment has been made to provide an exit opportunity for shareholders. Being mindful of the nine-year rule for director independence, the Board is keen for there to be a steady rotation of directors over the coming years. This will allow for a gradual evolution of the Board as the four original directors approach their nine years of service and will ensure the future Board has staggered appointment dates.

The Board is of the view that it is appropriate to identify a new Chair at an early stage. The principal reasons for this are as follows:

- the new Chair can take the Company through the exit opportunity and, prior to making any election, investors will know who the Chair will be for the next 'investment period'; and
- it will enable the new Chair to participate in the selection process for future directors.

Chairman's Statement *(continued)*

I have therefore decided to step down as Chair and to retire from the Board with effect from 31 March 2024, to allow for a short transition period and for Linda Wilding, who joined the Board in October this year, to be in the position as Chair and to engage with shareholders in advance of the exit opportunity.

Growth of the Company

The vast majority of the growth in the Company since launch has been organic due to performance delivered by the Portfolio Manager. However as previously mentioned the Company has also taken the opportunity to issue new shares at a premium to NAV per share. The growth has been measured and spread across wealth managers, retail investors and high net worth individuals.

The Board believes that the growth in the Company provides a number of benefits to shareholders including greater liquidity in the shares and a lower ongoing fees ratio as the fixed costs of the Company are spread over a larger asset base.

Wealth managers represent c.50% of the shareholder base of the Company. The Board is mindful of the continued consolidation of the very large wealth managers but the Company has a limited proportion of its shareholder base which is subject to such consolidation.

We have had continued success in attracting retail shareholders and small and mid sized wealth managers without mandated central-buy lists. Our shareholder register is diversified, creating the potential for greater liquidity than might be the case with a more concentrated shareholder base.

Outlook

Investor sentiment towards UK equities continues to be very poor, with ongoing outflows from UK equities irrespective of the attractive absolute and relative valuations. I feel like a well worn record in continuing to point out the value in this space but that isn't normally the time to stop doing it. After a lull during the summer, the level of M&A activity from private equity and corporate buyers of quoted UK companies has picked up notably post the period end. The Company's NAV has benefitted from the bids for two out of three of the divisions of Ascential, at an aggregate consideration in line with the Portfolio Manager's view of intrinsic value.

This is another excellent example of how the Portfolio Manager's valuation approach and disciplines, allied with a focus on special situations, can help spot value creation opportunities even in difficult market conditions.

It is well accepted that UK small and mid cap equities are attractively priced, but there are "no takers". When the "buyers' strike" for small and medium sized UK equities ends, liquidity and ratings are likely to improve, leading to portfolio companies' shares becoming of more interest to a wider pool of institutional investors.

However, the longer that UK equities remain unloved, the more likely that the portfolio will be a beneficiary of further M&A. Given the highly international nature of underlying portfolio company revenues, overseas trade buyers would be the most likely suitors. Some of the unloved industrial holdings in the portfolio, with their lowly ratings and high international exposure, seem particularly vulnerable.

Notwithstanding the prospects for accelerated returns from M&A activity, the Portfolio Manager continues to actively engage with their portfolio companies to help bring about positive change. The benefits of this engagement can act as an incremental driver of returns as market sentiment improves.

The closed ended nature of the Company, and the certainty of the capital base which it allows, has enabled the Portfolio Manager to focus on where it believes the best medium to long term risk/reward investments are. In addition, during a period of declining liquidity, it has provided the Portfolio Manager with the confidence to take on less liquid positions where there are prospects of significant long term premium returns. The Board and the Portfolio Manager believe that this provides shareholders with a significant competitive advantage over open ended funds investing in the same asset class.

We are grateful for the ongoing support and patience shown by shareholders during the period.

Jane Tufnell
Chairman

29 November 2023

Stuart Widdowson *Fund Manager* **Ed Wielechowski** *Fund Manager*

Portfolio Manager's Report

Details of the Portfolio Manager

The Company's Portfolio Manager is Odyssean Capital LLP.

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

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

Stuart Widdowson, Fund Manager

Stuart has spent the last 23 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, Fund Manager

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

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

Portfolio Manager's Report *(continued)*

Progress and performance in the period

The six months to September 2023 was another mixed period for equity investors. Volatility continued and overall there was a lack of direction in markets as investors continued to digest the key questions that have dominated their thoughts for the past 18 months – the path for inflation and interest rates and the impact of historic rate rises working through the financial system.

Against this backdrop, markets have drifted with varying performance. The FTSE All share and FTSE Small Cap delivered small gains, the FTSE Mid Cap a small decline and once again there was particularly poor performance from AIM stocks as risk appetite remained weak.

A headwind across the markets has been the ongoing level of outflows from UK focused equity funds. Data collected by Calastone suggests UK focused equity funds had seen more than two years of consecutive outflows in the period to September 2023, with small caps in particular hard hit. As the market has adjusted to rising rates, it is natural to see some re-balancing away from risk assets, but the UK market in particular has remained unloved.

The Company's NAV per share fell 2.6% in the period, which was broadly in-line with the 2.9% fall in the NSCI & AIM index, which we use as a comparator.

The top three positive contributors to performance through the period were NCC, XPP and Benchmark.

As flagged in our 2023 annual report, NCC released a material profit warning on the last day of March driven by a sharp drop in demand largely from large tech clients on the West Coast of the US. As a result, shares entered the period being very weak. We saw this initial overreaction as a buying opportunity and materially grew our position.

Our confidence in making this further investment was driven by our view that the value of the group's cyber security consulting business was being unduly discounted by the market. Despite the profit warning this part of the group maintains a blue-chip client list (none of which had been lost despite the headwinds) and has many areas still delivering strong growth, notably a high margin, recurring, managed services business delivering c.£70m of revenue. Cyber security remains a growth area and we believe NCC's new CEO is a proven, capable exec with a clear strategy to grow this part of the group back to 'mid-teens margins and mid-teens growth' as his stated ambition. There is significant value to be unlocked here. Through the period itself, NCC has demonstrated good progress in its operational turnaround and has seen a stabilisation of end markets. There is still a significant way to go on the journey, but the start of recovery and path to further value creation can be seen.

XPP delivered a strong performance through the period. Unfortunately, this was followed by a disappointing update just after period end which we detail in the profile. In August the group announced a robust set of interim results re-confirming full year expectations and flagging improving margins as historic, pandemic driven supply chain challenges began to ease. Order book value was noted as 'softening' due to changes in buyer behaviour as lead times reduced, but the historically high order book supported full year expectations. Book to bill was reducing as anticipated as the company's order book began to normalise following unusual order patterns caused by the lengthening of order times through the pandemic. Whilst the book to bill for semiconductor equipment customers had fallen to 0.5x, the company reported it was seeing evidence that the order cycle in this area had bottomed. Immediately post the period end, the company released a weak trading statement which saw the shares sell off materially – in our view very disproportionately to the news released. The company has subsequently announced an equity raise to strengthen its balance sheet alongside a number of management actions to reduce costs and improve cashflow. We continue to believe that the medium to long-term prospects for the business are very positive and have added to our investment.

At the time of preparation, XPP's closest competitor Advanced Energy Inc, quoted on NASDAQ, trades on a significantly higher EV/Sales multiple indicating substantial equity upside to intrinsic value.

Since the first purchase in 2018, the Benchmark share price has been volatile. Through the period, the company demonstrated a continuation of recent improving performance with strong growth in the genetics and health divisions offsetting some weakness in the nutrition division which was impacted by a decline in the shrimp market. This was rewarded with a strong performance from the shares. The group continues to benefit from prior investment, with the roll out of its new sea lice treatment solution and ramp up of a genetics facility in Chile, key drivers for future growth. With a management

Portfolio Manager's Report *(continued)*

team focused on driving commercial best practice through the group, and improving cash generation and profitability we see further value growth from here.

The bulk of the negative contributors during the period were from larger positions which saw shares drift down – Xaar and Ascential – or smaller industrial positions facing market specific headwinds – Videndum and Synthomer.

Xaar's shares fell during the period despite a strong interim trading update and maintenance of full year expectations. The group continued to see growing traction with OEMs (Original Equipment Manufacturers) for its new product set, notably the new Aquinox product able to print aqueous fluids. This re-purposing of historic R&D investment is providing the group scope to regain share in markets it previously addressed, and also to grow its addressable market from c.£250m to c.£500m by entering new vertical markets. The final new family of product launches to address the wide format graphics market, which Xaar has no exposure to at the moment, is due in approximately twelve months. We believe this would increase the addressable market further to c.£850m-£1bn. In addition, Xaar's unique technology is creating new market opportunities for digital inkjet printing to displace other analogue solutions, which have the potential to grow its addressable market by at least a further £150m. Alongside momentum in new products, the group has also completed the first phase of a factory re-organisation that will in future support greater capacity and higher efficiencies. If the team manages to execute well and wins back share in ceramics with its 720 dpi product, we believe there is substantial medium to long-term upside for the shares.

As noted in our annual report, in January, Ascential announced its intention to break itself up initially through the sale of its product design division, a process we see as having the potential to unlock significant value for shareholders. The group's interim results showed strong performance despite the risk of distraction from the ongoing sales process, demonstrating the quality of the various businesses in the group. After the end of the period, in late October, the group announced proposed disposals of both its product design division and its digital commerce division – for a combined valuation of c.£1.2bn, with £850m expected to be returned to shareholders (89% of the group's market capitalisation prior to the announcement). We view the proposed disposals as a good outcome for shareholders in current markets, validating our view of significant hidden value in the group. In our opinion, the remaining business will be a high quality, pure play events company with significant growth prospects and we see further value to be unlocked.

Videndum and Synthomer both posted disappointing trading updates through the period driven by specific headwinds in their end markets – the Hollywood writers' and actors' strike in the case of Videndum, which has come simultaneously with weaker end markets for its consumer products, and ongoing de-stocking at customers for Synthomer. In both cases, these issues have left balance sheets stretched and shares materially sold off. In cases such as these, where there are negative surprises, we look to re-evaluate our investment thesis, carry out further diligence and assess the attractiveness of the investment going forward. In the case of Synthomer we saw the ongoing risk of continuing macro headwinds as significant. Whilst undoubted medium to long-term upside existed, we concluded that the risk/return of holding through the fundraising was not sufficiently attractive compared with other holdings. In the case of Videndum, we have retained a small position, seeing significant scope for recovery in the stock supported by the recent announcement of a cessation of the writers' strike. The company enjoys market leading positions with relative market shares of between 4-10x in most of its niches. Recapitalised, the company should recover well and take share from smaller competitors.

The portfolio was on average 99% invested across the period. Net cash began the period at 0.4% and ended the period at 2.2%. The portfolio consisted of 16 holdings as at the end of September 2023.

Portfolio development

The six months to September 2023 saw a reduced level of portfolio activity following a busy financial year 2023.

In total c.£13.5m was invested across the period into stock purchases. No new positions were initiated, but material follow on investments were made into existing positions notably NCC, Xaar and XP Power. We have actively looked to add to positions on share price weakness where we see an attractive shift in the risk/reward balance.

Portfolio Manager's Report *(continued)*

Through the period we realised £12.1m from stock sales with two positions fully exited raising £6.2m, and partial realisations raising a further £5.8m.

The fully exited positions were Medica and Synthomer, both small positions outside of the top 10 in the portfolio. Partial realisations were made in names which had performed well and where we felt profits could be attractively recycled into other opportunities. Notably we sold stock in Elementis and RWS. In both cases, the decision to reduce our holding was driven by shares performing well relative to the rest of the portfolio and we actively looked to re-balance position weightings as a result.

Through the period, our investment focus has remained on finding high quality businesses, trading at a discount to their fair value with an opportunity for self-help and engagement. Alongside this we have remained aware of the opportunities thrown up by the current market conditions.

Liquidity in our part of the market remains patchy and we have been able to build positions of size in a number of our investee companies which we believe would be hard to replicate in the market today at current share prices.

We have continued to actively engage with portfolio company directors and other stakeholders where appropriate in order to help defend or create value.

Portfolio Manager's Report *(continued)*

Portfolio detail

At the end of the period under review, the portfolio comprised 16 companies. During the period no new positions were initiated and two smaller positions outside the top 10 were fully exited (as detailed above).

Key updates through the period for the largest ten positions (accounting for 82% of net asset value) are detailed below:

ELEMENTIS

% NAV: 13%
Sector: Industrials

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

Elementis posted a solid set of interims in July, noting ongoing resilient performance in personal care products offsetting some de-stocking headwinds in coatings. The group also continued on its programme of cost savings alongside ongoing new product development to drive revenue growth. Late in the period Franklin Templeton, a top three shareholder, released an open letter to the board of Elementis calling for a sale of the group to crystallise value for shareholders – this was rejected by the board. We agree that this development has helped spark a debate about how best shareholder value can be unlocked at the company given the quality of its asset base and profit generation potential.

nccgroup

% NAV: 12%
Sector: TMT

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

NCC's full year results showed good progress in its operational turnaround following the disappointing trading statement at the end of March 2023. The headwinds in demand for its cyber services from North American clients appear to have abated, and the group delivered strong growth in its high margin managed services business. Operationally the new team are progressing with their program to re-shape the cyber business with an offshore delivery centre, a new vertical focused commercial strategy and strengthened leadership team in place. Provided the management execute well the cyber business has the potential to return to mid-teens margins and mid-teens organic growth, which would likely see the shares return towards past peaks.

XAAR

% NAV: 11%
Sector: Industrials

Leading independent designer and manufacturer of industrial inkjet print heads.

Xaar delivered an in-line set of interim results despite ongoing turmoil in end markets. The group delivered the first phase of its factory re-organisation which will deliver future savings and capacity uplifts, and the initial benefits from investment in new product development is being seen with a number of OEM's actively in development of products using Xaar's print heads which should launch later this year.

We are excited by the prospects for Xaar. The new products under development offer the scope for the group to gain share as well as open up new markets previously unaddressed. The group has scope to significantly grow revenues overtime which can be delivered from its well invested cost base at high incremental profit. Delivery of this opportunity will take time to deliver, but we believe Xaar has the potential to be a materially bigger business in three years time and even more coveted.

Portfolio Manager's Report *(continued)*

ASCENTIAL

% NAV: 11%
Sector: TMT

Provider of B2B data, events and digital commerce support platforms.

Ascential posted a strong set of interim results with revenues up 16% and improving margins. The management had announced earlier in the year a strategic review and intention to break up the group initially selling the Product Design division. Shortly post the period end the group surprisingly announced the proposed disposals of both its product design division and its digital commerce division for total value of c.£1.2bn with £850m to be returned to shareholders (c.89% of market cap prior to the announcement). In our view these transactions represent a good outcome in current markets, clearly demonstrating support for our view that the market had been materially undervaluing Ascential's portfolio of higher quality assets. Completion of the disposals is expected in early 2024 and remains subject to shareholders' approval. Once the transactions are executed the remaining Ascential will be a pure play events business. We see this go forward group as benefitting from two scale, market leading platforms with multiple growth opportunities. We believe that the quality and strategic value of these assets remains overlooked even following the strong run in shares post the announcement.

XP Power

% NAV: 9%
Sector: Industrials

Leading supplier of power supplies and power converters for industrial, healthcare and semi-conductor end markets.

XP Power's interim results in August were in-line with expectations with some of the operational challenges seen during covid beginning to be managed through. The company highlighted its optimism for medium to long-term growth and that the semiconductor clients were "bumping along the bottom". Immediately post the period end the company released a trading update flagging that Q3 had seen weaker than expected demand with customers pushing out some large orders. With the balance sheet relatively geared following historic M&A and the unfortunate outcome of legal action, the company also announced an equity raise to strengthen its balance sheet. The company's shares price fell more sharply on this news than we believe was justified, exacerbated it seems by urgent selling in size by a very small handful of large holders – volumes were 15-20x normal in the few days after the statement.

We believe that the market overreacted, with the shares bottoming out at around 1x EV/Sales compared with long-term average ratings around 2.6x. Although there may be near-term uncertainties, XP Power is exposed to attractive end markets, with two very specific drivers supporting demand from the semiconductor industry in particular. Firstly, the fourth wave of the ongoing multiyear growth of the semiconductor sector as a whole (driven by demand for new products for AI and Internet-of-Things). Secondly, the global build out of additional semiconductor manufacturing capacity as nations look to 'near shore' production away from Taiwan. Alongside secular market tailwinds, we see significant scope for operational improvement at the company. Alongside the fund raise the group announced a material £8m-£10m cost savings programme (largely now executed), and beyond this we see significant scope for further

Portfolio Manager's Report *(continued)*

operational improvement through the roll-out of lean manufacturing across the group. An improvement in end markets allied with these operational improvements should return operating margins to at least 20%. seen historically support strong profit progression.

The company's shares are trading at a substantial discount to their closest peer, which is listed on NASDAQ. Alongside the fundraising the company announced it had received multiple expressions of interest from potential acquirers, but not at levels the Board were prepared to engage with. We increased our stake materially during the share price weakness and fundraising and see significant upside from current levels.

Spire Healthcare

% NAV: 6%
Sector: Healthcare

Leading provider of private hospitals in the UK.

Spire's interim results showed a continuation of recent strong performance. The demand environment remains supportive with private insured and NHS revenues particularly strong. The group showed a good ability to manage inflationary costs through efficiencies and price rises and these headwinds are likely to fade going forward. We see Spire as well positioned in a market with strong demand drivers over the medium term as NHS waiting lists push more people towards private healthcare. The executive team have proven their ability to deliver cost savings with more potential to come. New business initiatives around primary care and occupational health offer further upside.

Gooch & Housego
ENABLING PHOTONIC TECHNOLOGIES

% NAV: 5%
Sector: Industrials

Manufacturer of photonics solutions for a variety of end markets.

Gooch & Housego made good progress through the period. The group interims showed strong revenue growth and a normalisation of operations as the group worked through some of the operational issues and order backlog from the prior year. The new CEO also used the interims to report back on his strategic review of the group. This identified the opportunity to almost double operating margins to c.15% largely through self-help actions and re-shaping of the portfolio. Our investment case saw significant margin opportunity at Gooch and we are buoyed by the confirmation of this by the new CEO. The group remains a leader in a growing market with world beating IP. We do not believe that the shares price in either the growth potential or successful execution of margin improvement.

Wilmington plc

% NAV: 5%
Sector: TMT

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

Wilmington's full year results published in September continued the recent track record of strong performance, delivering 7% organic growth, improving margins and high cash generation. The group has benefited from management actions through the pandemic to refocus the group onto Governance, Risk and Compliance ("GRC") end markets and build out of shared back-office and delivery infrastructure. We see further progress to come as the group invests in its content and leverages AI to deliver its products more effectively. The company's significant net cash balance sheet provides it with capital to fund bolt on acquisitions at a time where private market multiples are likely to return to a more normal level.

FLOWTECH FLUIDPOWER

% NAV: 5%
Sector: Services

Leading UK distributor of hydraulic and pneumatic components.

Flowtech's interims downgraded full year expectations with good momentum in its Solutions and Services offer unable to offset market weakness impacting the distribution focused (and higher margin) Flowtech business. The new CEO Mike England has rapidly strengthened the exec team, identified a performance improvement plan and refreshed the group strategy aiming to address the wider market of motion products beyond pneumatics and hydraulics. We are positive on these developments, although the market outlook remains uncertain, we see significant value to come from the new team implementing their plan and building a stronger, more scalable platform for future growth.

Benchmark Holdings plc

% NAV: 5%
Sector: Healthcare

Leading supplier of genetics, nutrition, and health solutions to the global aquaculture market.

Benchmark's Q3 results were mixed with strong performance in their Genetics and Health division's offset by weaker performance in their nutrition division which was impacted by a downturn in shrimp end markets. The group also announced that following an initial listing in Oslo the group would also be maintaining its AIM listing. We believe that Benchmark is well positioned in an aquaculture market which is set to continue to professionalise and look to implement best practice measures for efficiency and sustainability which Benchmark's products will benefit from. The group's new sea lice treatment system is continuing its commercial roll out, with the lowest environmental footprint and best efficacy on the market this can drive material growth going forward, as will scale up of the new genetics facility in the crucial Chilean market. Management remains focused on driving up margins and cash generation.

The remaining six investments represent between 1.3% and 4.7% of NAV. They are weighted towards our core focus sectors and include positions with the potential to scale as liquidity and due diligence allows.

Outlook

At the time of preparation, there continues to be both geopolitical unrest in the Middle East as well as uncertainties on future interest rates and inflation. Market "fear" levels are elevated as investors worry about the prospect of geopolitical and monetary shocks. The concept of transitory inflation is long gone and whilst inflation is likely to continue to fall, our working expectation is that interest rates will remain higher for longer.

Sentiment has been poor in our sector for almost two years. This period of negative market sentiment in UK Smaller Companies exceeds the length of the downturn during the Great Financial Crisis, where the UK Smaller Companies sector peaked in early Q3 2007 and bottomed in Q1 2009.

UK quoted equities continue to be cheaply valued against history and international peers across a number of metrics, on both an absolute and relative basis. Our own analysis based on the Quest® cashflow modelling tool, suggests UK Smaller Companies in aggregate are trading on a wide 28% discount to their intrinsic Quest® Fair Value, compared with a 20-year average premium of 41%. This top-down analysis suggests substantial re-rating potential for UK Smaller Companies. In stark comparison, US equities remain expensive trading at more than a 50% premium to Quest® Fair Value – expensive in absolute terms but also compared with their long-term premium over time, and also against all other equity markets, most of which are trading on discounts to Fair Value. Over the past 15 years or so we have found that Quest® valuations have proven to be excellent indicators of long-term intrinsic value.

Such potential upside in UK Smaller Companies is similar to see from a bottom-up perspective in our portfolio. In early October, shares in the top 10 portfolio companies were trading at around a 50% discount to their average 10-year EV/Sales and price to book ratios. This is indicative of the level of distress in our markets, and the lack of investor interest.

Unlike large cap US equities, UK Small and Mid Cap stocks did not re-rate to very high multiples during the period of zero interest rates. Therefore, we see the implied potential 100% rating upside as markets normalise as a credible possibility.

Not surprisingly in this environment we are not short of new investment ideas. Given the uncertain demand environment, we continue to have a strong preference for investing in companies with multiple opportunities for "self help", particularly gross and operating margin improvement. As well as making these businesses stronger and more sustainable, such actions help mitigate the risks of a softening in demand. If the environment remains more benign than feared, then there is the potential for these self-help actions to amplify companies' organic progression.

We continue to focus on the prospect for absolute returns over a 3-5 year period, rather than attempting to outperform the market in the short term. Whilst in the short term some of these decisions have not been optimal, we continue to believe that they are the right ones for the long term. In such an environment where capital is scarce, it is not surprising that we are seeking higher potential returns than we would do through the cycle.

Managing assets in a closed ended fund through this market environment is, in our view, a major competitive advantage. Firstly, we are focused on seeking an optimal long-term capital return from a fixed capital base, rather than worrying about the risk of potentially quite significant redemptions and forced selling to meet the redemption calls. Secondly, this enables us to consider investing in less liquid companies which open ended fund managers are either not willing, or not permitted to invest in. This has led swathes of the market in our view to be materially underpriced. Ironically as markets improve and companies re-rate to become larger, leading to better liquidity, we would not be surprised to see today's selling institutions buying back in.

At some point we see sentiment towards the UK turning, the buyers' strike ending and valuations normalising. This should provide a material tailwind to our absolute performance, which overall has been absent since we launched. Once the market can get confidence in the level of trough earnings, it can price them, moving from trough rating on trough earnings, to a normalised rating, and finally to a potential recovery rating. Any improvement in sentiment or liquidity can drive sudden and sharp movements in UK Smaller Companies. It is impossible to time such a turn in the "animal spirits" or even the specific event or events which will catalyst it. But we are strongly of the view it will come.

Even if this does not happen in 2024, we believe that corporate acquirers from overseas will take a more active interest in acquiring global companies listed in the UK given current ratings, particularly those in the industrials sector where they have material US earnings and significant synergies are on offer.

We do not anticipate a swathe of companies being taken private by Private Equity ("PE"), unless a bidding PE house has an asset in its portfolio which can offer significant cost savings on acquisition of a target. We understand that lending margins are around 700 basis points for senior debt, leading to total cost of debt being just below the low teens. This fundamentally changes the multiples that PE funds can afford to pay to generate their required returns. As a result, interest rates normalising appears to have levelled the playing field somewhat between private and public equities. It is possible that at some point the private market "premium" which emerged in the last decade may reduce or even disappear as the investment community accepts that zero interest rates will not be back for some time.

Private equity allocations are still high amongst institutional investors due to the delay in marking to market, allied with realisations slowing. We do wonder whether, for family offices and long-term endowments, the pendulum is starting to swing back to quoted equities ex US, which appear to offer material absolute and relative long-term value. Given the niche size of our market, we do not believe it would take much in the way of new allocations to change the balance of buying and selling.

We would like to thank all of the shareholders for their ongoing support, particularly during such challenging times.

Stuart Widdowson | Ed Wielechowski
Portfolio Managers
Odyssean Capital LLP

29 November 2023

Portfolio of Investments

as at 30 September 2023

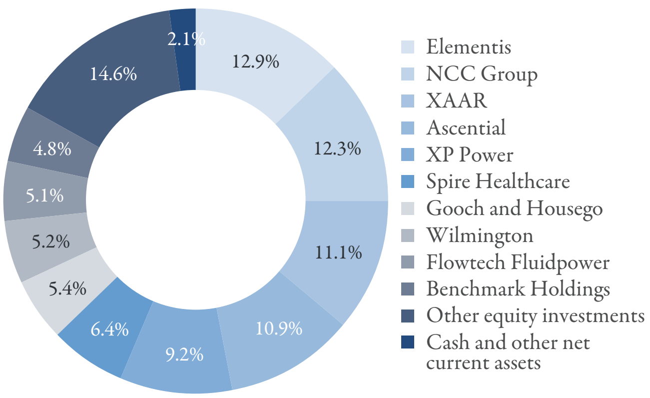
Company	Sector	Country of Listing	Cost £'000	Valuation £'000	% of Net Assets
Elementis	Industrials	UK	17,621	23,598	12.9%
NCC Group	TMT	UK	29,581	22,382	12.3%
Xaar	Industrials	UK	17,124	20,256	11.1%
Ascential	TMT	UK	20,262	19,855	10.9%
XP Power	Industrials	UK	14,572	16,756	9.2%
Spire Healthcare	Healthcare	UK	9,483	11,675	6.4%
Gooch and Housego	Industrials	UK	10,308	9,887	5.4%
Wilmington	TMT	UK	5,303	9,480	5.2%
Flowtech Fluidpower	Business Services	UK	10,912	9,240	5.1%
Benchmark Holdings	Healthcare	Norway/UK	9,832	8,742	4.8%
Top 10 equity investments				**151,871**	**83.3%**
Other equity investments*				26,799	14.6%
Total equity investments				**178,670**	**97.9%**
Cash and other net current assets				3,811	2.1%
Net assets				**182,481**	**100.0%**

*Other equity investments include six investments, each represents between 1.3% and 4.7% of NAV. These are spread across our core focus sectors and all offer scope to scale, subject to further due diligence and pricing remaining attractive.

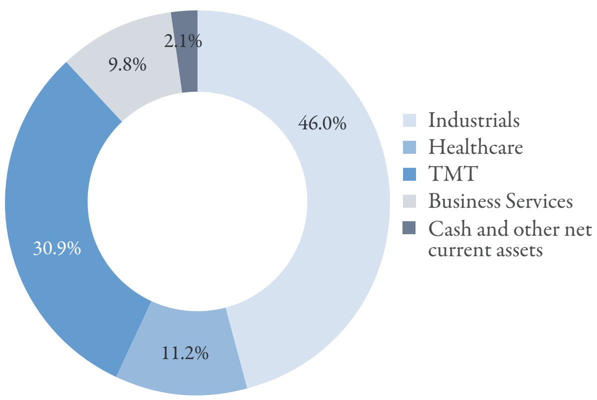
Distribution of Investments

as at 30 September 2023

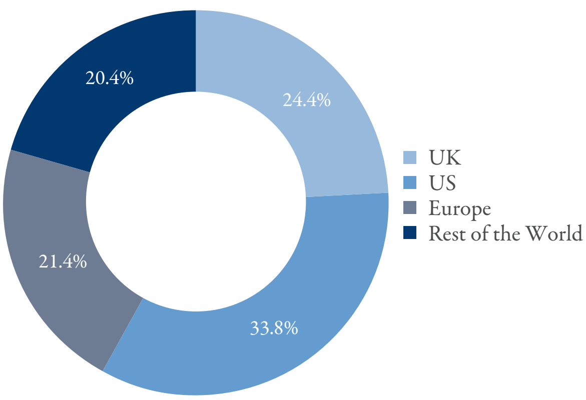
Portfolio holdings
(% of net assets)



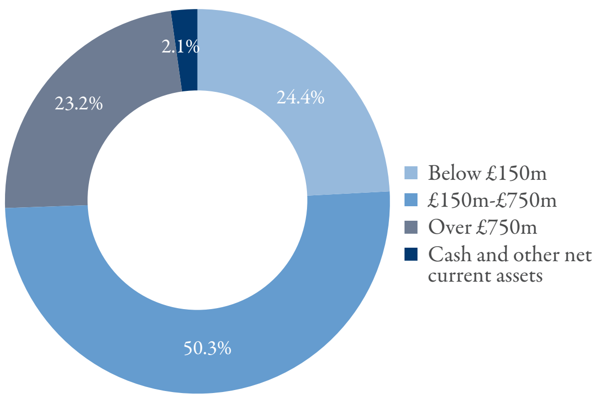
Sector exposure
(% of net assets)



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 on pages 5 and 6 and the Portfolio Manager's Report on pages 7 to 15.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company are set out on pages 35 to 41 of the Annual Report and Accounts for the year ended 31 March 2023, 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, global risk, UK regulatory and legal risk, governance risk, ESG and climate change risk, market risks (including market price risk, currency risk and interest rate risk), liquidity risk and credit risk.

The Board notes that equity markets experienced volatility during the period due to uncertainties linked to the impact of inflation, the potential for stagflation, the prospect of a recession, the pace at which interest rates will rise, allied with geopolitical risk from the Russian incursion into Ukraine. 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 2023. Developments continue to be closely monitored by the Board.

Related Party Transactions

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

Going Concern

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

Responsibility Statement

The Directors confirm that to the best of their knowledge:

– the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting';

– the Half Year Report and condensed financial statements give a true and fair view of the assets, liabilities, financial position and return of the Company; and

– the Interim Management Report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

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

29 November 2023

Condensed Income Statement

for the six months ended 30 September 2023

	Notes	Six months ended 30 September 2023 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 30 September 2022 (unaudited) Revenue £'000	Capital £'000	Total £'000
Income	3	784	–	784	1,059	–	1,059
Net losses on investments at fair value		–	(4,231)	(4,231)	–	(14,454)	(14,454)
Portfolio management fee	4	(901)	–	(901)	(802)	–	(802)
Other expenses	5	(416)	–	(416)	(363)	–	(363)
Loss before taxation		(533)	(4,231)	(4,764)	(106)	(14,454)	(14,560)
Taxation	6	–	–	–	–	–	–
Loss for the period		(533)	(4,231)	(4,764)	(106)	(14,454)	(14,560)
Basic and diluted loss per ordinary share (pence)	7	(0.5)	(3.7)	(4.2)	(0.1)	(14.5)	(14.6)

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

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

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

The notes on pages 24 to 29 form part of these financial statements.

Condensed Statement of Changes in Equity

Six months ended 30 September 2023 (unaudited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 April 2023	1,129	40,556	85,475	53,968	77	181,205
Net proceeds from share issuance	39	6,001	–	–	–	6,040
Total comprehensive loss for the period	–	–	–	(4,231)	(533)	(4,764)
As at 30 September 2023	1,168	46,557	85,475	49,737	(456)	182,481

Six months ended 30 September 2022 (unaudited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 April 2022	962	13,244	85,475	58,263	(128)	157,816
Net proceeds from share issuance	78	12,517	–	–	–	12,595
Total comprehensive income for the period	–	–	–	(14,454)	(106)	(14,560)
As at 30 September 2022	1,040	25,761	85,475	43,809	(234)	155,851

The notes on pages 24 to 29 form part of these financial statements.

Condensed Balance Sheet

as at 30 September 2023

	Notes	As at 30 September 2023 £'000 (unaudited)	As at 31 March 2023 £'000 (audited)
Non-current assets			
Investments at fair value through profit or loss	9	178,670	180,394
Current assets			
Trade and other receivables		25	1,146
Cash and cash equivalents		4,551	1,370
		4,576	2,516
Total assets		183,246	182,910
Current liabilities			
Trade and other payables		(765)	(1,705)
Total liabilities		(765)	(1,705)
Total assets less current liabilities		182,481	181,205
Net assets		182,481	181,205
Represented by:			
Share capital	10	1,168	1,129
Share premium		46,557	40,556
Special distributable reserve	10	85,475	85,475
Capital reserve		49,737	53,968
Revenue reserve		(456)	77
Total equity attributable to equity holders of the Company		182,481	181,205
Basic and diluted net asset value per share (pence)	8	156.2	160.4

The notes on pages 24 to 29 form part of these financial statements.

Condensed Cash Flow Statement

for the six months ended 30 September 2023

	Six months ended 30 September 2023 £'000 (unaudited)	Six months ended 30 September 2022 £'000 (unaudited)
Reconciliation of loss before taxation to net cash outflows from operating activities		
Loss before tax	(4,764)	(14,560)
Losses on investments held at fair value through profit and loss	4,231	14,454
Decrease in receivables	372	35
Increase/(decrease) in payables	4	(2,416)
Net cash outflow from operating activities	(157)	(2,487)
Investing activities		
Purchases of investments	(14,571)	(37,423)
Sales of investments	11,869	34,123
Net cash outflow from investing activities	(2,702)	(3,300)
Financing activities		
Net proceeds from share issuance	6,040	12,143
Net cash inflow from investing activities	6,040	12,143
Increase in cash and cash equivalents	3,181	6,356
Reconciliation of net cash flow movements in funds		
Cash and cash equivalents at the beginning of period	1,370	5,197
Exchange rate movement	–	(21)
Increase in cash and cash equivalents	3,181	6,335
Cash and cash equivalents at end of period	4,581	11,532

The notes on pages 24 to 29 form part of these financial statements.

Overview

Half-Year Report

Financial Statements

Additional Information

Notes to the Financial Statements

for the six months ended 30 September 2023 (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 2023 to 30 September 2023 and has been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

The Company's annual financial statements for the year ended 31 March 2023 were prepared in conformity with IFRS as adopted by the United Kingdom, 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 2023.

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 Half Year 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 2023 to 30 September 2023 (unaudited and unreviewed by the Company's Auditor) and 1 April 2022 to 30 September 2022 (unaudited and unreviewed by the Company's Auditor); and as at 31 March 2023 (audited) for the Balance Sheet. The comparative figures for the period 30 September 2022 are not the Company's statutory accounts for that financial year. The Company's statutory accounts are for the year ended 31 March 2023 and were reported on by the Company's Auditor and delivered to the Registrar of Companies. The report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

d) Going concern

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

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

Notes to the Financial Statements *(continued)*

3. Income

	Six months ended 30 September 2023 (unaudited)			Six months ended 30 September 2022 (unaudited)		
	Income £'000	Capital £'000	Total £'000	Income £'000	Capital £'000	Total £'000
Income from investments						
UK dividends	598	–	598	1,025	–	1,025
Overseas dividends	126	–	126	–	–	–
	724	–	724	1,025	–	1,025
Other income						
Bank interest received	60	–	60	34	–	34
Total income	784	–	784	1,059	–	1,059

4. Portfolio management fee

	Six months ended 30 September 2023 (unaudited)			Six months ended 30 September 2022 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Portfolio management fee	901	–	901	802	–	802
Performance fee	–	–	–	–	–	–
	901	–	901	802	–	802

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 2023, no performance fee (2022: no performance fee) has been accrued in the NAV and included in Trade and Other Payables in the Balance Sheet.

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

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 third Performance Period ran from 1 April 2022 to 31 March 2023 and no performance fee was paid to the Investment Manager (Performance fee period to 31 March 2022: £2,436,000).

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:

- whereas 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;

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

  (in each case "Restricted Shares").

Notes to the Financial Statements *(continued)*

4. Portfolio management fee *(continued)*

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

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

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

The Company may terminate the Portfolio Management Agreement by giving the Portfolio Manager not less than six months' prior written notice. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than six months' prior written notice.

5. Other expenses

	Six months ended 30 September 2023 £'000 (unaudited)	Six months ended 30 September 2022 £'000 (unaudited)
Directors' fees*	62	46
Company Secretarial and Administration fee	201	178
Audit fee	38	20
Other expenses	115	119
	416	363

* 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.

6. Taxation

The Company has an effective tax rate of 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 per ordinary share

The capital, revenue and total loss per ordinary share are based on the net loss shown in the Condensed Income Statement and the weighted average number of ordinary shares during the period of 114,753,839 (2022: 99,555,787).

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

Notes to the Financial Statements *(continued)*

for the six months ended 30 September 2023 (unaudited)

8. Net asset value per ordinary share

The basic net asset value per ordinary share is based on net assets of £182,481,000 (2022: £155,851,000) and on 116,807,053 (2022: 104,045,053) 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).

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 2023 (unaudited)				As at 31 March 2023 (audited)			
	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	178,670	171,050	7,620	–	180,394	174,832	5,562	–
Total	178,670	171,050	7,620	–	180,394	174,832	5,562	–

There were no transfers between levels during the period and during the year ended 31 March 2023, £5,562,000 of level 1 investments were transferred to level 2.

Notes to the Financial Statements *(continued)*

10. Share capital and reserves

	Six months ended 30 September 2023 (unaudited)		Year ended 31 March 2023 (audited)	
	Number of Shares	£'000	Number of Shares	£'000
Issued and fully paid:				
Ordinary shares of 1p:				
Balance at the beginning of the period	112,945,053	1,129	96,248,053	962
New shares issued during the period	3,862,000	39	16,697,000	167
Balance at the end of the period	116,807,053	1,168	112,945,053	1,129

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.

11. Related party transactions

The amount incurred, in respect of portfolio management fees, during the period to 30 September 2023 was £901,000 (30 September 2022: £802,000), of which £449,000 was outstanding at 30 September 2023 (30 September 2022: £420,000).

The amount incurred in respect of Directors' fees during the period to 30 September 2023 was £62,000 (2022: £46,000) of which £nil was outstanding at period end (2022: £nil).

Glossary

AIC

Association of Investment Companies.

CTA

Corporation Tax Act 2010.

Premium/discount (APM)

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

Premium/(discount) calculation	30 September 2023 (unaudited)	31 March 2023 (audited)
Closing NAV per share (p)	156.2	160.4
Closing share price (p)	156.2	164.0
Premium (%)	–	2.2%

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 share (APM)

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

	Six months ended 30 September 2023 (unaudited)	Year ended 31 March 2023 (audited)
Opening NAV per ordinary share (p)	160.4	164.0
Closing NAV per ordinary share (p)	156.2	160.4
NAV total (loss)/return per ordinary share (%)	(2.6)%	(2.2)%

NSCI ex IT plus AIM Index

Numis Smaller Companies ex Investment Trusts plus AIM Index.

Ongoing charges ratio (APM)

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

	Six months ended 30 September 2023 (unaudited)	Year ended 31 March 2023 (audited)
Total expenses per note 4 and note 5 (£'000)	1,317	2,503
Annualised total expenses (£'000)	2,634	2,503
Average net asset value (£'000)	181,655	172,320
Ongoing charges (%)	1.45%	1.45%

TMT

Technology, media and telecom.

Total assets

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

Shareholder Information

for the six month ended 30 September 2023 (unaudited)

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	116,807,053 as at 30 September 2023
Held in Treasury	Nil
Shares with voting rights	116,807,053 as at 30 September 2023
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 32. 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	May/June
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 (Senior Independent Director and Chairman of the Nomination Committee)
Peter Hewitt (Chairman of the Management Engagement Committee)
Richard King (Chairman of the Audit Committee)
Neil Mahapatra
Linda Wilding

Company Secretary and Registered Office

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Tel: 0203 008 4910
Email: info@frostrow.com
Website: www.frostrow.com

Independent Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing BN99 6DA
Tel: 0371 384 2030; +44 (0) 121 415 7047
www.shareview.co.uk

Corporate website

www.oitplc.com

Company registration number

11121934 (registered in England and Wales)

Portfolio Manager

Odyssean Capital LLP
6 Stratton Street
Mayfair
London W1J 8LD
Tel: 020 7640 3282
Email: info@odysseancapital.com

Broker

Winterflood Securities Limited
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA

Solicitor

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

Custodian

RBC Investor Services Trust (UK Branch)
100 Bishopsgate
London EC2N 4AA

Perivan.com

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INVESTMENT TRUST PLC

Company Registered Number: 11121934

www.oitplc.com