Oakley Capital Investments

ANNUAL REPORT & ACCOUNTS 2020

Oakley Capital Investments

OUR OBJECTIVE

Oakley Capital Investments ('OCI') aims to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by providing exposure to private equity returns, where value can be created through market growth, consolidation and performance improvement.

OUR STRATEGY

OCI (the 'Company') provides liquid access to a portfolio of high-quality private companies and market-leading returns by investing in the Funds managed by Oakley Capital ('Oakley'). Oakley invests in businesses across Western Europe in three distinct sectors – Technology, Consumer and Education – with a clear focus on digital business models.

→ **The Company delivered a total Net Asset Value ('NAV') return of 18% in 2020 and grew its NAV to £728 million.**

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OCI investors gain liquid access to a differentiated model of private equity investing that delivers consistent returns.

MARKET-LEADING RETURNS

Market-leading and consistent returns drive capital growth for shareholders. OCI's ten-year total shareholder return is 112% versus 72% delivered by the FTSE All-Share.

HIGH-QUALITY PORTFOLIO COMPANIES

Returns are driven by profit growth in a high-quality portfolio of companies across Western Europe. Their business models are focused on tech-enabled services and digital platforms that have delivered strong trading performance, despite global economic disruption.

REPEATABLE SUCCESS

OCI benefits from its partnership with Oakley, whose success is built on proprietary origination, with over 75% of deals being uncontested. Central to the ability to repeatedly source and execute attractive deals is Oakley's established network of successful business founders and entrepreneurs who help to identify opportunities and drive growth.

FINANCIAL HIGHLIGHTS

The Company's NAV per share increased in the year by 58 pence to 403 pence per share.

OCI performance

Net Asset Value ('NAV')

The total NAV of the Company at 31 December 2020 was:

£728m

2020	£728m
2019	£686m
2018	£575m

Total NAV return

As at 31 December 2020, the total NAV return per share was:

18%

2020	18%
2019	25%
2018	16%

Five-year p.a. total return

As at 31 December 2020, the five-year annualised total NAV return per share was:

16%

2020	16%
2019	13%
2018	8%

Total shareholder return

As at 31 December 2020, the share price was 286.5p with a total shareholder return for the year of:

9%

2020	9%
2019	56%
2018	9%

OCI balance sheet and distributions

Cash

(31% of NAV)

£223m

2020	£223m
2019	£49m
2018	£108m

Outstanding fund commitments (70% of NAV)

£512m

2020	£512m
2019	£429m
2018	£152m

Dividend

The full-year dividend for the year ending 31 December 2020 was:

4.5 pence

2020	4.5p
2019	4.5p
2018	4.5p

Portfolio companies

LTM EBITDA growth

20%

2020	20%
2019	30%
2018	39%

EV/EBITDA multiple

11.8x

2020	11.8x
2019	12.1x
2018	12.6x

Net debt/EBITDA ratio

3.9x

2020	3.9x
2019	3.7x
2018	3.8x

OCI assesses its performance using a variety of measures that are not specifically defined under IFRS and are therefore termed Alternative Performance Measures ('APMs'). These APMs have been used as they are considered by the Board to be the most relevant basis for shareholders in assessing the performance of the Company. The APMs used by the Company are listed in the glossary, along with their definition/explanation, their closest IFRS measure and where appropriate, reconciliations to those IFRS measures.

PORTFOLIO ACTIVITY

An active year for investments by the Oakley Funds

Investments – £152 million invested[1]

January – February – March – April – May – June – July – August – September – October – November – December

WebPros
OCI investment £42m

Following Fund III's exit of WebPros, Fund IV made a follow-on investment to benefit from the significant long-term growth potential of the business.

Globe-Trotter
OCI investment £6m

Fund III acquired a majority stake in Globe-Trotter, the British luxury luggage brand. Globe-Trotter has been combined with Alessi to form the Iconic BrandCo.

Ocean Technologies Group ('Ocean')
OCI investment £1m

Ocean completed the add-on acquisition of MTS, a marine e-learning content and distribution business.

Time Out
OCI investment £24m

OCI purchased new shares in Time Out's equity placing, both directly and through Fund I.

Ocean Technologies Group
OCI investment £1m

Ocean completed the add-on acquisition of Marlins, V. Group's e-learning subsidiary.

7NXT
OCI investment £11m

The Origin Fund completed its first investment through the acquisition of a majority stake in 7NXT, the leading online fitness and nutrition platform in the German-speaking region.

North Sails
OCI investment £28m

A direct debt investment was provided to North Sails as growth capital for North Kiteboarding and North Sails Apparel.

WindStar Medical
OCI investment £31m

Fund IV acquired a majority stake in WindStar Medical, Germany's leading over-the-counter consumer healthcare company.

Ekon
OCI investment £4m

Ekon completed the add-on acquisitions of Contasimple and Billage, accounting software for freelancers and micro-companies, respectively.

View current portfolio company details on page 29-40

[1] All investments on a look-through basis. The timeline excludes direct debt investments in Oakley Funds.

PORTFOLIO ACTIVITY CONTINUED

Realisations and refinancings

Realisations – £341 million realised[1]

WebPros
Exit – £117m OCI proceeds

Fund III sold its stake in WebPros at a 92% premium to the 30 June 2019 interim carrying value.

Career Partner Group
Refinancing – £19m OCI proceeds

Career Partner Group completed a refinancing resulting in a distribution to Fund III.

atHome
Partial exit – £15m OCI proceeds

Fund III sold its majority stake in atHome Group, a leading online classifieds and mortgage-broking business in Luxembourg.

Inspired
Exit – £97m OCI proceeds

OCI exited both its direct holding and its Fund II indirect holding in Inspired. The realisation was at a 25% gain over carried fair value.

Time Out
Debt repayment – £27m OCI proceeds

Following the Time Out fund raise, all outstanding OCI loans and interest were repaid and all loan facilities were subsequently cancelled.

Facile
Refinancing – £9m OCI proceeds

Facile completed a refinancing, resulting in a distribution to Fund III.

Wishcard Technologies Group
Refinancing – £7m OCI proceeds

Wishcard completed a refinancing, resulting in a distribution to Fund IV.

Casa
Exit – £35m OCI proceeds

Fund III sold its stake in Casa, one of the leading players in the online real estate classifieds market in Italy.

Career Partner Group
Refinancing – £2m OCI proceeds

Career Partner Group completed a refinancing resulting in a distribution to Fund III.

January February March April May June July August September October November December

View current portfolio company details on page 29-40

[1] All realisations and refinancings on a look-through basis. The timeline excludes direct debt repayments from Oakley Funds.

CHAIR'S STATEMENT

Portfolio strength delivers sustainable growth.

18 million
Shares bought back for cancellation

c.500k
Average daily share liquidity

In a year of significant disruption, it is testament to the strength of OCI's proposition that, despite unprecedented global events, its value has grown materially over the last year. This strength has been underpinned by three factors: the quality of the portfolio companies whose earnings grew an average 20% in 2020; the support and leadership that Oakley Capital and investee company management have shown throughout the pandemic; and the value-enhancing measures taken in the year, including the buy-back and cancellation of 18 million OCI shares.

Portfolio performance

A total net asset value ('NAV') return of 18% in 2020 exceeded the five-year compound annual growth rate of 16%. This repeated level of performance highlights the sustained growth of the portfolio companies and the repeatability of Oakley Capital's origination model, which is described within the Strategic Report, on page 19. The largest contributor to the rise in portfolio value was the growth in investee companies' earnings. With a large majority of the companies delivering their products or services digitally, the portfolio benefited from the rising adoption of consumer and business technology solutions – an already growing trend which accelerated rapidly during the year.

A stand-out performer within the portfolio was online private university company, Career Partner Group ('CPG'), which added 34 pence to the NAV per share in the period. As a digitally native business, CPG benefited from the growing appetite for online education and achieved record student intake growth of 98% year-on-year. CPG's market-leading position and the structural tail winds it enjoys both typify an Oakley business, and the Board is encouraged by its prospects and continued contribution to OCI's NAV growth.

Portfolio activity

The Funds' Investment Adviser, Oakley Capital, has maintained a high level of activity (see pages 4 and 5), despite the restrictions on travel and the challenge of price discovery during a period of considerable uncertainty. Eight deals were completed, including four bolt-ons, which resulted in a total look-through investment for OCI of £152 million.

Exits and refinancings also continued unabated, including two significant realisations of investments, in Inspired and WebPros, from which OCI received proceeds totalling £341 million. Most notable is the premium achieved at exit, with the average weighted premium over the latest disclosed book value since inception rising to 44%. This underlines the release of value at exit and the continued successful repositioning of the portfolio companies under Oakley's ownership.

Cash and commitments

At year end, OCI had no leverage and held cash on the balance sheet of £223 million, amounting to 31% of NAV. This cash level, the result of realisations during the period, is significantly higher than the Board's target, with the long-term average being 15–20% of NAV. However, the timing is helpful as we enter a period of significant investment opportunity and it is notable that, on average, fund vintages that follow a macroeconomic downturn outperform.

The Board demonstrated its commitment to maximising OCI's exposure to the Oakley Funds via its participation in the newly launched Oakley Capital Origin Fund. The Company made a total commitment of €129 million (£116 million), which included an increase in commitment at its final close in January 2021. The Origin Fund is a natural progression for Oakley as it looks to continue its strong track record in lower mid-market investments, where it has achieved gross returns of 3.6x MM and 63% IRR to date.

This brings OCI's total outstanding commitments to the Oakley Funds to £534 million, which we expect to be deployed over the next five years.

We are confident in the long-term performance of the Oakley Funds and their ability to create sustainable and consistent value for shareholders.

Direct investments

In keeping with the Board's intention to realise direct investments over the short to medium term, outstanding loan notes with Time Out and Daisy were repaid, and a direct equity stake in Inspired was realised. In addition, all adviser management and performance fees have been removed from current direct investments and the interest rate on the remaining debt position in North Sails has been increased from a blended rate of 8% to 10%.

Share purchases and liquidity

In line with the Board's commitment to the Company it has continued its share buy-back programme, acquiring and cancelling a total of 18 million shares in the year at an average 230 pence per share. This resulted in a NAV per share uplift of 12.6 pence. This level of shareholder value creation endorses our approach to capital management, with further buy-backs anticipated, as the balance of cash and future drawdowns allow.

OCI Board members and Oakley partners continued to purchase OCI shares throughout the year, with their combined holding reaching 10% of the shares in issue. This further reinforces the alignment of interests between the Board, Oakley Capital and our shareholders.

We are pleased to report that a combination of share buy-backs, increased and improved disclosure and higher levels of investor engagement have significantly improved OCI's share liquidity and share register diversification. Since 2019, the top ten shareholders' combined holding has fallen from 70% to 66% and the average daily share volume had reached almost 500,000 in 2020. Most encouraging is the increasing presence of private investors on the register, with OCI providing liquid access to the superior returns generated by private equity investment, which may otherwise be inaccessible to them.

ESG

At OCI we believe that investing responsibly will protect and create value, beyond the standard drivers of compliance and risk management. As part of our commitment to responsible investing, we are pleased to report that Oakley Capital has appointed a Head of Sustainability who has been working closely with the Board to assist with our ESG engagement and reporting. We have begun to revise and further develop methods to better assess and integrate ESG into the investment cycle, and will continue to launch new policies and procedures over the coming months. As referenced in the ESG report on page 41, we are proud of how Oakley and the portfolio companies responded to COVID-19 and continue to support efforts which will help ease the burden on employees and local communities.

Discount

The share price volatility, driven by widespread uncertainty as to the economic impact of the pandemic, resulted in OCI's share price discount to NAV per share widening considerably in the period. Some of this ground has been recovered, with a total shareholder return of 9% during the year, but a material discount persists. We expect that sustained strong performance across the portfolio, alongside the continued work of the Board and its advisers, as outlined above, will result in closing the discount over time.

Board update

At the beginning of October, the Board welcomed Fiona Beck as an independent Non-Executive Director. Fiona is a member of the Chartered Accountants of Australia and New Zealand, and brings a wealth of technology and public company board experience to OCI. In strengthening the Board by adding independent members with diverse perspectives and deep expertise, we believe we are well-positioned to support OCI as it continues to grow.

During the period, Laurence Blackall retired from the Board after over ten years' service and Craig Bodenstab also stepped down. We thank them both for their significant contributions to OCI and wish them all the very best for the future.

Dividend

In October, an interim dividend of 2.25 pence per share was paid for the period ending 30 June 2020. We are pleased to announce that a final dividend for 2020 of 2.25 pence per share will be paid in April 2021.

Prospects

The outlook for the global economy and equity markets remains uncertain as a consequence of the unknown impact of the COVID-19 pandemic. All businesses have been affected by the turbulence of the past 12 months and we expect this disruption to continue to impact the companies in the Oakley portfolio to varying degrees.

However, we remain confident in the long-term performance of the Oakley Funds and their ability to create sustainable and consistent value for OCI shareholders. The existing portfolio of companies is well-positioned to meet the changing needs of consumers and businesses and, as detailed in the Investment Adviser's report, Oakley is appraising a considerable number of attractive and proprietary investment opportunities, which should ensure that the performance of the Oakley Funds is sustainable for many years to come.

Caroline Foulger
Chair
10 March 2021

Returns driven by profit growth in a high-quality portfolio of companies.

OCI provides access to the performance of a portfolio of private companies through both its investments in the Oakley Capital managed Funds and its direct investments.

Oakley Fund investments

Total
£354.7m

% of OCI NAV
49%

Read more on page 21

Direct investments

Total
£150.4m

% of OCI NAV
20%

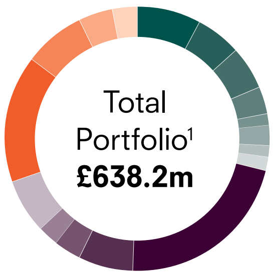
Read more on page 28

Cash and other

Total
£222.8m

% of OCI NAV
31%

Read more on page 26



Technology: £184.9m

2020	£184.9m
2019	£247.9m
2018	£186.4m

Read more on page 29

Consumer: £260.6m

2020	£260.6m
2019	£236.6m
2018	£144.0m

Read more on page 34

Education: £192.7m

2020	£192.7m
2019	£231.5m
2018	£173.1m

Read more on page 38

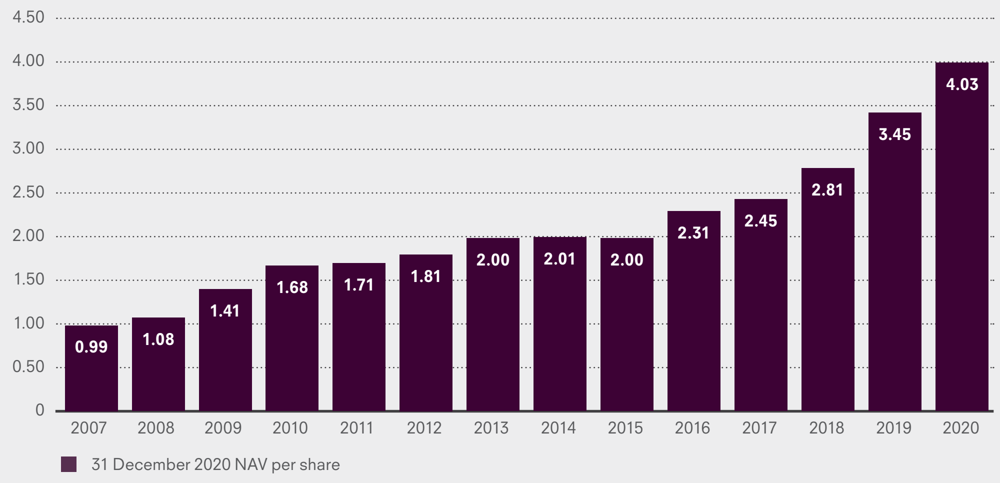
The sectors of portfolio companies have been updated for 2020 to reflect latest business models. Prior year figures have been adjusted to enable comparison.

[1] The Total Portfolio is the fair value of OCI's investments, made up of the Oakley Funds' investments on a look-through basis, and OCI's direct investments. See the Glossary for a reconciliation of the Total Portfolio to OCI's NAV.

AT A GLANCE CONTINUED

NAV per share of 403 pence, outperforming FTSE All-Share Index for the last ten years.

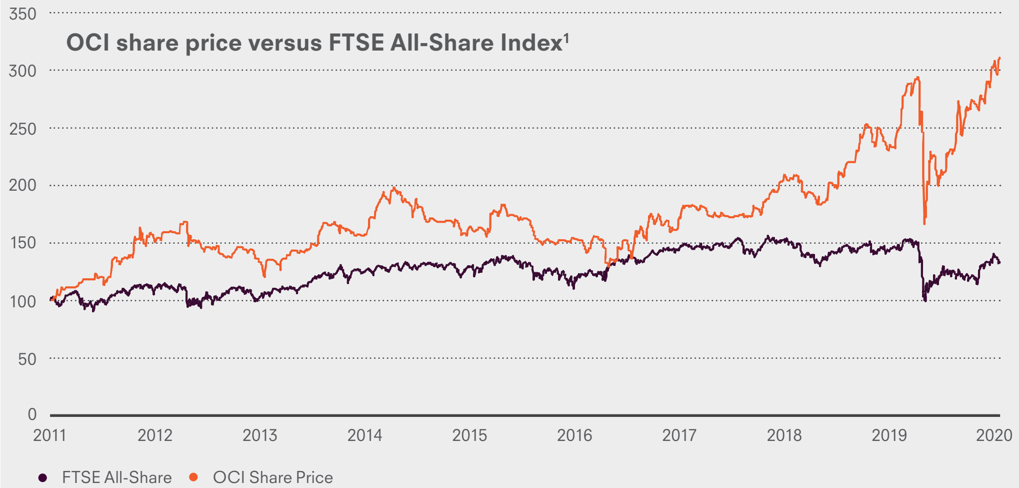
NAV per share since inception (£)



£4.03

Continued strong NAV growth in 2020, despite the COVID-19 impact.

Ten-year outperformance



301%

Significant outperformance versus FTSE All-Share Index continued in 2020.

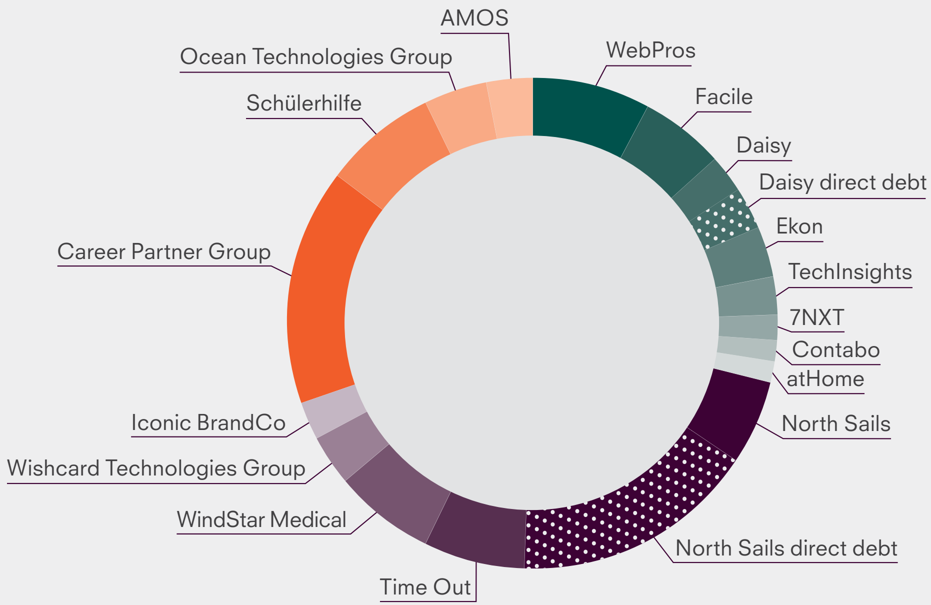
[1] Performance record rebased to 100 at 31 December 2010.

PORTFOLIO OVERVIEW

The composition of OCI's underlying portfolio company exposure, combining look-through investments in the Oakley Funds and direct investments.

Portfolio breakdown by Company

Look-through investments in the Oakley Funds and direct investments.



Technology	
WebPros	£50.4m
Facile	£35.0m
Daisy	£34.6m
Ekon	£21.7m
TechInsights	£15.5m
7NXT	£10.3m
Contabo	£9.7m
atHome	£7.7m
	£184.9m

Consumer	
North Sails	£137.8m
Time Out	£43.3m
WindStar Medical[1]	£42.7m
Wishcard Technologies Group	£20.7m
Iconic BrandCo	£16.1m
	£260.6m

Education	
Career Partner Group	£100.5m
Schülerhilfe	£47.5m
Ocean Technologies Group	£25.9m
AMOS	£18.8m
	£192.7m

[1] Following the year end, a proportion of the original investment cost of WindStar Medical was syndicated to co-investors, reducing the fair value of OCI's look-through investment. This was offset by an increase in other fund assets and liabilities. This had no impact on the NAV of OCI's total investment in Oakley Fund IV.

The portfolio companies had the biggest impact on NAV during the year, the stand-out performer was CPG.

Leading impact on NAV

Career Partner Group

Record student registration for online courses increased its fair value by 70%.

After a strong 2019, Career Partner Group continued to exhibit this performance throughout 2020. As a digitally native business, CPG benefited from the growing appetite for online education and achieved student intake growth of 98% versus the prior year. This level of growth in both Online and Dual Studies has led CPG to become the largest and fastest growing university group in Germany.

+34 pence
NAV per share uplift

Read more on page 39

Inspired

Full realisation at a 25% premium to the December 2019 book value.

In April 2020, Fund II and OCI sold down their stakes in Inspired in full, following partial realisations in 2017 and 2019. The initial investment in the Group was made in July 2013 and since then, Inspired expanded across Africa, Europe, Asia and South America. At the time of Oakley's exit, Inspired educated over 45,000 students across 64 premium schools and early learning centres, and had become one of the leading global groups of premium schools.

+10 pence
NAV per share uplift

Casa

Realisation at a 50% premium to the June 2020 carrying value.

Fund III realised its stake in Casa, one of the leading players in the online real estate classifieds market in Italy. Fund III originally invested in the business in 2017, as part of the acquisition of a portfolio of classifieds businesses, which comprised Casa in Italy and atHome in Luxembourg. Under Oakley's ownership, Casa significantly expanded its customer base, servicing over 14,000 real estate agents with over one million property listings on its website.

+10 pence
NAV per share uplift

Time Out

70% share price drop, as a result of COVID-19 lockdowns.

Time Out has been significantly impacted by COVID-19, with the temporary closure of its six markets and a reduction in advertising demand. In response, Time Out raised equity of £47 million to support the business and enable the continued roll-out of the Time Out Markets. The Markets have been adapted to include distanced seating plans, table partitioning and sanitisation systems, so that they are well-equipped to welcome guests back for an enjoyable and safe dining experience when local lockdown rules are lifted.

-30 pence
NAV per share decline

Read more on page 35

Strategic Report

New investment: 7NXT

Oakley's strong reputation in the DACH region, built through previous successful investments and its strong network of relationships with local founders, is key to providing deal origination advantages. This expertise enabled the Origin Fund to acquire 7NXT, the leading online fitness and nutrition platform in the German-speaking region, which was sourced via Oakley's long-standing relationship with founder and CEO Markan Karajica.

Oakley will partner with Markan and the management team to scale 7NXT in the rapidly growing online fitness and health market and accelerate both its domestic and international growth. Oakley will support the management team through its network, operational experience and expertise in the technology sector, established through its track record of successful investments in market-leading platforms.

THE OAKLEY DIFFERENCE

The foundation of Oakley's success is built on its proprietary origination, with over 75% of deals being uncontested.

Collaborative

Entrepreneurial, open, decisive and focused on building lasting partnerships.

Over 85%
of deals have Oakley as the Company's first PE investor.

Connected

An established network of business founders that identify opportunities and drive growth.

Over 20
successful entrepreneurs have been backed by Oakley, many on repeated occasions.

Creative

The ability and experience to tackle complex transactions and release unseen pockets of value.

Over 40%
of deals are carve-outs.

Oakley Capital reflects on the strength of its portfolio amidst challenging circumstances in 2020 and discusses its strategic positioning for the post-pandemic era.

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Portfolio companies experienced little or no trading impact as a result of COVID-19

3

New investments were made in well-established brands

Strong portfolio performance

In a year upended by the emergence and spread of COVID-19, companies everywhere have been on a tumultuous and demanding journey. Business plans have been reimagined, priorities shifted, and emerging trends propelled forward as the world adapts to new ways of living and working.

A defining feature of 2020 was the acceleration of digitalisation and the increased pace of adoption of new technologies, a trend which helped drive the Oakley Capital portfolio's strong performance during the year. Our portfolio has a strong bias towards digital business models, with a focus on software, tech-enabled services and online platforms, all of which experienced enhanced growth during 2020, as people and businesses further migrated online.

While all companies have faced some form of operational challenges due to COVID-19, the financial impact has varied greatly for different types of businesses.

The Oakley Capital portfolio can be divided into three distinct COVID-19 impact categories:

- Expectations met or exceeded – ten of our portfolio companies grew EBITDA at or above pre-COVID expectations, as they benefited from robust or expanding demand for Business Service Software, Web Hosting, Online Consumer platforms and Education Technology
- Modest impact – four companies in our portfolio experienced some disruption to their expected financial performance, as new business wins or enrolments were impeded by social restrictions affecting certain areas of the Telecoms and Education sectors
- Significant impact – three portfolio companies suffered material disruption to their operations, as businesses with physical footprints and direct-to-consumer models were impacted by repeated Europe-wide lockdowns

With Oakley's selective approach and targeting of key themes such as digitalisation and subscription-based revenue models, overall the portfolio delivered positive and sustainable performance, with continued growth in 2020.

Protecting stakeholders and implementing operational excellence

Throughout the pandemic, Oakley has placed the safety and welfare of its colleagues, investors, and all other stakeholders as its highest priority.

As the crisis unfolded, we immediately took the necessary steps to protect the health of our colleagues while ensuring business continuity. The team was well prepared with secure remote access to our systems already in place, allowing us to continue to work from our homes safely and without disruption.

We also provided extensive support to help our portfolio companies safeguard their employees, assets and manage the crisis. Oakley has always been a highly engaged investor, which meant that we were well placed to work closely with management teams to help adapt their operations, navigate potential pitfalls, update their strategies, and implement new ways of working. We further strengthened our lines of communication with all of our portfolio companies and undertook extensive monitoring to ensure that we could anticipate and quickly respond to new developments. Furthermore, we conducted detailed risk assessments on each of the portfolio companies to identify potential weaknesses, opportunities and address concerns.

We are optimistic that there are considerable opportunities for Oakley to source acquisitions at optimal valuations.

Proactive engagement in a rapidly evolving market

COVID-19 had a marked impact on private equity dealmaking during 2020, with a reduction in the high levels of activity seen in previous years. A number of factors combined to depress activity. Plans for the acquisition or disposal of assets were paused as the macro environment deteriorated and new social restrictions created uncertainty; private equity firms' bandwidth was absorbed by a focus on supporting existing portfolio companies; and credit markets initially froze until market volatility began to stabilise. As the pandemic took full effect in Q2, deal count and value across that quarter dropped to their lowest levels since 2015, at 1,011 and $65 billion respectively.[1]

While this pause in dealmaking contributed to a c.2% fall in market activity for the full year, signs of recovery showed in the second half of 2020.[2] The industry adapted to the new market environment and transaction levels began to rebound, as fund managers adjusted to the "new normal" and began capitalising on opportunities to deploy capital.

1,402 deals were agreed in Q3, followed by a further increase in activity in Q4, when 1,942 deals were announced with an aggregate value of $158 billion.[1]

Oakley remained highly active throughout the year and despite dedicating significant resource to supporting our portfolio, we were able to remain vigilant and capitalise on opportunities throughout the year to continue investing, divesting, refinancing and fundraising. Oakley made two well-timed exits in Q1 and Q2, and our network of entrepreneurs and managers continued to help us source attractive new investments. Across 2020 we made three new investments in well-established brands across the fitness, healthcare and luxury sectors, with all three companies having significant opportunities to increase sales, expand their product verticals, and benefit from the growth in digital adoption.

Our pipeline of potential new investments in exciting businesses that meet our rigorous criteria for investment and play into our key strategic themes had also grown across 2020.

Despite the considerable uncertainty generated by the pandemic, COVID-19 has become a catalyst, if not the direct cause, of more high-quality companies seeking private equity backing. Many have recognised during the pandemic that they lack the valuable support, expertise and capital resources that we can offer, as well as the security that being part of a bigger organisation can provide.

Given this, we are optimistic that there are considerable opportunities for experienced investors, such as Oakley, to source high-quality acquisitions at attractive valuations. Underpinning that confidence is our ability to source deals through proprietary means. We unashamedly disagree with the commonly-held view that private equity sourcing relies on the analysis of a universe of companies via algorithms and screening processes. Oakley continues to source new deals predominantly via exclusive introductions, often driven by our well-established network of entrepreneurs. Within Oakley's portfolio, 75% of businesses have been sourced outside of an auction process and it is this network that will enable us to consistently secure advantageous investment opportunities in the future.

€455m

Expected final commitments to the Origin Fund, which closed to institutional investors in January 2021

3.6x

Gross MM achieved on lower mid-market investments as at 31 December 2020

[1] Source: Preqin
[2] Source: Pitchbook

The Origin Fund is Oakley's first dedicated vehicle for investing in lower mid-market companies.

Raising capital in a virtual world

Private equity fundraising continued in 2020, despite the impact of COVID-19. However, the pandemic and subsequent lockdowns accelerated a trend that saw fewer funds being raised but with a significantly increased average fund size.[1] With face-to-face meetings made impossible, investors have shied away from investing with unfamiliar funds and have instead committed larger amounts to proven managers with strong track records and with whom they already have established relationships.

In this environment it was notable that Oakley successfully raised its maiden Origin Fund, which closed in January 2021 with expected final commitments of €455 million, well above its target size of €350 million. The Origin Fund is part of a new fund family and is Oakley's first dedicated vehicle for investing in lower mid-market companies, building on the firm's long and successful history in this segment. Thanks to strong investor demand, the Origin Fund was raised in just over six months throughout the pandemic, notably without face-to-face meetings with investors.

The establishment of the Origin Fund series is a natural step for Oakley. Despite our flagship funds having grown in size over time (Fund IV closed at €1.46 billion in June 2019), and now focusing on larger sized mid-market businesses, we still see many attractive opportunities with smaller mid-market companies.

The new Origin Fund will allow us to continue our long track-record of successful investment in the lower mid-market segment. The Origin Fund, supported by a dedicated investment team, has a strong pipeline of attractive deal opportunities and signed its first investment in 7NXT, a leading online fitness and nutrition platform in the German-speaking markets, in October 2020.

Retaining a cautiously optimistic outlook

In light of continued uncertainty about the speed of the global vaccination roll-out and the efficacy of vaccines against new mutations of COVID-19, Oakley is maintaining a cautious view on society's return to normality. We anticipate that social, political and economic shocks and aftershocks will continue to reverberate globally throughout 2021, and beyond.

Nevertheless, aspects of the pandemic and indications about the post-pandemic era provide us with optimism about the future. After all, post-crisis vintage private equity funds have historically proven to be some of the best performing. COVID-19 has necessitated enormous change within the global economy and, thanks to Oakley's strategic positioning, we have benefited from a number of trends as life and consumer habits have changed.

Technological adoption has accelerated, with corporate migration to cloud services and digital infrastructure delivering recurring revenues for vendors and creating new efficiencies for customers. The move to mass digital consumption is empowering those businesses who can best utilise data and analytics, creating value for customers via tailored products and services and driving the balance of power shift towards well-managed and established consumer brands. These trends are at the heart of Oakley's investment approach and expertise.

We will continue to identify and support ambitious entrepreneurs and companies that benefit from these powerful dynamics and who share our vision, working with them to capture greater market share, enter new markets, and drive their businesses forward.

An established investor with superior returns.

Oakley is a leading private equity firm that specialises in investments in high-growth, mid-market companies operating in Western Europe.

Oakley invests in ambitious founders and entrepreneurs, building lasting partnerships that lead to many more opportunities. In doing so we overcome complexity, help drive businesses forward and create value for our investors.

KEY RESOURCES → **HOW WE INVEST** → **CREATING VALUE** → **GENERATING RETURNS**

KEY RESOURCES

Team

Experienced team of investment professionals, entrepreneurs and skilled operators.

Network

Oakley builds close partnerships with entrepreneurial founders and managers.

They provide an invaluable resource to broaden Oakley’s deal introduction network and deepen expertise within sector hubs.

Commitments

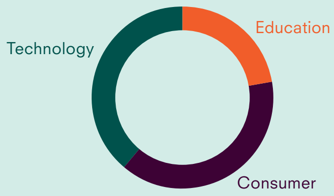
€173m

Commitments by Oakley management teams across the Oakley Funds

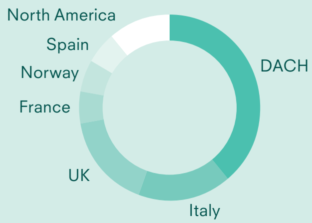
INVESTMENT ADVISER'S APPROACH CONTINUED

HOW WE INVEST

Sector focus



Primarily Western European focus



Investment focus

Primary deals

85%

Primary deals since inception

CREATING VALUE

Buy-and-build

Creating scale and synergies through targeted M&A.

Growth acceleration

Helping portfolio companies to achieve their full potential with appropriate capital and operational resources.

Business transformation

Providing support in the transition from entrepreneurial ownership to businesses with scalable and sustainable operations.

EBITDA growth

20%

Average EBITDA growth across the underlying portfolio

GENERATING RETURNS

Oakley Funds[1]	MM[2]	IRR[2]
Oakley Fund I (vintage 2007)	2.0x	36%
Oakley Fund II (vintage 2013)	2.3x	37%
Oakley Fund III (vintage 2016)	2.8x	51%

OCI's investment in the Oakley Funds	
Capital called to date	£621.8m
Capital returned to date	£784.9m
Remaining fair value of Oakley Funds	£354.7m

Realised IRR

77%

Across all Funds

[1] Fund IV and Origin Fund are early stage and therefore returns have not been included.

[2] Gross Money Multiple and Gross IRR are based upon realised and unrealised portfolio returns as at 31 December 2020.

CASE STUDY: WEBPROS

Creating the leading global SaaS platform for web-hosting automation.

Creating value

- Set organisational structure, financial reporting and governance structures implemented
- Professionalised product management and development
- Launched new commercial offerings to address high-growth hyperscalers

Partnering with entrepreneurs

Working with Tom Strohe and Jochen Berger, proven hosting entrepreneurs from the Oakley network, who Oakley also partnered with on intergenia and HEG.

Tom Strohe

Jochen Berger

Business transformation

Carving out Plesk from Parallels Group to establish a fully-independent business with a stand-alone management team.

plesk

Transformational cPanel acquisition

Acquired cPanel in September 2018 following bilateral discussions with founder, providing scale and true global access through a complementary geographic footprint.

cPanel

Fund III sells WebPros

The exit generated gross returns of 6.9x MM and 152% IRR.

Oakley Fund IV reinvested $200 million, alongside CVC as the majority partner.

webpros

2017 – Partnering with entrepreneurs

2017 – Business transformation

2017 – Acquisition of XOVI

2018 – Acquisition of SOLUSVM

2019 – Transformational cPanel acquisition

2019 – Acquisition of WHMCS

2019 – Acquisition of BuycPanel

2020 – Fund III sells WebPros

BUY & BUILD

Completed four small add-ons.

Oakley Funds: total realised gross returns of 3.9x MM and 77% IRR since inception.

Funds overview

OCI is invested in the Oakley Funds, which are Western Europe-focused private equity funds that aim to build portfolios of high-growth companies, primarily in the Technology, Consumer and Education sectors.

During 2020, with a final close to institutional investors in January 2021, Oakley raised the Origin Fund to which OCI had committed €105 million as at year end, with a total commitment of €129 million (£116 million) at the close.

The Origin Fund is Oakley's latest vehicle and is focused on investing in lower mid-market companies, building on the firm's successful history of investing in this segment.

O — Oakley Origin Fund

Vintage: 2021

OCI commitment[1]	Fund size[2]
€129m	€455m

Current investments

7NXT

[1, 2, 3] Following the year end, the Origin Fund was closed to institutional investors, with an expected final fund size of €455 million (€389 million at 31 December 2020). OCI's commitment at 31 December 2020 was €105 million with £91.1 million of outstanding commitments.

Outstanding commitments[3]

£112.9m

Outstanding commitments as a % of NAV

15.5%

IV — Oakley Fund IV

Vintage: 2019

OCI commitment	Fund size
€400m	€1,460m

Current investments

Ocean Technologies Group
Wishcard Technologies Group
Contabo
WebPros
WindStar Medical
idealista[4]
Dexters[5]

[4] idealista acquired January 2021
[5] Dexters acquired February 2021

Outstanding commitments

£298.9m

Outstanding commitments as a % of NAV

41.1%

Read more on the Oakley Funds on page 27

OVERVIEW OF OAKLEY FUNDS CONTINUED

Funds overview continued

Oakley Orgin Fund
Fund size[1] **€455m**

Oakley Fund IV
Fund size **€1,460m**

Oakley Fund III
Fund size **€800m**

Oakley Fund II
Fund size **€524m**

Oakley Fund I
Fund size **€288m**

III Oakley Fund III

Vintage: 2016

OCI commitment **€326m**

Fund size **€800m**

Current investments

atHome, TechInsights, Schülerhilfe, AMOS, Iconic BrandCo, CPG, Facile, Ekon

6.9x Realised gross MM

152% Realised gross IRR

Outstanding commitments

£107.9m

Outstanding commitments as a % of NAV

14.8%

II Oakley Fund II

Vintage: 2013

OCI commitment **€190m**

Fund size **€524m**

Current investments

Daisy, North Sails

3.1x Realised gross MM

59% Realised gross IRR

I Oakley Fund I

Vintage: 2007

OCI commitment **€202m**

Fund size **€288m**

Current investments

Time Out

2.9x Realised gross MM

44% Realised gross IRR

[1] Following the year end, the Origin Fund was closed to institutional investors, with an expected final fund size of €455 million (€389 million at 31 December 2020). OCI's commitment at 31 December 2020 was €105 million with £91.1 million of outstanding commitments.

OCI's NAV grew from £686 million to £728 million, an increase of 6% since 31 December 2019 to 403 pence per share.

Net asset value

£728.0m

2020	£728.0m
2019	£686.0m

Proceeds

£341m

2020	£341m
2019	£78m

Investments

£152m

2020	£152m
2019	£103m

Proceeds[1]

Despite market disruption during 2020, there has been a continued high level of activity within the Oakley Funds. During the period, OCI's share of proceeds from exits and refinancings amounted to £341 million, consisting of:

- Realisations – £264 million – the exit of WebPros, Casa, Inspired and the partial realisation of atHome generating an average gross Money Multiple of 3.3x
- Refinancings – £37 million – the refinancing of Career Partner Group, Wishcard Technologies and Facile
- Direct debt repayment – £40 million – the repayment of Time Out loans and fund facilities

Investments[2]

In the 12 months to 31 December 2020, the Investment Adviser continued to originate opportunities for the Oakley Funds, within its focus sectors. During the year, OCI made a total look-through investment of £152 million, attributable to:

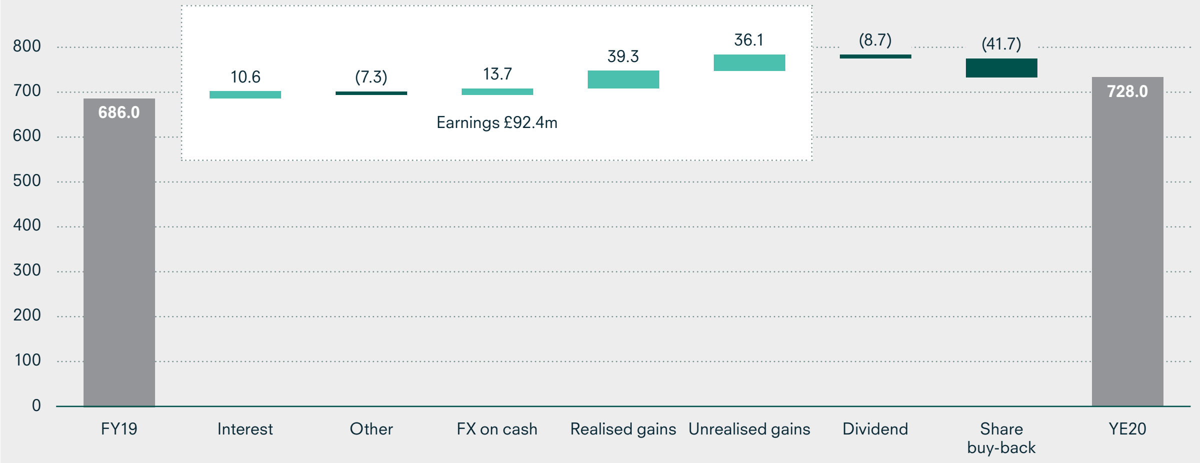
- Platform investments – £90 million – the acquisitions of WebPros, Globe-Trotter, 7NXT and WindStar Medical
- Follow-on investments – £21 million – bolt-ons to Ocean Technologies Group and Ekon, and further investments into North Sails and Time Out
- Direct investments – £41 million – including equity participation in Time Out's refinancing and an increase in the debt investment provided to North Sails

[1,2] Proceeds and investments are included on a look-through basis.

OCI NAV OVERVIEW CONTINUED

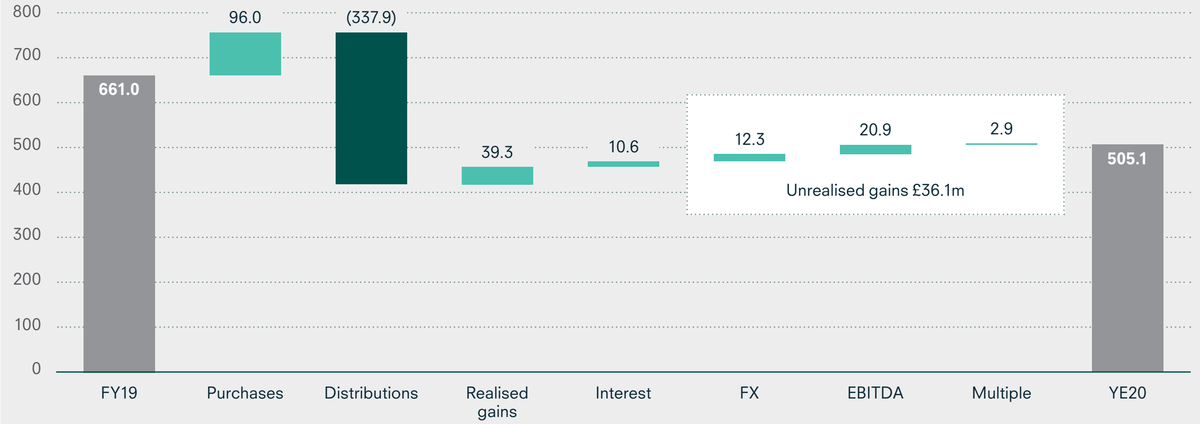
Movement in NAV and investments on a look-through basis during 2020.

Movement in NAV (£m)



£92.4m
Net earnings in 2020

Attribution analysis of movements in the value of investments (£m)

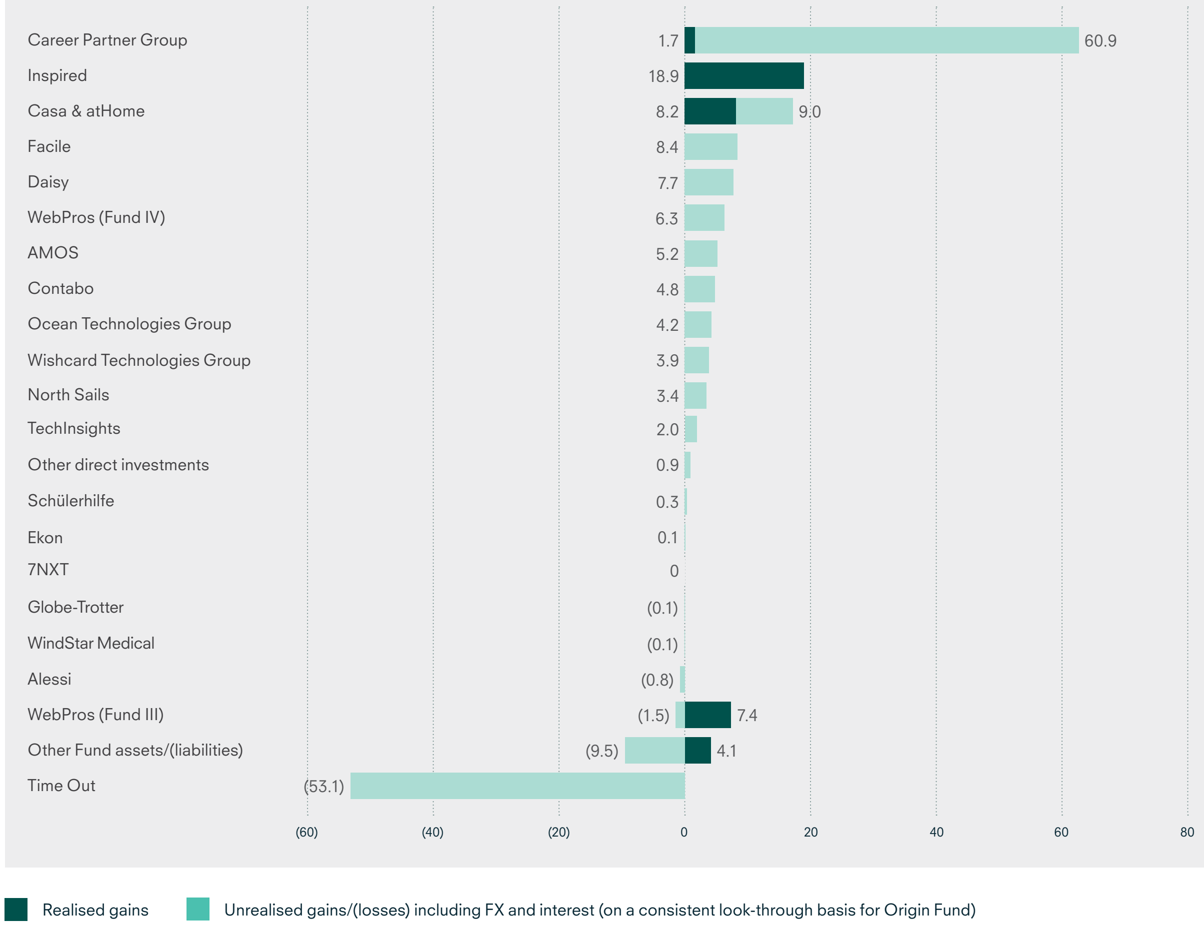


£75.4m
Realised and unrealised gains on investments

Increase Decrease Total

OCI NAV OVERVIEW CONTINUED

Realised and unrealised movements in portfolio look-through fair values during 2020 (£m)



£62.6m

Realised and unrealised gains in CPG due to outperformance

£53.1m

Unrealised loss on Time Out due to share price decrease

OUTSTANDING COMMITMENTS OF OCI

Outstanding commitments to the Oakley Funds of £512.4 million.

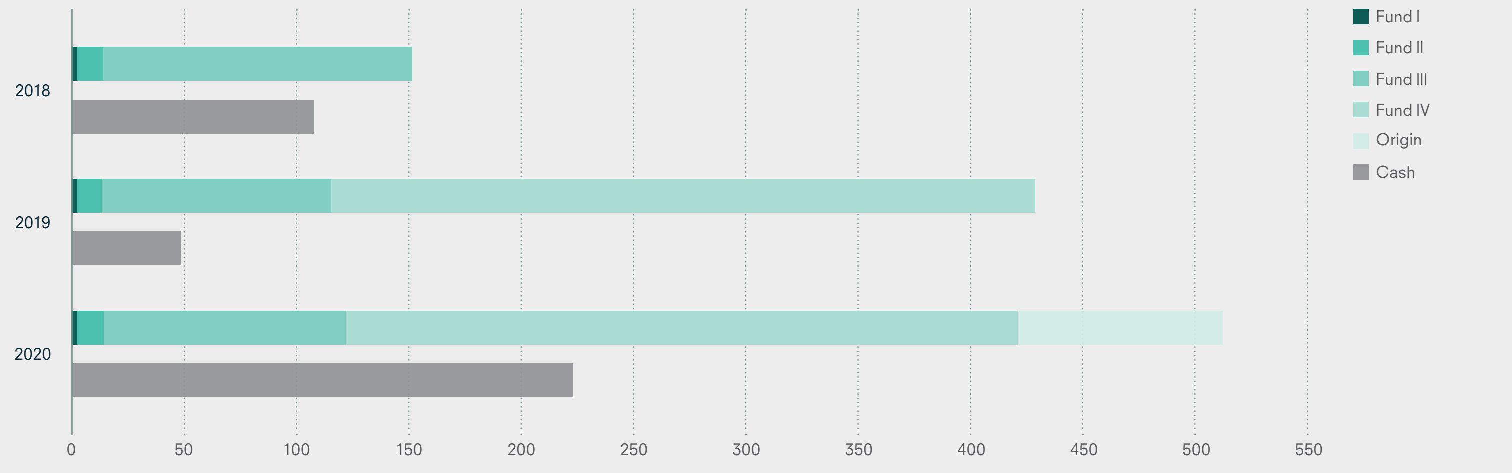
Outstanding commitments to the Oakley Funds as at 31 December 2020 were £512.4 million, of which £298.9 million was to Fund IV and £91.1 million to the Origin Fund. These will be deployed into new investments over a five-year period, whilst Funds I and II are in the realisation phase and Fund III has reached the end of its investment period.

OCI's total outstanding commitment to the Origin Fund was €101.9 million (£91.1 million) at the year end and increased to €126.2 million (£112.9 million) following the final close in January 2021. This latest Oakley Fund will apply Oakley's proven investment strategy to companies in the lower mid-market segment.

OCI has no leverage and had cash on the balance sheet of £223 million at 31 December 2020, comprising 31% of NAV. This cash level is significantly higher than the long-term average due to the quantum of realisations in the year and anticipated investment opportunities in Fund IV and the Origin Fund.

Fund	Fund vintage	Total commitment (€m)	Outstanding at 31 Dec 2020 (€m)	Outstanding at 31 Dec 2020 (£m)	% of NAV
Oakley Fund I	2007	202.4	2.8	2.5	0
Oakley Fund II	2013	190.0	13.3	12.0	2
Oakley Fund III	2016	325.8	120.5	107.9	15
Oakley Fund IV	2019	400.0	334.0	298.9	41
Origin Fund	2020	105.0	101.9	91.1	12
Outstanding commitments			**572.5**	**512.4**	**70**
Cash and cash equivalents				**223.1**	**31**
Net outstanding commitments unfunded by cash resources at the year end				**289.3**	**39**

Outstanding commitments and liquid resources (£m)



OVERVIEW OF OCI'S UNDERLYING INVESTMENTS

OCI's NAV at 31 December 2020 was £728 million, a NAV per share of 403 pence.

Investments	Sector	Region	Year of investment	Residual cost	Fair value
Fund I					
Time Out	Consumer	Global	2010	£60.4m	£19.4m
OCI's proportionate allocation of Fund I investments (on a look-through basis)					**£19.4m**
Other fund assets and liabilities					(£3.3m)
OCI's investment in Fund I					**£16.1m**
Fund II					
North Sails	Consumer	Global	2014	£45.1m	£35.2m
Daisy	Technology	UK	2015	£12.2m	£17.3m
OCI's proportionate allocation of Fund II investments (on a look-through basis)					**£52.5m**
Other fund assets and liabilities					£0.7m
OCI's investment in Fund II					**£53.2m**
Fund III					
atHome	Technology	Luxembourg	2017	£0.0m	£7.7m
Schülerhilfe	Education	Germany	2017	£31.3m	£47.5m
TechInsights	Technology	Canada	2017	£0.4m	£15.5m
AMOS	Education	France	2017	£7.2m	£18.8m
Career Partner Group	Education	Germany	2018	£0.0m	£100.5m
Facile	Technology	Italy	2018	£20.8m	£35.0m
Ekon	Technology	Spain	2019	£22.5m	£21.7m
Iconic BrandCo	Consumer	Italy/UK	2019	£16.1m	£16.1m
OCI's proportionate allocation of Fund III investments (on a look-through basis)					**£262.9m**
Other fund assets and liabilities					(£45.0m)
OCI's investment in Fund III					**£217.9m**
Fund IV					
Ocean Technologies Group	Education	Norway/UK	2019	£21.9m	£25.9m
Wishcard Technologies Group	Consumer	Germany	2019	£17.3m	£20.7m
Contabo	Technology	Germany	2019	£5.0m	£9.7m
WebPros	Technology	Switzerland/USA	2020	£45.3m	£50.4m
WindStar Medical[1]	Consumer	Germany	2020	£42.7m	£42.7m
OCI's proportionate allocation of Fund IV investments (on a look-through basis)					**£149.4m**
Other fund assets and liabilities					(£83.0m)
OCI's investment in Fund IV					**£66.4m**

[1] Following the year end, a proportion of the original investment cost of WindStar Medical was syndicated to co-investors, reducing the fair value of OCI's look-through investment. This was offset by an increase in other fund assets and liabilities. This had no impact on the NAV of OCI's total investment in Oakley Fund IV.

OVERVIEW OF OCI'S UNDERLYING INVESTMENTS

During 2020, OCI earned £10.3 million of interest from debt facilities.

Investments		Sector	Location	Year of investment	Residual cost	Fair value
Origin Fund						
7NXT		Technology	Germany	2020	£10.3m	£10.3m
OCI's proportionate allocation of Origin Fund investments (on a look-through basis)						**£10.3m**
Other fund assets and liabilities						(£9.2m)
OCI's investment in Origin Fund						**£1.1m**
Direct investment:						
Time Out	Equity	Consumer	Global	2010		£23.9m
Daisy	Direct debt	Technology	UK	2015		£17.3m
North Sails	Direct debt	Consumer	Global	2014		£102.6m
Fund facilities	Direct debt					£6.6m
Total direct investments						**£150.4m**
Total OCI investments						**£505.1m**
Cash, other assets and liabilities						£222.9m
Total OCI NAV						**£728.0m**

Other fund assets and liabilities comprise OCI's share of, primarily, cash, receivables and third-party fund debt facilities.

Direct equity securities

In April 2020, Oakley completed the sale of its remaining investment in Inspired, following partial realisations in 2017 and 2019. The net proceeds from the realisation of OCI's direct stake, combined with the indirect stake via Fund II, represented a 25% uplift to the 31 December 2019 carrying value. OCI's direct investment returned proceeds of €107.4 million (£94.2 million).

Prior to the escalation of the COVID-19 pandemic in March 2020, Time Out was performing in line with expectations; growth in digital advertising and the recently expanded Time Out Market estate continued the trading momentum already established in 2019.

However, the outbreak of COVID-19 and subsequent government-enforced lockdowns in 2020 severely impacted the leisure and hospitality sectors, causing the temporary closure of all six Time Out Markets and a sharp decline in advertising revenues for Time Out Media, generated from marketing to clients in the travel and leisure sectors.

In May 2020, Time Out completed an equity placing, raising £47.1 million to support the working capital requirements of the business and strengthen the balance sheet. OCI invested a total of £21.4 million, of which £12.6 million was a direct investment, as part of the placing.

Direct debt securities

The Company provides debt facilities to certain underlying entities and portfolio companies. These are provided at competitive market interest rates (ranging from 6.5% to 12%), allowing OCI to earn higher returns than would be earned on cash reserves. During 2020, OCI earned £10.3 million of interest from the debt facilities provided.

As part of the Time Out placing, a direct loan of £27.1 million, including interest, was repaid to OCI. At the year end, loans to Daisy and North Sails were £119.9 million. The Company also provides annual revolving credit facilities to two of the Oakley Funds. As at 31 December 2020, the outstanding amounts were £6.6 million, including accrued interest.

TECHNOLOGY PORTFOLIO COMPANIES

Technology sector

Oakley has built a successful track-record in backing technology-led businesses.

Oakley has built a successful track-record backing technology-led, forward-thinking companies that provide B2B and B2C solutions. In B2B, a heritage in web hosting and telecoms has extended to cloud-based SaaS solutions, whilst in B2C, Oakley is one of the leading investors in online marketplaces.

Sector investments[1]

Investment	Oakley Fund	OCI's open cost (£m)	OCI's valuation (£m)	% of OCI NAV
WebPros	Fund IV	45.3	50.4	6.9
Facile	Fund III	20.8	35.0	4.8
Daisy	Direct/Fund II	29.4	34.6	4.7
Ekon	Fund III	22.5	21.7	3.0
TechInsights	Fund III	0.4	15.5	2.1
7NXT	Origin Fund	10.3	10.3	1.4
Contabo	Fund IV	5.0	9.7	1.3
atHome	Fund III	0.0	7.7	1.1

NAV breakdown

[1] The OCI cost and valuation numbers above have been calculated on a look-through basis and include both direct and indirect investments in the relevant portfolio companies.

TECHNOLOGY PORTFOLIO COMPANIES CONTINUED

Technology sector

WebPros

The WebPros Group comprises two of the most widely used web hosting automation software platforms, simplifying the lives of developers and web professionals the world over.

The WebPros Group has continued its strong performance in 2020. The business is significantly ahead of the prior year with FY20 revenue and EBITDA growth of 25% and 41% versus the prior year, respectively. The EBITDA margin reached a record of 62%.

The strong performance has been primarily driven by the roll-out of the cPanel price harmonisation programme. cPanel's FY20 revenue is up 39% versus the prior year, driven by the new account-based pricing structure, and solid volume performance YTD despite price adjustments.

OCI'S OPEN COST
£45.3m

OCI'S VALUATION
£50.4m

OF OCI NAV
6.9%

Facile

Italy's leading online destination for consumers to compare prices for motor insurance, energy, telecoms and personal finance.

Facile had another strong year of growth in 2020, despite the impact of COVID-19 during the lockdown period. Facile has achieved FY20 revenue and EBITDA growth of 12% and 25% versus the prior year, respectively.

Facile's core insurance vertical performed well during 2020, with improved efficiency in marketing spend and high conversion rates versus the prior year. Facile's insurance field sales force rebounded strongly following the easing of lockdown measures in Italy, with strong agent recruitment and high productivity driving the positive results for the remainder of 2020.

In Facile's non-insurance verticals, Gas & Power performed well in 2020 and Broadband benefited from the increased consumer focus on broadband and high-quality connectivity during the lockdown period in Italy, although this softened once lockdown measures eased.

Financial products (loans and mortgages) were slower to rebound post-crisis given stricter lending criteria and lower consumer appetite for credit, but mortgage volumes have been stronger since the summer as activity returned to the real estate market after the first lockdown period ended.

OCI'S OPEN COST
£20.8m

OCI'S VALUATION
£35.0m

OF OCI NAV
4.8%

Technology sector

Daisy

The UK's #1 independent provider of converged B2B communications, IT and cloud services.

In the nine months to 31 December 2020, Daisy's revenue and EBITDA performed in line with COVID-revised expectations. Whilst year-to-date revenue was down slightly on the prior year, year-to-date EBITDA was up 4% due to strong cost management through the COVID-19 crisis.

In November 2020, the Digital Wholesale Solutions ('DWS') division acquired Giacom, the largest independent cloud platform in the UK with over 3,300 partners serving the Small Medium Business market.

The acquisition of Giacom increases DWS's product offering in software and IT services from its core telecoms base, offering significant potential cross-selling opportunities.

In January 2021, Oakley announced that Daisy had reached an agreement to sell its stake in the DWS division to Inflexion Private Equity. The transaction is subject to regulatory approval and is expected to complete in spring 2021.

OCI'S OPEN COST

£29.4m

OCI'S VALUATION

£34.6m

OF OCI NAV

4.7%

Ekon

Ekon provides Enterprise Resource Planning ('ERP') software to Spanish SMEs in product-centric industries.

Ekon has faced a challenging market environment for new customer acquisition throughout 2020. At the start of the year, progress was made on go-to-market initiatives, which resulted in strong momentum in lead generation (+30%) and sales pipeline (+60%) during Q1 20. However, conversions from pipeline into bookings were impacted by COVID-19 and further growth investment was put on hold. Recurring revenues remained resilient, as the shift in new business to SaaS accelerated during the year, which posted double-digit growth in 2020.

Ekon has continued to implement a number of key strategic initiatives since the beginning of 2020. Group leadership has been introduced with the hiring of a new Group CEO, a Group CFO and VP Corporate Development. The build-out of the sales and marketing functions and soft-launch of the refreshed Ekon brand is complete, resulting in significant increases in lead generation and pipeline development.

Ekon's M&A agenda continues to progress, having completed two bolt-ons in the period: ContaSimple, accounting software for freelancers, and Billage, accounting software for micro-companies.

OCI'S OPEN COST

£22.5m

OCI'S VALUATION

£21.7m

OF OCI NAV

3.0%

TECHNOLOGY PORTFOLIO COMPANIES CONTINUED

Technology sector

TechInsights

TechInsights is the content information platform for the semiconductor market providing unique insights through reverse engineering to support the Product Benchmarking and Intellectual Property strategy.

TechInsights has remained resilient despite the challenging conditions in the semiconductor market experienced in 2019 and then the pandemic through to 2020. IP activity has been significantly impacted by COVID-19, which has allowed TechInsights to accelerate the build-out of new content channels to support the fast-growing Product Benchmarking use case, accelerating the shift towards recurring revenues.

This has been further supported by the acquisition of IHS Markit's Teardown division in June 2020. At the end of 2020, 57% of run rate revenues were recurring versus 15% at the time of Oakley's acquisition, driving overall revenue and EBITDA growth. Recurring revenues increased 38% versus the prior year and the subscription book grew 44% over the prior year.

COVID-19 uncertainties continue into 2021; however, TechInsights is well positioned, despite continuing weakness in the IP market, with its resilient recurring revenue base and cash liquidity.

OCI'S OPEN COST
£0.4m

OCI'S VALUATION
£15.5m

OF OCI NAV
2.1%

7NXT

New investment – Origin Fund

Germany's market leader in female-focused online fitness subscriptions, nutrition and wellbeing.

On a group basis, 7NXT has achieved very strong revenue and EBITDA growth in 2020.

The core business, Gymondo, which offers subscription-based access to high-quality workout videos, customised fitness programmes and personalised nutrition plans, increased revenue by c.60% and EBITDA by more than 75% versus the previous year. The performance has been primarily driven by the continued very strong subscriber growth.

The second business in the Group, Shape Republic, a direct-to-customer brand selling fitness and nutrition supplements predominantly via online channels, has performed well with revenue increasing by more than 100% versus the previous year.

OCI'S OPEN COST
£10.3m

OCI'S VALUATION
£10.3m

OF OCI NAV
1.4%

TECHNOLOGY PORTFOLIO COMPANIES CONTINUED

Technology sector

Contabo

An infrastructure as a service ('IaaS') provider focusing on computer solutions such as VPS and bare metal servers with almost 100k customers from 186 countries.

Contabo has continued on a strong growth trajectory, further accelerated by COVID-19. The business grew revenue and EBITDA 56% and 51% versus the prior year, respectively.

Contabo add-on, VSHosting, a platform as a service ('PaaS') specialising in e-commerce in Prague, has been trading well since it was acquired in July 2020. In 2021, management is looking to build on the current growth and expand to adjacent swim lines such as storage and networking solutions.

Following the opening of the first oversees data centre in the United States in April 2020, work continues to expand global presence with two new data centres in India and Singapore already announced for 2021, bringing the total number of data centres to six.

The 2020 website relaunch and brand refresh rapidly fuelled customer acquisition, setting up the company for an even more successful 2021.

OCI'S OPEN COST
£5.0m

OCI'S VALUATION
£9.7m

OF OCI NAV
1.3%

atHome

An online property group comprising a portfolio of real estate websites and mobile applications.

In the six months to 31 December 2020 (H1 FY21), all three segments of the business (including atHomeProperty, atHomeFinance and Luxauto) performed in line with expected revenues, and ahead of expectations on EBITDA, despite the ongoing challenges presented by COVID-19.

The group had grown by 10% at December 2020 with atHome Property proving resilient, delivering revenue performance aligned with the prior year, following the launch of new pricing in October 2020. Luxauto has grown revenue by 11% year-on-year in H1 FY21, driven by the continued professionalisation of the product and a more effective pricing strategy, and the medium-term outlook is strong for this division given the positive performance of the used car market. atHomeFinance continues to benefit from accelerating consumer adoption of mortgage brokers in Luxembourg and is growing strongly. H1 FY21 revenues were up by 30% year-on-year, despite the business being more directly linked to real estate transaction volumes and prices.

OCI'S OPEN COST
£0.0m

OCI'S VALUATION
£7.7m

OF OCI NAV
1.1%

CONSUMER PORTFOLIO COMPANIES

Consumer sector

Oakley has a long track record of investing in on and offline brands in the consumer sector.

Since inception Oakley has built a track record of investments in on and offline consumer brands and platforms. We have leveraged our expertise in digitalisation and M&A to build and grow D2C channels enabling our investments to capitalise on the value captured by the balance of power shift towards well-managed brands and marketplaces, the increasing ability to trade directly and digitally with customers, and the power of social media-led marketing.

Sector investments[1]

Investment	Oakley Fund	OCI's open cost (£m)	OCI's valuation (£m)	% of OCI NAV
North Sails	Direct/Fund II	147.6	137.8	18.9
Time Out Group plc	Direct/Fund I	84.3	43.3	5.9
WindStar Medical[2]	Fund IV	42.7	42.7	5.9
Wishcard Technologies Group	Fund IV	17.3	20.7	2.8
Iconic BrandCo	Fund III	16.1	16.1	2.2

NAV breakdown

[1] The OCI cost and valuation numbers above have been calculated on a look-through basis and include both direct and indirect investments in the relevant portfolio companies.

[2] Following the year end, a proportion of the original investment cost of WindStar Medical was syndicated to co-investors, reducing the fair value of OCI's look-through investment. This was offset by an increase in other fund assets and liabilities. This had no impact on the NAV of OCI's total investment in Oakley Fund IV.

CONSUMER PORTFOLIO COMPANIES CONTINUED

Consumer sector

North Sails

North Sails comprises a portfolio of market-leading marine brands focused on providing innovative and high-performance products for the world's sailors and yachtsmen.

North Sails' core business had been performing well through 2019 and into Q1 20, partly boosted by the relaunch of North Kiteboarding ('NKB') which has regained its position as one of the world's leading kiteboarding brands. The Group has been impacted by COVID-19 due to a reduction in production capacity during the peak delivery season, the closure of marinas and the cancellation of major regattas. However, since the easing of restrictions, the order book at the start of 2021 is looking healthy, with events such as the America's Cup and Vendée Globe providing a boost to the business. North Actionsports has had an excellent year, with both NKB and Mystic performing well since the market reopened in May.

North Sails Apparel is in the final stages of attaining the B-Corp certification of social and environmental performance. Starting from the FW19 collection, most items are made from recycled materials and shipping is certified as CO2-neutral. The division has also been very resilient through COVID-19, with the impact of retail closures offset by strong wholesale international, franchisee and e-commerce growth.

OCI'S OPEN COST

£147.6m

OCI'S VALUATION

£137.8m

OF OCI NAV

18.9%

Time Out Group Plc

A trusted global brand that inspires and enables people to experience the best of the city.

Prior to the escalation of the COVID-19 pandemic in March 2020, Time Out was performing in line with expectations; growth in digital advertising and the recently expanded Time Out Markets estate continued the trading momentum established in 2019. However, the outbreak of COVID-19 and subsequent government-enforced lockdowns severely impacted the leisure and hospitality sectors, causing the temporary closure of all six Time Out Markets and a sharp decline in advertising revenues for Time Out Media.

Following these temporary closures, Market locations were able to reopen in Q3 and for most of Q4, with significant capacity restrictions, reduced chef line ups and enhanced health and safety protocols. The return, however, of local lockdowns in December 2020 forced the Markets to close for the remainder of the year.

Post period end, Time Out announced both the signing of a new management agreement with real estate developer, Aldar Properties, to open Time Out Market Abu Dhabi in 2023, and the opening of its seventh location Time Out Market Dubai in H1 21. In spite of the lockdowns Time Out has grown its audience in the period, achieving this through a pivot to homebound content and via collaborations with social platforms.

OCI'S OPEN COST

£84.3m

OCI'S VALUATION

£43.3m

OF OCI NAV

5.9%

CONSUMER PORTFOLIO COMPANIES CONTINUED

Consumer sector

WindStar Medical

New investment – Fund IV

Germany's leading over-the-counter consumer healthcare platform.

WindStar has performed well since acquisition in December 2020, recording revenue and EBITDA growth of 15% and 22% versus the prior year, respectively. Against the COVID-19 backdrop, the business has proven to be robust.

SOS (pain/wound care/disinfection) has profited from a surge in disinfectant sales in 2020 driven by increased demand resulting from the coronavirus pandemic, and Zirkulin (gastrointestinal care) has generated some moderate growth despite the headwinds caused by lockdowns.

The GreenDoc (mental wellbeing) brand is growing from a small base, recording triple-digit growth in 2020, backed by the launch of new products and first-time TV marketing.

OCI'S OPEN COST
£42.7m

OCI'S VALUATION
£42.7m

OF OCI NAV
5.9%

Wishcard Technologies Group

Based in Germany, Wishcard Technologies Group is a leading consumer technology company in the gift voucher and B2B gift card sector.

Wishcard has exhibited strong performance throughout 2020, with total voucher sales up 105% versus the prior year. The business has recorded FY20 revenue and EBITDA growth of 86% and 66% year-on-year, respectively.

With special seasonal displays, precisely coordinated production on an order-by-order basis, and excellent logistical infrastructure, they were able to meet the demand for gift vouchers sold as gifts at all major grocery stores, supermarkets, petrol stations and sales kiosks. The majority of growth has been driven by like-for-like store growth and increased distribution to new retailers, but also driven by strong growth in B2B and online sales. Despite the lockdowns throughout Germany, the business has been relatively insulated as products are primarily sold through stores and channels that remained open throughout the restrictive measures. There has been good progress with the professionalisation of the business, with improved financial and management reporting, transition to a strong external management team, and the implementation of internal governance procedures and policies. The business is also continuing to innovate and expand its product offering with new products being rolled out across the retail market.

OCI'S OPEN COST
£17.3m

OCI'S VALUATION
£20.7m

OF OCI NAV
2.8%

Consumer sector

Iconic BrandCo

Leading consumer brands, Alessi and Globe-Trotter, combined as the Iconic BrandCo.

Despite the challenges faced throughout 2020, both Alessi and Globe-Trotter's performance was encouraging. For Alessi, the impact of COVID-19 on its physical wholesale and retail sales channels from European lockdowns was partially offset by strong development in the online channel, which was up 52% against the prior year and now represents 21% of total revenues. Growth was also recorded across all product categories, specifically small domestic appliances, as well as in various markets including the Netherlands, Scandinavia, Australia and USA digital. There has been progress on strategic initiatives, notably through strong partnerships built with leading luxury fashion and home brands, such as Nespresso.

For Globe-Trotter, Global B2C sales recovered strongly following the reopening of stores in June 2020, generating like-for-like sales growth during the last four months of 2020. Whilst there has been disruption to the business, it has allowed management to focus on new product development and operational improvement. Investments into the factory's efficiency have had a positive impact on Globe-Trotter's gross margin and cost-saving measures were successfully undertaken. Investments into the digital operation yielded improving KPIs and year-on-year revenue growth throughout 2020.

OCI'S OPEN COST

£16.1m

OCI'S VALUATION

£16.1m

OF OCI NAV

2.2%

Education sector

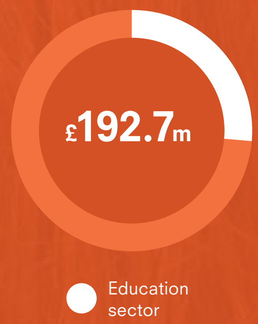
Education is a core sector, with four investments ranging from online tertiary education and after-school tutoring to marine e-learning.

Since investing in a premium private schools group in 2013, Oakley identified the opportunity to consolidate high-quality recurring revenue bases within the fragmented education sector, in which there are few assets of scale. Leveraging our experience in technology, internationalisation and M&A, we have successfully grown platforms in online tertiary education, career-based training, after-school tutoring and marine e-learning.

Sector investments[1]

Investment	Oakley Fund	OCI's open cost (£m)	OCI's valuation (£m)	% of OCI NAV
Career Partner Group	Fund III	0.0	100.5	13.8
Schülerhilfe	Fund III	31.3	47.5	6.5
Ocean Technologies Group	Fund IV	21.9	25.9	3.6
AMOS	Fund III	7.2	18.8	2.6

NAV breakdown



[1] The OCI cost and valuation numbers above have been calculated on a look-through basis and include both direct and indirect investments in the relevant portfolio companies.

EDUCATION PORTFOLIO COMPANIES CONTINUED

Education sector

Career Partner Group

The largest and fastest-growing university group in Germany.

Career Partner Group is the largest and fastest-growing university group in Germany with over 60,000 students enrolled across four types of programmes: online degree courses ('Online'), part-time studies, dual studies (private on-site education in cooperation with corporate partners) and on-campus studies.

Career Partner Group continued to exhibit strong performance throughout 2020, growing revenue 43% and EBITDA 73% versus the prior year.

Growth has been driven by a significant increase in student intake which grew 98% versus the prior year, across both new and existing courses in Online and both new and mature centres in Dual Studies.

Career Partner Group's open cost is £0.0m as the total cost invested has been returned through distributions.

OCI'S OPEN COST

£0.0m

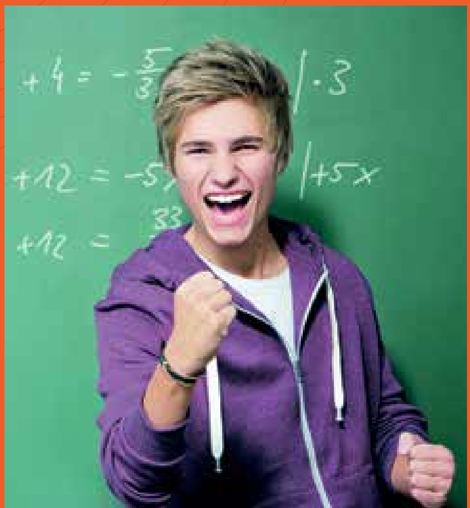
OCI'S VALUATION

£100.5m

OF OCI NAV

13.8%

Schülerhilfe



The leading provider of after-school tutoring across Germany and Austria.

Schülerhilfe has continued to perform well despite the impact of COVID-19 on its operations. Following the temporary closure of all tutoring centres between March and May and again in December, the business successfully migrated pre-existing customers to their online tutoring service. Existing customers were retained through the migration; however, new enrolments were negatively impacted by the lockdowns.

Despite the challenging environment, the business has managed to maintain 2020 revenues broadly flat against the prior year and has continued to generate good cash flows.

During the COVID-19 lockdowns throughout 2020, Schülerhilfe established itself as the market leader in online tutoring, with very high customer satisfaction for their new online tutoring service.

OCI'S OPEN COST

£31.3m

OCI'S VALUATION

£47.5m

OF OCI NAV

6.5%

EDUCATION PORTFOLIO COMPANIES CONTINUED

Education sector

Ocean Technologies Group

The leading maritime e-learning businesses worldwide.

Ocean Technologies Group ended FY20 with EBITDA growth up 24% versus the prior year. Growth in 2020 has been largely driven by synergy realisation and acquisitions, as management focused on finalising the integration of Seagull and Videotel, as well as adding new brands to the portfolio.

During 2020, the senior management team has been strengthened through the appointment of a new CFO, Chief Revenue Officer, Chief Product Officer and Chief HR Officer.

The M&A agenda has also continued to progress well. In addition to the COEX and Tero Marine acquisitions completed in 2019, in 2020 the Group completed the acquisition of MTS, a maritime e-learning content and distribution business, and of V.Group's e-learning subsidiary, Marlins.

OCI'S OPEN COST

£21.9m

OCI'S VALUATION

£25.9m

OF OCI NAV

3.6%

AMOS

A French group of tertiary education business schools focused on vocational areas of training.

AMOS has enrolled approximately 2,500 students for the current academic year, which represents enrolment growth of over 13% versus the prior year, despite the coronavirus outbreak. The business adapted well as teaching has continued to be delivered online, and there has been minimal financial impact as students for the current academic year paid upfront.

Total student numbers across the Group stand at over 4,000, with ~300 students enrolled at Centre Européen de Management Hotelier International ('CMH') and ~1,250 enrolled at ESDAC, representing a c.16% uplift versus the prior year.

ESDAC has benefited from continued expansion at its more recently opened campuses, which is helping to drive enrolment growth. CMH has seen a slight decline in student enrolments, due to the challenges of marketing to new students during the COVID-19 outbreak.

OCI'S OPEN COST

£7.2m

OCI'S VALUATION

£18.8m

OF OCI NAV

2.6%

We believe that investing responsibly protects and creates value.

Investing responsibly

The Board has endorsed Oakley's policy to advise on the investment of the Company's resources in a responsible manner. The Board is committed to monitoring investment activity and progress on Environmental, Social and Governance ('ESG') topics, with regular updates provided by Oakley's Head of Sustainability and the Oakley team.

We believe that investing responsibly protects and creates value, beyond the standard drivers of compliance and risk management. We recognise that ESG factors impact our investments, and better understanding and management of these factors helps to create more successful, resilient, and sustainable businesses, which in turn will generate enhanced value.

OCI recognises that the bulk of its ESG impact will be through the portfolio companies as we have no direct employees or operational premises. However OCI itself has continued its journey of governance during the year with continued Board refreshment and the introduction of other enhanced governance policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY
CONTINUED

Case studies

2020 was a year unlike any other, repeatedly testing individuals, society and businesses. Throughout the year, Oakley's portfolio companies demonstrated resilience and leadership, supporting both employees and local communities.

Ocean Technologies Group – Human Capital Engagement

Ocean is a leading maritime learning and technology provider. A new Chief Human Resources Officer joined the business in 2020, and quickly set the business on track to co-create new values and embed them in "business as usual". A new shared culture was needed, as Ocean comprises six companies which have recently come together under one group. Since summer 2020, an Ocean intranet and MS Teams channel were set up, creating a cohesive space for all employees. Monthly town hall meetings were launched to share the Ocean strategy, build a culture of #TeamOcean and create a platform for employees to ask questions and provide feedback. Frequent pulse surveys help provide an understanding of what employees are concerned about and areas which may need additional attention. Much has been achieved in the last year and more is expected during 2021.

Wishcard Technologies Group – Corporate Governance

Since joining the Oakley portfolio in 2019, Wishcard, a German-based consumer technology company providing gift vouchers to consumers and businesses, has developed and strengthened its corporate governance policies and procedures. Key developments in 2020 have included the development and adoption of a robust anti-money laundering policy, implementation of an Advisory Board to provide oversight and robust governance, and the recruitment of a new CFO. Under Oakley's ownership, the business has been transformed in its professionalism and the quality of its governance regime. We are continuing to work closely with management to drive forward change, and institute the highest possible standards of governance. This is a central part of the value-creation Oakley offers in partnering with founder-owned businesses.

North Sails – Resource Use

North Sails is the world leader in sail and marine-related products, providing innovative and high-performance clothing and equipment to sailors around the world. The company is acutely aware of ocean pollution, especially plastic, and has committed to #GoBeyondPlastic and support the UN Environment Programme #CleanSeas pledge to reduce plastic usage. As part of this initiative, North Sails has upcycled over 50 sails into bags and other products in 2019 with none going to landfill. A new logo has been introduced on products that are made from recycled, repurposed or waste products. This stamp will also appear on any bag made by a third party from sails provided by the company as the base materials. The company continues to educate its workforce on waste reduction and environmental best practice. Several partnerships with universities have also begun to investigate how some of the more resilient materials can be broken down and repurposed for further use.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY
CONTINUED

Case studies continued

As COVID-19 spread across the world, individuals and businesses reacted as best as they could to support each other. Oakley is proud of the work our portfolio companies did to support not only our employees, but also the local communities.

Supporting employees and local communities during COVID-19

CAREER PARTNER GROUP

Many companies, like Career Partner Group, focused on strengthening resilience, enabling virtual after-work get-togethers, sending a strong C-Level message that crying babies or children joining a meeting is OK and family matters may take priority when working from home.

NORTH SAILS AND TECHINSIGHTS

Like many others, North Sails and TechInsights provided additional health insurance or benefits, to ensure employees have the security and access to resources needed to enable safe working practices.

ALESSI

Alessi donated over 40,000 masks to hospitals local to its Italian manufacturing facility during the first peak of infection.

TECHINSIGHTS

TechInsights received a licence from the city of Ottawa to produce, bottle and donate hand-sanitiser in support of front-line workers; thousands of bottles have been donated to date.

WISHCARD TECHNOLOGIES

Wishcard has partnered with the local government of Bavaria to operate a voucher scheme to support the restaurant industry as it struggles through COVID-19 restrictions.

As the global pandemic continues, Oakley will continue to support efforts which help ease the burden on employees and local communities.

Governance

Good corporate governance is a fundamental component of the Company's activities and supports long-term sustainable value and responsible growth for its shareholders.

Diversity and inclusion

OCI recognises the benefits that diversity can bring to its Board, and places great importance on ensuring that Board membership reflects this. The Board believes that a wide range of experience, age, background, perspectives, skills and knowledge allows Directors to share varying perspectives and insights, helping to create a better environment for effective decision-making.

The Board supports the Investment Adviser, Oakley Capital's endeavours in relation to diversity and inclusion. Additionally, the Board recognises the importance of leading by example and encouraging Board diversity as it relates not only to Oakley, but also to the composition of its portfolio company boards and leadership teams.

An independent Board well-positioned to support OCI as it grows.

Caroline Foulger

Chair

Appointed to the Company's Board in June 2016 (and as Chair in September 2018), Caroline has been an independent Non-Executive Director in the financial services industry since 2013. Caroline was previously a partner with PwC for 12 years, primarily leading the insurance practice in Bermuda and servicing listed clients, with 25 years' experience in public accounting. Caroline is a Fellow of the Institute of Chartered Accountants in England & Wales, a member of CPA Bermuda and a Member of the Institute of Directors. Caroline is a resident of Bermuda. Caroline's leadership skills continue to impart a culture of positive change to service providers, the Board and its Committees.

Current Directorships of publicly listed entities

- Hiscox Limited
- Atlas Arteria Holdings Limited
- Ocean Wilsons Holdings Limited

Richard Lightowler

Senior Independent Director

Appointed to the Company's Board in December 2019, Richard has 25 years' experience in public accounting, previously a Partner with KPMG in Bermuda. He was head of the KPMG Insurance Group in Bermuda for almost 14 years until leaving the firm in 2016, a member of the firm's Global Insurance Leadership Team and Global Lead Partner for large international insurance groups listed on the New York and London Stock Exchanges. Richard is a resident of Bermuda and is a Chartered Accountant in England & Wales. Richard has significant regulatory experience and led KPMG's relationship with the Bermuda Monetary Authority ('BMA'). Richard brings with him a wealth of knowledge in financial services, expertise in best practice corporate governance and significant transactional experience.

Current Directorships of publicly listed entities

- Hansa Investment Company Limited
- Aspen Insurance Holdings Limited

Fiona Beck

Non-Executive Director

Non-Executive Director appointed to the Company's Board in September 2020, Fiona has over 20 years' leadership experience in listed and unlisted companies within the technology, telecoms, infrastructure and fintech sectors. Previously, she was CEO of Southern Cross Cable Networks for 14 years, a multinational telecommunications company. She holds a Bachelor's degree in Management Studies (Honours), is a Chartered Accountant (Australia and NZ), and is a member of the Institute of Directors (both UK and Australia). Fiona is a resident of Bermuda. Her sector relevant experience in the technology industry, and past leadership positions, provides for unique perspective and insights.

Current Directorships of publicly listed entities

- Atlas Arteria Holdings Limited
- Ocean Wilsons Holdings Limited

BOARD OF DIRECTORS CONTINUED

Peter Dubens

Non-Executive Director

Appointed to the Company's Board in July 2007, Peter is the founder and Managing Partner of the Oakley Capital Group, a privately-owned asset management and advisory group comprising private equity and venture capital operations managing over €4 billion. Peter founded the Oakley Capital Group in 2002 to be a best-of-breed, entrepreneurially-driven UK investment house, creating an ecosystem to support the companies in which Oakley Capital invests, whether they are early-stage companies or established businesses. David Till serves as an alternate Director to Peter.

Current Directorships of publicly listed entities

- Non-Executive Chair of Time Out Group plc

Stewart Porter

Non-Executive Director

Appointed to the Company's Board in September 2018, Stewart has over 40 years' of operational experience, both within private equity and technology businesses, the latter being one of Oakley's three core sectors for investment. Stewart worked as Chief Operating Officer of the Investment Adviser, Oakley Capital Limited, from 2010 until his retirement in 2018. During his career, Stewart has held positions as COO and CFO at Wilkinson Sword and TI Group. He was a founder and CFO of Pipex Communications plc and was instrumental in the development and successful sale of the Pipex Group. Stewart's industry knowledge and in-depth understanding of the Investment Adviser makes him invaluable in providing the Board with insights into the detailed workings of its key service providers.

Current Directorships of publicly listed entities

- None

Regular contact between Directors and the Oakley Group continued throughout the year.

The Company's registered office and principal place of business is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

The Board of Directors

The Board currently comprises the Chair and four other Non-Executive Directors. Laurence Blackall retired from the Board at the Annual General Meeting in May 2020. Craig Bodenstab stepped down from the Board in June 2020, and was replaced by Fiona Beck in September 2020.

All Directors, other than Peter Dubens and Stewart Porter, are considered to be independent. Peter Dubens and David Till (as alternate Director), with a team of investment professionals, are together primarily responsible for performing investment advisory obligations with respect to the Company and the Oakley Funds. Stewart Porter was employed as the COO of the Investment Adviser until mid-2018 and, consistent with UK Corporate Governance Code guidelines, will be considered independent effective July 2021.

The Board met formally 11 times during 2020, including three of four quarterly scheduled meetings being held physically in Bermuda. This increased frequency was driven by enhanced portfolio monitoring updates from the Investment Adviser amidst the COVID-19 pandemic.

Regular contact between Directors and the Oakley Group continued throughout the year as required for the purpose of considering key decisions of the Company.

The Directors are kept fully informed of investment performance and other matters. The Board receives periodic reporting and ad-hoc additional information as required by the Directors from the Administrative Agent, Investment Adviser and other service providers.

The Directors may seek independent professional advice at the expense of the Company to aid their duties. During 2020, this included a review of Oakley Capital Origin Fund documentation and legal due diligence, and an independent third-party Directors' remuneration review.

The rules governing the appointment of Directors to the Board is contained in the Company's bye-laws, located at: https://oakleycapitalinvestments.com/wp-content/uploads/2020/04/Bye-laws-of-Oakley-Capital-Investments-2020.pdf

The Company, during the year, adopted a Diversity Policy as it relates to Board composition. This is available at www.oakleycapitalinvestments.com.

Conflicts of interest

The Directors continue to declare on an ongoing basis all conflicts and potential conflicts of interest to the Board, a register of which is considered at Board and Committee meetings. Declaration of Directors' interests is a standing Board agenda item at the outset of each meeting. A conflicted Director is not allowed to take part in the relevant discussion or decision and is not counted when determining whether a meeting is quorate.

Peter Dubens is a shareholder and a Director of a number of the Oakley Group entities and cannot vote on any Board decision relating to these entities.

Each Director's shareholding is outlined as part of the Directors' Remuneration Report, and is considered for fair dealing purposes as a declared interest at the time of, for example, share buybacks.

Investment management and administration

The Company is a self-managed Alternative Investment Fund ('AIF'), and the Board has the ultimate decision to invest (or take any other action) in the Oakley Funds or in any other manner consistent with its Investment Policy. In the ordinary course of business, it makes decisions after reviewing the recommendations provided by the Oakley Group (typically as presented by the Investment Adviser on behalf of the Administrative Agent).

For the avoidance of doubt, the Directors do not make investment decisions on behalf of the Oakley Funds, nor do they have any role or involvement in selecting or implementing transactions by the Oakley Funds or in the management of the Oakley Funds.

Oakley Capital Manager Limited ('OCML') serves as Administrative Agent to the Company. It is incorporated in Bermuda and regulated by the Bermuda Monetary Authority as a licensed Investment Business. The Administrative Agent provides operational assistance and corporate secretarial services to the Board with respect to the Company's business. The Administrative Agent is managed by experienced third-party administrative and operational Executive Directors.

Oakley Capital Limited serves as the Investment Adviser to the Administrative Agent with respect to the Company. It is incorporated in the UK and is authorised and regulated by the Financial Conduct Authority for the provision of investment advice and arranging of investments. The Investment Adviser is primarily responsible for making investment recommendations to the Company along with structuring and negotiating deals for the Oakley Funds.

The Directors believe these arrangements enhance long-term shareholder value.

The Directors of the Company continue to believe these arrangements create the conditions to enhance long-term shareholder value and, based on the Company's overall objective, to achieve a high level of Company performance. Each year, including in 2020, the three independent Directors formally review the performance of Oakley and OCML.

The Company has appointed Mayflower Management Services (Bermuda) Limited (the 'Administrator') to provide administration services pursuant to an Administration Agreement. It receives an annual administration fee at prevailing commercial rates. The Administrator is responsible for the Company's general administrative requirements such as the calculation of the net asset value and net asset value per share and maintenance of the Company's accounting records.

The Administrative Agent has been appointed pursuant to an operational services agreement (the 'Operational Services Agreement'). The Operational Services Agreement continues for consecutive periods beginning on the date of the last Annual General Meeting at which a continuation vote was put to shareholders (a 'Continuation Meeting') and ending on the date of the next Continuation Meeting.

Ongoing costs

For the period ended 31 December 2020, the Company's ongoing charges were calculated as 2.46% (2019: 2.57%) of NAV.

The calculation is based on ongoing charges expressed as a percentage of the average NAV for the year. Ongoing charges are calculated in accordance with the guidelines issued by the Association of Investment Companies ('AIC'). They comprise recurring costs, including the operating expenses of the Company, operational services' fees paid to the Administrative Agent, and OCI's share of the management fees paid by the underlying Oakley Funds. The calculation specifically excludes expenses, gains and losses relating to the acquisition or disposal of investments, performance-related fees, and financing charges.

Operational Service Fees

Included in investment related fees are operational and performance fees paid to Oakley Capital Manager Limited. The Administrative Agent has been appointed by the Company to provide operational assistance and services to the Board with respect to the Company's direct investments and generally to administer the assets of the Company, as provided for in the Operational Services Agreement.

Debt and equity direct investments

During 2020 and 2019, the Administrative Agent was paid an operational services fee of 2% per annum of the net asset value of certain of the Company's direct investments. During 2019, the operational services fee was calculated by reference to all of the Company's direct investments. With effect from 1 January 2020, operational services fees relating to direct debt investments were eliminated, so that the operational services fee became payable only by reference to the net asset value of the Company's direct equity investments. With effect from 1 July 2020, no further operational services fees are payable by reference to the Company's current direct equity investments.

Oakley Capital Fund I-III

2% on invested capital since the date of closure of the investment period.

Oakley Capital Fund IV and Oakley Capital Origin Fund

2% on fund commitment during the investment period (ending after the earlier of five years after the final closing date or 75% of commitments having been invested), then 2% on invested capital, stepping down to 1% on invested capital ten years after the final closing date.

Performance fees

The Administrative Agent is paid a performance fee of 20% of profits (after expenses) from the full or partial realisation on disposal of any direct equity investments subject to an 8% preferred return. With effect from 1 July 2020, no performance fees are payable by reference to the Company's current direct equity investments.

Stewardship and delegation of responsibilities

Under the Operational Services Agreement, the Board has delegated to the Administrative Agent substantial authority for carrying out the day-to-day administrative functions of the Company.

The Company exercises its own voting rights on direct equity portfolio investments, which comprise only Time Out Group plc as at the reporting date.

Oakley has a policy of active portfolio management and ensures that significant time and resource is dedicated to every investment, with Oakley executives typically being appointed to portfolio company boards, in order to ensure the implementation and continued application of active, results-orientated corporate governance. OCI receives regular feedback on these activities.

Oakley has a policy of active portfolio management and ensures that significant time and resource is dedicated to every investment.

Capital Markets Day

The Board holds an annual Capital Markets Day consisting of presentations to shareholders and analysts by senior members of the Oakley Group and management teams from a selection of Oakley Funds' portfolio companies. The event was held digitally in 2020, with presentations focused on the performance of the underlying Oakley Funds' investment portfolio. Directors of the Board attend the Capital Markets Day.

Public reporting

The Company's Annual Report and Accounts, along with the half-year Financial Statements and other RNS releases, are prepared in accordance with applicable regulatory requirements and published on the Company's website.

Share capital and voting rights

As at the date of this report, the Company had:

- 180,599,936 ordinary shares and voting rights in issue; and
- issued share capital of 180,599,936.

The rights attaching to the shares are set out in the bye-laws of the Company. There are no restrictions on the transfer of ordinary shares other than those which may be imposed by law from time to time. There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. In accordance with the Market Abuse Regulation and the Company's share dealing code, Board members and certain employees of the Company's service providers are required to seek approval to deal in the Company's shares.

At a general meeting of the Company, every holder of shares who is present in person or by proxy shall, on a poll, have one vote for every share of which they are the holder. All the rights attached to a treasury share shall be suspended and shall not be exercised by the Company while it holds such treasury shares and, where required by the Act, all treasury shares shall be excluded from the calculation of any percentage or fraction of the share capital or shares of the Company. As at 31 December 2020, the Company did not hold any treasury shares.

Dividend policy and distributions

The Board has adopted a dividend policy which takes into account the forecast profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves. The Company has experienced strong NAV growth in 2020 despite the challenges of the COVID-19 pandemic, thanks to the resilient nature of the Oakley Funds' portfolio companies' business models.

The Company declared a final dividend of 2.25 pence per share in respect of the year ended 31 December 2019, which was paid in April 2020. An interim dividend of 2.25 pence per share was paid by the Company in respect of the six months to 30 June 2020, in October 2020.

Share issuance and buy-backs

By a special resolution passed at the May 2020 AGM, the Directors were authorised to issue shares and/or sell shares from treasury for cash on a non-pre-emptive basis provided that such authority shall be limited to the issue and/or sale of shares of up to 5% of the issued share capital as at the date of that meeting.

Unless specifically authorised by shareholders, no issuance of ordinary shares on a non-pre-emptive basis will be made at a price less than the prevailing NAV per ordinary share at the time of issue. No such issuances are currently expected.

The Company conducts share buy-backs in the market with a view to addressing any imbalance between the supply of and demand for its shares, to increase the NAV per ordinary shares and/or to assist in maintaining a narrow discount to net asset value per ordinary share in relation to the price at which ordinary shares may be trading. Such purchases of ordinary shares will only be made for cash at prices below the prevailing NAV per ordinary share. Any repurchased shares will be cancelled in full. Directors' powers of share issuance and/or buy-back will only be exercised if thought to be in the best interests of shareholders as a whole.

During 2020, the Company did not issue any shares. Five share buy-backs were completed during the year, pursuant to which 18 million shares, or 9.1% of the total shares in issue as at the beginning of 2020, were cancelled at a weighted average price of 230.0 pence, with a combined estimated positive impact on NAV per share of 12.6 pence.

Execution date/status	Number of shares	Buy-back price (pence)	Buy-back price discount to NAV (%)	NAV per share impact estimate (pence)
18 March 2020	3,000,000	1.59	54	2.9
18 June 2020	1,340,000	2.05	43	1.1
29 July 2020	3,660,000	2.25	37	2.5
2 October 2020	3,053,000	2.525	31	1.8
3 December 2020	6,947,000	2.575	30	4.2
Total weighted average to date	18,000,000	2.30	36	12.6

The Board is committed to understanding stakeholders' views.

Section 172 and stakeholder reporting

The Board is committed to understanding our stakeholders' views and considering their interests in Board discussions and decision-making. This includes having regard to the likely consequences of any decision in the long term, the need to foster the Company's business relationships with service providers, the impact of the Company's operations on the community and environment, and maintaining a reputation for high standards of business conduct. Through this engagement, the Board is able to understand better, their views and consider these views in their discussions and decision-making.

Shareholder communications

The support of our shareholders is critical to the continued success of the business and the achievement of our objectives. We believe our shareholders are interested in the financial performance of the Company, its ability to continue in operation for the foreseeable future and the maintenance of high standards of conduct and corporate governance.

The Board places a high degree of importance on engagement with shareholders, endeavouring to communicate clearly and regularly with existing and potential shareholders.

During the year the Board has engaged with shareholders in the following ways:

- Annual General Meeting: An AGM is held each year, where a separate resolution is proposed on each substantially separate issue along with the presentation of the Annual Report and Accounts.
- Capital Markets Day: Each year the Board holds an event consisting of presentations to shareholders and analysts by senior members of the Oakley Group.
- Shareholder engagement: The Board maintains awareness of shareholder views by means of regular updates from its Investor Relations team and meetings with shareholders.
- Website: The Company's Annual Report and Accounts, along with the half-year Financial Statements and other RNS releases, are prepared in accordance with applicable regulatory requirements and published on the Company's website.

During the year, some of the topics discussed with shareholders were: portfolio company performance including the impact of COVID-19; investment strategy and response to COVID-19; future fund investment opportunities; deal activity; and retail shareholder access via trading platforms.

The Oakley Group also briefs the Board on a regular basis with regard to feedback received from analysts and investors. Any significant commentary raised by shareholders in relation to the Company is communicated to the Board. The Company's Broker and Financial Adviser ('Liberum Capital Limited') also regularly reports to the Board at meetings. In addition, research reports published by financial institutions on the Company are circulated to the Board.

The Company reports formally to shareholders twice a year, with an emphasis on net asset value performance and updates. In addition, current information is provided to shareholders on an ongoing basis through the Company's website.

Corporate and social responsibility

The Board considers the ongoing interests of shareholders and has open and regular dialogue with the Investment Adviser on the governance of the portfolio companies.

The Company adopted an ESG Policy in March 2020; refer to pages 41 to 43.

Service providers and significant agreements

The following agreements and service providers are considered significant to the Company:

- Oakley Capital Manager Limited ("Administrative Agent") under the Operational Services Agreement.
- Oakley Capital Limited ("Oakley") as Investment Adviser to the Administrative Agent, under the terms of the Investment Advisory Agreement.
- Mayflower Management Services (Bermuda) Limited under the Administration Agreement.
- KPMG Audit Limited as appointed external Auditor.
- Liberum Capital Limited as Broker and Financial Adviser.

The Board maintains regular contact and dialogue with its key service providers, through formal meetings and calls, as well as informal communications throughout the year. The Management Engagement Committee's role is to review on a regular basis the appointment, remuneration and performance of the key service providers to the Company, with a key focus on the Investment Adviser and Administrative Agent.

As part of this role, the Committee encourages open dialogue and engagement with the service providers.

The support of our shareholders is critical to the success of the business and achievement of our objectives.

Substantial shareholdings

As at 31 December 2020, the Company has received the following notifications of interest of 3% or more in the voting rights attached to the Company's ordinary shares:

Shareholder	% voting rights 31 December 2020	% voting rights 31 December 2019
Asset Value Investors	13.7	14.0
OCI Directors	10.2	9.2
Sarasin and Partners	7.3	7.0
City of London Investment Management Company	6.7	4.8
Barwon Investment Partners	5.8	7.2
FIL Investment International	5.4	4.6
Lombard Odier Asset Management	5.4	5.1
Jon Wood and Family	4.4	3.4
Hargreaves Lansdown Stockbrokers	4.1	2.3
Hawksmoor Investment Management	3.4	1.5

Most notably, the aggregate voting rights of the top ten shareholders have also fallen from 70% in 2019 to 66% in 2020.

Part of the Company's rationale for moving its listing to the Specialist Fund Segment in August 2019 was the potential for deeper trading from a broader range of shareholders. The following table outlines the shift in full-year trading volumes and turnover on the Company's shares:

Measure	2020 full year	2019 full year	2018 full year
Average daily trading volume	487,437	570,857	342,453
Total volume traded in the year	123,321,647	146,139,416	86,640,604
Turnover (as % of average issued capital)	68.28	72.13	42.30

The Directors consider the continued elevated trading volume and diversification of the shareholder base as encouraging signs for unlocking future shareholder value in line with NAV growth.

Compensation for loss of office

There are no agreements between the Company and its Directors providing for compensation for loss of office that occurs because of a change of control.

Financial prospects and position

In compliance with Provision 36 of the AIC Code of Corporate Governance (the 'AIC Code'), the Board has assessed the prospects of the Company over a period in excess of the 12 months required under the Going Concern assessment.

We have considered the sustainability and resilience of the Company's business model over the long term, including consideration of the impacts of COVID-19, and have based our assessment of the prospects of the Company on this consideration. This period of assessment of long-term prospects is greater than the period over which the Board has assessed the Company's viability.

The Board considers three years as the most appropriate time period over which to assess the long-term viability of the Company, as required by the AIC Code. This time period has been chosen as a reasonable period over which the Board can reasonably, and with a sufficient degree of likelihood, assess the Company's prospects and over which the existing Oakley Fund commitments will largely be drawn.

The Board has established procedures which provide a reasonable basis to make proper judgments on an ongoing basis as to the principal risks, financial position and prospects of the Company.

An AGM is held each year, where a separate resolution is proposed on each substantially separate issue.

Regular reporting to the Risk Committee of the Board provides for ongoing analysis and monitoring against risk appetite. Strategic considerations of the Board as it relates to financial prospects of the Company include:

- Use of leverage. The Company has to date chosen not to lever its balance sheet.
- Foreign exchange risk hedging. The Company does not hedge its foreign exchange exposure due to the unpredictable timing and quantum of private equity fund capital calls and distributions.
- Cash management – monitoring of cash flow forecasts enabling the Company to meet ongoing commitments to the Funds.
- Commitment to future Oakley Fund contributions based on analyses of liquidity forecasts and investment opportunities
- Utilising, periodically, surplus cash balances to implement share buy-backs for cancellation.

Viability statement

Based upon this assessment, the Directors confirm they have a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due over the period of three years from the date of this report.

Going concern

After making enquiries and given the nature of the Company and its investments, the Directors, after due consideration, conclude that the Company will be able to continue for the foreseeable future (being a period of 12 months from the date of this report). Furthermore, the Directors are not aware of any material uncertainty regarding the Company's ability to do so.

In reaching this conclusion, the Directors have assessed the nature of the Company's assets and cash flow forecasts and consider that adverse investment performance should not have a material impact on the Company's ability to meet its liabilities as they fall due. Accordingly, they are satisfied that it is appropriate to adopt a going concern basis in preparing these Consolidated Financial Statements.

Disclosure of information to the auditor

Having made enquiries of fellow Directors and key service providers, each of the Directors confirms that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Political donations and expenditure

The Company has made no political donations in the year and has no expectation of doing so in the future.

Annual General Meeting ('AGM')

An AGM is held each year, where a separate resolution is proposed on each substantially separate issue along with the presentation of the Annual Report and Accounts. All proxy votes are counted and, except where a poll is called, the level of proxies lodged for each resolution is announced at the Meeting and is published on the Company's website. The notice of AGM and related papers are sent to shareholders at least 21 working days before the Meeting.

The Chair and the Directors can be contacted through the Company Secretary, Oakley Capital Manager Limited, 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

In compliance with the bye-laws of the Company, the AGM will be conducted prior to 20 August 2021. Details of the AGM will be notified to shareholders separately to this report.

Events after balance sheet date

Following the year-end, the following events have been noted that impact the Company's look-through balance sheet:

Dividends – on 10 March 2021, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2020. This is due to be paid on 15 April 2021 to shareholders registered on or before 26 March 2021. The ex-dividend date is 25 March 2021.

Partial sale – on 7 January 2021, the Oakley Fund II portfolio company, Daisy Group, announced an agreement to sell its stake in its Digital Wholesale Solutions division. OCI's share of proceeds will be c.£22 million following this transaction, which includes the full repayment of OCI's outstanding c.£17 million direct loan to the Daisy Group. The transaction is subject to regulatory approval.

Origin Fund – on 25 January 2021, Oakley announced that the Origin Fund was closed to institutional investors, with an expected final fund size of €455 million. OCI committed a further €24.3 million to the Fund following the year end, taking the total OCI commitment to the Origin Fund to €129.3 million.

Acquisition – on 26 January 2021, Oakley Fund IV agreed to make a minority investment in idealista, the leading online real estate classifieds platform in Southern Europe. OCI's indirect contribution via Fund IV was c.£43 million.

Acquisition – on 25 February, Oakley Fund IV completed its investment in Dexters, one of London's leading independent chartered surveyors and estate agents. OCI's indirect contribution via Fund IV was c.£13 million.

Refinancing – on 1 March 2021, Oakley Fund III completed a refinancing of its investment in Career Partner Group. OCI's share of overall proceeds on a look-through basis was c.£28 million.

On behalf of the Board.

Caroline Foulger
Chair
10 March 2021

The Oakley Funds' investment strategy is to focus primarily on private mid-market, Western European businesses.

The Company seeks to meet its investment objective by investing primarily in the Oakley Funds, in successor funds managed by Oakley Capital Manager Limited ('OCML') and/or the General Partners of the Oakley Funds and/or advised by the Investment Adviser (or their respective affiliates).

Cash resources held by the Company that are not called upon by the Oakley Funds and their successor funds (or other investments) will be invested under treasury guidelines set by the Board. Risk appetite is typically limited to placing such funds in cash deposits or near-cash deposits. The Company is authorised to hedge the foreign exchange exposure of any non-GBP cash deposit or investment.

In connection with certain direct investment opportunities made available alongside the Oakley Funds and any successor funds thereto, the Board has been advised by OCML that, from time to time, OCML or (in the case of Luxembourg-based Funds) the Luxembourg AIFM may invite one or more Limited Partners in the Oakley Funds (and successor funds) including the Company to directly invest alongside the Oakley Funds (and successor funds) on substantially the same terms as such Limited Partnerships. In such event, OCML or the Luxembourg AIFM (or, as applicable, the AIFM of the successor fund) would make available to the Company copies of the due diligence and analysis prepared by OCML or the Investment Adviser and any other third parties in relation to such direct investment opportunities. The Board would then determine whether or not, and to what level, the Company should directly invest.

Investment strategy of the Oakley Funds

The Oakley Funds' investment strategy is to focus primarily on private mid-market Western European businesses, with the objective of delivering long-term capital appreciation within the Oakley Funds. The life of each Oakley Fund is expected to be approximately ten years, which includes a five-year investment period from the date of final closing.

The Oakley Funds primarily focus on equity investments that enable them to secure a controlling position in the target company. The Oakley Funds typically invest in sectors that are growing or where consolidation is taking place, investing both in performing and under-performing companies, supporting buy-and-build strategies, rapid growth, or businesses undergoing significant operational or strategic change. The sectors targeted by the Oakley Funds have included, in particular, technology, consumer and education. However, the Oakley Funds' sector focus is considered flexible through time in order to remain responsive to new or emerging opportunities.

Reinvestment

On any realisation of investments, the Company may reinvest funds in any of the following ways:

- by way of commitment to successor funds, or new funds with successor strategies such as the Origin Fund, in each case managed by OCML, the Luxembourg AIFM and/or advised by the Investment Adviser or their respective affiliates; or
- to a lesser extent, in direct investment opportunities alongside the Oakley Funds and/or successor funds provided by OCML or (in the case of Luxembourg-based Funds) the Luxembourg AIFM, or the AIFM of any successor fund; or
- in cash deposits and cash equivalents.

Borrowing powers of the Company

The Company has the power to borrow money in any manner. However, the Directors do not intend to borrow more than 25% of the net asset value of the Company determined at the time of drawdown. The Company may utilise leverage when deemed appropriate by the Board. The Company may be required to use its investments as security for any borrowings which it puts in place.

As at 31 December 2020, the Company had no outstanding borrowings, nor encumbrance on any of its assets.

Changes to the investment policy

No material changes have been made to the Company's investment policy during the year.

Risk management

The Board has developed a set of risk management policies, procedures and controls, and has delegated the monitoring, management and mitigation of these principal risks to the Risk Committee. The Risk Committee provides feedback and oversight to the Board on a regular basis. Refer to the Risk Committee Report to the Board on page 65.

The Directors are responsible for preparing the Annual Report and Consolidated Financial Statements in accordance with applicable law and regulations.

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Bermuda company law requires the Directors to lay Financial Statements for each financial year before the Members. The Directors have prepared the Consolidated Financial Statements in accordance with International Financial Reporting Standards ('IFRS'). Consistent with the common law requirements to exercise their fiduciary duties consistent with their level of skills, the Directors will not approve the Consolidated Financial Statements unless they are satisfied that the Consolidated Financial Statements present fairly, in all material respects, the state of affairs of the Company and of the profit or loss of the Company for the year. In preparing these Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it is inappropriate to presume that the Company will continue in business.

The Company's Consolidated Financial Statements are published on www.oakleycapitalinvestments.com.

The responsibility for the maintenance and integrity of the website has been delegated to the Investment Adviser. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Consolidated Financial Statements since they were published on the website.

The Directors are responsible for ensuring that (i) proper accounting records are kept which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and (ii) that the Consolidated Financial Statements comply with the Bermuda Companies Act 1981 (as amended). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement of the Directors in respect of the Annual Report

Each of the Directors, whose names and functions are listed in the Board of Directors section of this report, confirms that, to the best of his/her knowledge:

- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces;
- the Consolidated Financial Statements, prepared in accordance with IFRS, present fairly, in all material respects, the assets, liabilities, financial position and profit or loss of the Company and, taken as a whole, are in compliance with the requirements set out in the Bermuda Companies Act 1981 (as amended);
- the Annual Report includes a fair review of the development and performance of the business and position of the Company and a description of the principal risks and uncertainties the Company faces;
- the Investment Adviser's report, together with the Directors' report and Chair's statement, include a fair review of the information as required; and
- the Annual Report and Consolidated Financial Statements, taken as a whole, provide the information necessary to assess the Company's position and performance, business model and strategy, and is fair, balanced and understandable.

On behalf of the Board.

Caroline Foulger
Chair
10 March 2021

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of sound corporate governance.

Caroline Foulger
Chair

Chair's introduction to Corporate Governance

Good corporate governance is a fundamental component of the Company's activities.

The primary function of the Board is to provide leadership and strategic direction and it is responsible for the overall management and control of the Company.

It is through these functions that the Board delivers long-term sustainable value and responsible growth for its shareholders.

The Company voluntarily applies the FCA Listing Rules where appropriate. Listing Rule 9.8.4C requires the Company to include certain information in a single identifiable section of this Annual Report or a cross-reference table indicating where this information is set out. The Directors confirm that there are no disclosures to be made in this regard, save that: (i) Peter Dubens has waived his right to receive a Director's fee; and (ii) the Company has entered into an Operational Services Agreement with the Administrative Agent, Oakley Capital Manager Limited, which is owned 100% by Peter Dubens, a Director of the Company.

Statement of independence

The AIC Code recommends that the Chair should be independent in character and judgement and free from relationships or circumstances that may affect or could appear to affect his or her judgement.

In addition to this provision, at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent of the Oakley Group.

Independence is determined by ensuring that, apart from receiving their fees for acting as Directors or owning shares, Non-Executive Directors do not have any other material relationships with, nor derive additional remuneration from or as a result of transactions with, the Company, its promoters, its management or its partners, which in the judgement of the Board may affect, or could appear to affect the independence of their judgement.

The Board

Caroline Foulger, Fiona Beck and Richard Lightowler remain independent, as they are free from any business or other relationship that could materially interfere with their exercise of judgement. Stewart Porter will be independent in July 2021 on the third anniversary of his retirement from the Oakley Group.

Peter Dubens does not vote on matters in respect of which he is deemed to have a conflict of interest.

It is the Board's responsibility to ensure that the Company has a clear strategy and vision, and to oversee the overall management and oversight of the Company, and for its growing success.

In particular, the Board is responsible for making investment decisions into Oakley Funds and direct investments, monitoring financial performance, setting and monitoring the Company's risk appetite and ensuring that obligations to shareholders are understood and met.

The Directors believe that the Board has an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company.

Directors' terms of appointment

The terms and conditions of appointment for Non-Executive Directors are outlined in their letters of appointment and are available for inspection at the Company's registered office during normal business hours and at the AGM for 15 minutes prior to and during the meeting.

In accordance with the Company's bye-laws and best practice, Directors put themselves forward for annual re-election at every AGM.

The Board's process for the appointment of new Directors and proposed re-appointment of existing Directors is conducted in a manner which is transparent, engaged and open. The Nomination Committee oversees the nomination of Board members, as outlined in the Committee's report.

The Board has delegated specific areas of responsibility to its Committees.

Board meetings

Director Board attendance is summarised as part of the Nomination Committee report.

The principal matters reviewed and considered by the Board during 2020 included:

- regular reports from the Investment Adviser on the Oakley Funds;
- increased frequency of update calls with the Investment Adviser relating to portfolio performance during the global pandemic;
- regular reports and updates from the Investment Adviser on the direct investments and debt facilities held by the Company;
- regular reports from Investor Relations and the Investment Broker;
- direct investment opportunities;
- reports and updates from the Administrative Agent;
- consideration of the Company's share price and net asset value;
- regular reports from the Board's Committees;
- the Annual Report and Half-yearly Report;
- report from external remuneration consultant to the Remuneration Committee;
- report from the external auditor; and
- corporate matters including dividend policy and share buy-backs.

Board training

New Directors are provided with an induction programme tailored to the particular circumstances of the appointee and which includes being briefed fully about the Company by the Chair and Senior Executives of the Investment Adviser. The Board programme considers the training and development needs of both the Board as a whole and of individual Directors.

Information and support

The Board ensures it receives, in a timely manner, information of an appropriate quality to enable it to adequately discharge its responsibilities. Papers are provided to the Directors in advance of the relevant Board or committee meeting to enable them to make further enquiries about any matter prior to the meeting, should they so wish. This also allows the Directors who are unable to attend to submit views in advance of the meeting.

The Board of Directors has regular access to the Investment Adviser and Administrator which supports open discussion at Board meetings.

Reports from the Committees of the Board

The Board has delegated specified areas of responsibility to its Committees. The terms of reference of all Committees are available publicly on the Company's website.

In practice, all Board members are eligible to attend all Committee meetings, unless specifically identified conflicts are deemed to require otherwise.

The Board primarily assesses each Committee's performance by analysing output against its terms of reference and its members' attendance at Committee meetings.

AIC Code

The Board recognises the importance of sound corporate governance and has chosen to comply with the Association of Investment Companies Code of Corporate Governance (the 'AIC Code'), as is appropriate for the Company's size and listing.

The AIC represents closed-ended investment companies whose shares are traded on public markets. The purpose of the AIC Code is to provide a framework of best practice in respect of the governance of investment companies.

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance, as last updated in February 2019. The AIC Code addresses the Principles and Provisions set out in the 2018 UK Corporate Governance Code (the 'UK Code'), as well as setting out additional Principles on issues that are of specific relevance to the Company.

The Board considers that reporting consistent with the Principles of the AIC Code, which has been endorsed by the Financial Reporting Council, will provide more relevant information to shareholders.

A copy of the AIC Code is available on the AIC's website at www.theaic.co.uk. It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Board has maintained its focus on the governance process to preserve and create value for shareholders.

The Company has complied with all the Principles and Provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below:

- the UK Code includes provisions relating to the need for an internal audit function. The Board and Audit Committee continues to consider the need for a dedicated internal audit or assurance function as not required for the Company, given the robust, independent ongoing work conducted by the Management Engagement Committee in reviewing service providers' performance, internal controls and quality.

In the context of the business of the Company, certain recommendations of the AIC Code have not been deemed appropriate to its governance framework, as explained below:

- the UK Code includes provisions relating to the role of senior executive remuneration. The Board continues to consider this provision as not relevant to the Company as it does not have any employees, with remuneration of service providers being actively considered and reviewed for appropriateness by the Management Engagement Committee. Risk management decisions are taken by the Board and its Committees.
- AIC Provision 24: The Board has chosen not to adopt a fixed policy on tenure of the Chair. The tenure of the current Chair, Caroline Foulger's appointment has been set to end and/or be considered for renewal in September 2022. The Board recognises the value of refreshing its membership regularly, and has established fixed tenure for all three independent Directors. The Nomination Committee of the Board prefers to retain the flexibility to assess the balance of skills and experience of the Board as a whole. Furthermore, given the long-term nature of the Company's investments, the Directors consider that maintaining a degree of continuity and a long-term perspective at Board level can be of particular value.

The Company's compliance with the AIC Code principles is summarised on the following pages.

The Corporate Governance Report has been approved by the Board and is signed on its behalf by:

Caroline Foulger
Chair
10 March 2021

Board leadership and purpose

Principle	Evidence of compliance
A A successful Company is led by an effective Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	Long-term sustainability of the financial prospects of the Company's business model is considered as part of ongoing strategy discussions by the Board. This is premised upon the repeatable success of the Oakley Funds, and therefore due diligence of the Investment Adviser's processes and performance continues to be considered by the Management Engagement Committee of the Board. Risk appetite is monitored and maintained within Board-approved limits, preserving value and controlling for current and emerging risks. The Company's investment policy and objective is included as part of this Annual Report – refer to the inside front cover of this report and page 54. Also see the Company's business model and strategy on page 18.
B The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.	The Board believes that its core strategy of investing in the Oakley Funds provides access to Oakley's entrepreneurial values and willingness to embrace complexity. The Oakley Funds provide access to investment opportunities at attractive entry multiples, consistent with the Company's investment objectives. Oakley summarises its values as: **CONNECTED:** An established network of European entrepreneurs that identify opportunities and drive growth. **CREATIVE:** The ability and experience to tackle complex transactions and unlock hidden pockets of value. **COLLABORATIVE:** A culture of humility and openness and a commitment to long-term partnership. The Board actively fosters and supports a culture that is open to new ideas, and is able to leverage the experience and expertise of its service providers. The Company has enhanced dedication to its environmental, social and governance impacts on wider society during the year. The Company is working closely with the Investment Adviser's newly appointed Head of Sustainability as the ESG process is embedded throughout the investment cycle and has added ESG process to its own portfolio monitoring and governance framework. The Nomination Committee performs an annual effectiveness assessment of the Board, which includes testing of alignment with strategy, purpose and values. Refer to the report by the Nomination Committee on page 68. Oakley has the empathy to understand the challenges faced by entrepreneurial founders and management teams, and the experience to work closely with them to provide solutions as they develop and grow their business.
C The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Through the work of its regular Committee and Board meetings, the Board ensures frequent measurement against the Company's objectives. The adequacy, effectiveness and appropriateness of resources and controls are monitored and discussed regularly at Board meetings. The Directors' Report outlines the activities of the Board in more detail. > The Management Engagement Committee assesses key service providers' performance including expectations for effectiveness of its respective control environments – refer to the Committee Report on page 69. > The Audit Committee oversees the internal and financial control environment for adequacy and effectiveness – refer to the Committee Report on page 63. > The Risk Committee establishes the Company's risk framework in conjunction with Board-approved risk appetites. The risk framework is used to monitor and measure established and emerging risks. > The Nomination Committee aims to balance skills, experience and diversity of Board members and conducts, at least annually, a Board effectiveness assessment. > The Governance, Regulatory and Compliance Committee aims to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the relevant codes, laws, regulations and policies impacting the Company. The Company implements and strictly monitors its Conflicts of Interest Policy. There were no breaches of this policy in 2020.

CORPORATE GOVERNANCE REPORT CONTINUED

Principle	Evidence of compliance
D In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	The Board is committed to maintain the Company's reputation for high standards of conduct and engagement with its shareholders and stakeholders – refer to Section 172 reporting on page 51. The Board remains committed to transparent reporting in all communications including in Annual and Half-year Reports, via the Company website, and by means of annual shareholder meetings and Capital Markets Days.

Division of responsibilities

Principle	Evidence of compliance
F The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information.	Caroline Foulger, as Chair, leads the Board of Directors with an open culture of demonstrative challenge, openness and accountability. She was independent at appointment, and is considered by the Board to remain so for all intents, constructions and purposes, as assessed consistently with the circumstances listed in AIC Provision 13. The responsibilities of the Board are set out in the Company's bye-laws, which are published on its website. All Committees' terms of reference are furthermore also published on the Company's website. The number of meetings of the Board and its Committees, and the individual attendance by Directors are reported on in the Nomination Committee's Report to the Board, which is included in this Annual Report.
G The Board should consist of an appropriate combination of Directors (and, in particular, independent Non-Executive Directors) such that no one individual or small group of individuals dominates the Board's decision-making.	Three of five Directors are considered independent (i.e. Caroline Foulger, Richard Lightowler and Fiona Beck). Stewart Porter will be considered independent effective July 2021 following more than three years from his retirement from Oakley. After Craig Bodenstab stepped down from the Board, Richard Lightowler was appointed as Senior Independent Director, securing an available path of intermediation for shareholders and other Directors, whilst also acting as trusted adviser and sounding board to the Chair. Peter Dubens is the Founder and Managing Partner of the Oakley Group, and hence not considered independent. The Company implements a strict Conflicts of Interest Policy to mitigate any potential interference with Directors' exercise of judgement. The culture of open and honest communication and forthright discussion means no individual or small group of Board members dominates decision-making.
H Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account.	All Directors' other commitments are monitored, reported, and publicly disclosed by RNS as appropriate. During 2020, demands on Directors' time was considered at all times prior to the approval of additional material mandates being approved by the Board. Directors have regular direct access to both senior and junior level service provider staff. The Management Engagement Committee enforces and supports continuous improvement both from a tactical service delivery and high-level strategic engagement perspective. The Management Engagement Committee's Report includes an assessment of the performance of the Oakley Group and other service providers for the year. For 2020, the performance of significant service providers was deemed as strong. A review of administration services is scheduled for the first half of 2021.

CORPORATE GOVERNANCE REPORT CONTINUED

Principle	Evidence of compliance
I The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Administrative Agent, Oakley Capital Manager Limited, also acts as Company Secretary and is based at the Company's registered address in Bermuda. Board members have readily available access to senior staff at the Administrative Agent and Investment Adviser, enhancing information flow in support of effective decision-making. Directors and Committees of the Board have access to independent professional advice, at the Company's expense, if deemed necessary and appropriate. This is provided for in the terms of reference of each relevant Committee, available on the Company's website. The ultimate decision to invest, or take other investment decisions, sits with the Board. In the ordinary course, this is done after reviewing the recommendations of the Investment Adviser.

Composition, succession and evaluation

Provision	Evidence of compliance
J Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	The Nomination Committee completes a formal due diligence process on all appointments. Promotion of inclusiveness, diversity of gender and professional backgrounds, as well as personal strengths are thoroughly incorporated in decision-making. The Board has achieved a 40%/60% gender balance and aims to develop its ethnic diversity in the future.
K The Board and its Committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	The Board considers the current level of diversity of demographic, soft and hard skills, as well as balance of appropriate experience and tenure. Each of the Directors retire and are subject to re-election at each AGM. Nomination decisions are taken by the Nomination Committee of the Board. Refer to the Directors' Report for the biography of each Director, page 46. Fiona Beck was appointed to the Board in September 2020, bringing a depth of experience in leadership roles and telecoms industry expertise. Caroline Foulger's position as Chair is currently due to expire on 30 September 2022, approximately six years after her first appointment to the Board. Due to the long-term nature of the Company's investments in the Oakley Funds, continuity and succession planning are important considerations that are considered and assessed by the Nomination Committee of the Board.
L Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.	Board and Committee effectiveness is formally assessed at least annually. The objective of Board diversity and inclusion is taken into account during the Board nomination and evaluation process. The assessment for 2020 assessed the Board as a whole and each Director's performance as strong.

CORPORATE GOVERNANCE REPORT CONTINUED

Audit, risk and internal control

Principle	Evidence of compliance
M The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Audit Committee, consisting of three independent Directors considers the independence and effectiveness of the external auditors at least annually. Given the size and composition of the Company's Board, it has been deemed appropriate that the Chair is a member of the Audit Committee in order to satisfy the requirement for the Committee to be made up of three independent Directors. The Company rigorously follows policy and procedure to ensure effectiveness of external audit and integrity of Financial Statements and narrative reporting. Refer to the Audit Committee Report on page 63.
N The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	The Company's financial position and prospects is reviewed on an ongoing basis; refer to the viability statement on page 53. This includes assessment and monitoring of emerging and principal risks relevant to the business model of the Company. The Annual and Half-year Report provides fair, balanced and understandable commentary on the Company's position and prospects.
O The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	The Risk Committee of the Board monitors risk against risk appetite, which is reassessed at least annually. The operational, financial and compliance control framework of the Company is materially implemented by service providers. These are overseen by the Management Engagement Committee. The Governance, Regulatory and Compliance Committee monitors and oversees implementation of compliance controls and compliance with relevant laws and regulations. Refer to the respective Committee Reports.

Remuneration

Principle	Evidence of compliance
P Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	Directors of the Company, excluding Peter Dubens, are paid a fixed Director's fee only. Peter Dubens does not receive a fee. The Company has adopted a policy whereby independent Directors are required to hold shares in the Company to the value of one year's fees within three years of appointment.
Q A formal and transparent procedure for developing remuneration policy should be established. No Director should be involved in deciding their own remuneration outcome.	The Remuneration Committee reviews market appropriateness and fairness of Director remuneration at least annually. During 2020, the Board, by means of the Remuneration Committee, had an external remuneration consultant review and provided recommendations on Directors' fees appropriate for the Company's circumstances. It was agreed to increase Directors' fees as outlined on page 71.
R Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.	Company performance, operating complexities, individual contribution and market circumstances are all considered by the Remuneration Committee.

The Board is supported by the Audit Committee, which comprises Richard Lightowler as the Chair of the Committee, Fiona Beck and Caroline Foulger.

Objectives for 2021

- Continued oversight of the investment valuation process and methodology to ensure that NAV is reported fairly.
- Regular monitoring of impact of COVID-19 on portfolio companies and NAV.
- Oversight and assessment of quality of external auditor.
- Work through the transition plan for Audit Engagement Partner.
- Continue to provide oversight of financial reporting, internal controls and audit process.

Achievements in 2020

- Completion of a tender process for external audit services.
- Concluded that the year-end valuations have been effectively carried out, and that investments are fairly valued.
- Active monitoring of impact of the COVID-19 pandemic on portfolio companies and resultant effect on valuation process and NAV estimates.

The principal role of the Audit Committee is to consider the following matters and make appropriate recommendations to the Board to ensure that:

- the integrity of financial reporting and the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the independence, objectivity and effectiveness of the appointed Auditor is monitored and reviewed. The Committee additionally reviews the Auditor's performance in terms of quality, control and value and considers whether shareholders would be better served by a change of Auditor; and
- the internal control systems of the Company are adequate and effective.

The Chair of the Audit Committee is appointed by the Board of Directors. Richard Lightowler was appointed as Audit Committee Chair following the retirement of Laurence Blackall at the May 2020 AGM. As at 8 March 2021, the Audit Committee comprised Richard Lightowler (Chair), Caroline Foulger and Fiona Beck.

The Audit Committee met three times during the year under review and has continued to support the Board in fulfilling its oversight responsibilities. The Audit Committee formally reports to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. Attendance is summarised as part of the report by the Nomination Committee of the Board.

Financial reporting

One of the most significant risks in the Company's accounts is the valuation of the Oakley Funds and of the Company's direct debt and equity investments, specifically whether those investments are fairly and consistently valued. This issue is considered carefully when the Audit Committee reviews the Company's Annual Report.

A key area of focus of the Committee is the underlying business performance of the Oakley Funds' portfolio companies and the methodologies and estimates used in their valuation. This is also a key area of focus of the Auditor.

The Board met regularly during the year outside the normal Board cycle to receive updates from the Investment Adviser on how the pandemic was affecting portfolio companies, what actions were being taken by those companies and the resultant impacts on financial results, prospects and therefore, valuations.

Valuations are produced by the Investment Adviser and are independently reviewed by a professional valuation firm who report on their procedures and the conclusions of their work. The Committee reviews and ensures continued independence of the external valuation firm. The Investment Adviser provides detailed explanations of the rationale for the valuation methodologies.

The Audit Committee concluded that the year-end valuation process had been effectively carried out and that the investments have been fairly valued. It is noted that both the valuation process and accounting principles applied during the year were materially consistent with previous years.

During the year, the Audit Committee reviewed and approved the Company's Half-year Report and dividend declarations.

The Audit Committee approved the Annual Report, confirming to the Board that financial and narrative reporting are fair, balanced and understandable, in compliance with the AIC Code of Corporate Governance.

Audit: independence and objectivity

The Committee is responsible for overseeing the relationship with the external Auditor including (but not limited to): approval of their remuneration; approval of their terms of engagement; assessing annually their independence and objectivity; monitoring the Auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners and specialists; and assessing annually their qualifications, expertise and resources and the overall effectiveness of the audit process.

KPMG Audit Limited ('KPMG' or the 'Auditor'), located in Hamilton, Bermuda, has been the Company's Auditor since 2007. The Audit Committee reviews their performance annually. The Audit Committee considers a range of factors in determining the quality of the audit firm including independence and objectivity, quality of service, the Auditor's specialist expertise and the level of audit fee. Based on the Company's policy, the Auditor is required to rotate the audit partner every five years. The year ended 31 December 2020 is the fourth year of the current audit partner's involvement leading the audit of the Company.

The Audit Committee undertook a tender process early in 2020 for the 2021 external audit. Three firms (including KPMG) were invited to participate. From the initial submissions received, the Committee narrowed the candidates to two firms. This process concluded in the retention of KPMG as external auditor. Key to this decision was KPMG's effectiveness, strength of team and strong controls in support of maintaining independence. As a former partner of KPMG, Richard Lightowler was not involved in this tender process and did not assume the role of Chair until the tender process was complete.

Any non-audit work carried out by the Auditor must be approved in advance by the Audit Committee. In deciding whether to engage the Auditor for non-audit services the Committee considers the impact on independence, potential conflicts of interest, the nature of the work being performed, the ability of the team conducting the work and its relationship to the audit team as well as the quantum of fees in relation to the audit fee.

During the year, the Audit Committee approved the following non-audit services provided by KPMG:

- assistance with the preparation of Bermuda Economic Substance Declaration ('ESD') filings; and
- regulatory and tax updates to the Board of Directors.

The Committee is satisfied that these services do not impact Auditor independence or otherwise impact the quality of the external audit.

Internal control and risk management

The Audit Committee considers the potential need for an internal audit function on an annual basis.

The Company engages service providers to carry out all significant operating and financial reporting activities. The Management Engagement Committee monitors the performance of all key service providers, including a consideration of their internal controls and compliance activities. The Company receives direct reporting from the service providers (including from their compliance functions) on internal controls, the identification of any weaknesses or significant changes in process. This oversight by the Management Engagement Committee is considered adequately robust and independent given the nature of operations and obviates the need for an internal audit function.

No material control weaknesses or any suspicions of potential fraud were identified by the Company. The Company and its key service providers implement clear whistle-blowing and anti-bribery and corruption policies.

On behalf of the Board.

Richard Lightowler

Chair of the Audit Committee

RISK COMMITTEE REPORT

The Board is supported by the Risk Committee, which comprises two Non-Executive Directors. Richard Lightowler is the Chair of the Committee and Caroline Foulger also serves on the Committee.

Objectives for 2021

- Ensuring the risk incident report remains clear of any material risk events for the year.
- Enabling increased efficiency in policy and process review and transparency through the use of technology.
- Continuing to robustly and effectively challenge the portfolio monitoring and reporting process.

Achievements in 2020

- Risk incident report clear of any material risk events for the year.
- Appointed new Non-Executive Director to chair the Risk Committee.
- Improved the methodologies and processes used by the Company for identifying, evaluating and monitoring risk.
- Further quantified and expanded risk appetite agreed with the Board.

Effective identification, management and mitigation of risks is central to the Company achieving its strategic objectives. The Board develops and maintains the Company's risk management strategy, and performs oversight of its implementation. Responsibility for implementation of the risk management appetite, strategy, monitoring and reporting is delegated to the Risk Committee.

The Risk Committee has oversight of the Company's risk management process including managing risk tolerances. The Committee is responsible for ensuring the effective application of risk management in the operations of the Company.

The Risk Committee acts separately from the function of portfolio management and is comprised of Non-Executive Directors, with support from resources independent of the Investment Adviser. The Chair of the Risk Committee is appointed by the Board of Directors. The role and responsibility of the Chair of the Risk Committee is to set the agenda for meetings of the Risk Committee and, in doing so, take responsibility for ensuring that the Risk Committee fulfils its duties under its terms of reference.

As at 8 March 2021, the Risk Committee comprised Richard Lightowler (Chair) and Caroline Foulger.

The Risk Committee met four times during the year under review and has continued to support the Board in its oversight, monitoring and mitigation of emerging and principal risks.

The principal risks and uncertainties faced by the Company are described below. Note 5 to the Consolidated Financial Statements provides detailed explanations of the risks associated with the Company's investments.

On behalf of the Board.

Richard Lightowler
Chair of the Risk Committee

PRINCIPAL RISKS AND UNCERTAINTIES

During the year under review, the Risk Committee has continued to identify, assess, monitor and manage risks within the Company, including those that would impact its future performance, solvency, liquidity or reputation. This review includes the monitoring of risk exposure compared with the risk appetite established by the Board.

Key risks and uncertainties of the Company are assessed on a scale, considering their impact and likelihood. The Committee monitors detailed and, wherever possible, quantifiable indicators of the Company's exposure to risk, segmented into five core categories, summarised below. During 2020, regular consideration was given to the impact COVID-19 had in each of the five categories of risk.

Principal risks

Financial performance

Risks and uncertainties	Impact	Mitigation
The Company's investment activities expose it to a variety of financial risks that include credit, liquidity, interest rate, currency and valuation risk. Further details are disclosed in Note 5 to the Consolidated Financial Statements.	The main driver of the Company's performance is the valuation of the underlying portfolio companies held by the Oakley Funds as well as its direct investments. The Risk Committee monitors the movements in the valuations of the underlying portfolio on a quarterly basis and challenges movements which differ from expectations. Material changes in valuations have a significant impact on performance.	During the year, the Board regularly considered the impact of COVID-19 on valuations. Specifically, this included monitoring the impact on operating and financial performance of portfolio companies. This was achieved through regular update calls, materials and discussions with the Investment Adviser. The credit risk of lending to the Oakley Funds or direct debt investments in portfolio companies is considered on a case-by-case and aggregate basis by the Board and Risk Committee. Direct credit investments were substantially reduced during 2020, as part of a continued strategy towards a clear focus on Fund investments. The Company holds investments in portfolio companies located outside the UK, notably Western Europe, which are valued in non-GBP currencies. The Company may hedge the foreign exchange exposure to any non-GBP investments as deemed appropriate by the Board from time to time. The Risk Committee considers potential hedging strategies for recommendation to the Board, and has to date recommended not to hedge any currency risk aside from keeping a nominal amount of cash holding in GBP for servicing ~three years' operating expenses.

Company performance

Risks and uncertainties	Impact	Mitigation
The Risk Committee monitors and manages a Board-set appetite on Company performance with a clear focus on stakeholder interests as measured by share price. Shareholder return, NAV return, share price discount to NAV and dividend yield are all actively monitored and actions recommended for Board approval as deemed appropriate.	The Company considers the most impactful drivers of its performance to be the pipeline of Fund investments available for investment, relative to liquid cash positions, and underlying portfolio Company performance in the Fund investments. Reputational risk, sustainability considerations and dividend policy are also factored into performance management.	Consistent with guidelines and tolerances set by the Board, the Committee considers potential corrective action within its control, in the event of tolerances being exceeded. The availability of investment pipeline, i.e. future Oakley Fund investment opportunities, are considered in tandem with the opportunity cost of potential cash drag relative to liquidity risk. Dividend policy and share buy-back programmes are also considered in tandem with liquidity risk. The Committee specifically introduced dedicated monitoring of ESG risks during 2020.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Operational risk

Risks and uncertainties	Impact	Mitigation
(i) Outsourcing The Company relies heavily upon the services provided by contracted third-party advisers. The valuation of the underlying portfolio companies, cyber security, data management, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of key service providers.	(i) Outsourcing Significant disruption of service providers could have adverse impacts on timing and quality of financial reporting and safeguarding of assets.	(i) Outsourcing Through the Management Engagement Committee, regular reviews of the performance of service providers (including the Administrative Agent and Investment Adviser) are conducted. The performance assessment considers cost, efficiency, internal controls, performance, key person risk and compliance with the terms of arrangements. The results of these reviews are shared with the Board and monitored by the Risk Committee as part of the appetite. COVID-19 had limited impact on operational risk. All service providers were able to quickly and effectively move to remote working without disruption to operations.
(ii) Governance The effective operation of the Board, including its composition and skills mix, is key to the continued success of the Company and is monitored by the Risk Committee and overseen by the Nomination Committee of the Board.	(ii) Governance Strong governance is recognised as a key performance measure and is embedded in all activities of the Company. Good governance has a positive impact on performance.	(ii) Governance The Company has a clear commitment to governance with tone set by the Board. The Nomination Committee is responsible for selection of Directors and evaluation of the Board and individual Directors annually. The Company implements strict policies to track, monitor and mitigate conflicts of interest on both an individual and transactional basis. The Risk Committee maintains a register of potential conflicts of interest for appropriate mitigation in the event of perceived conflicts, and ensures appropriate implementation of necessary protocol when decisions are taken.

Regulatory risk

Risks and uncertainties	Impact	Mitigation
Changes in legislation, regulation and/or government policy could significantly impact the Company's performance.	Cost and resourcing implications of new and/or changing regulation can result in material impacts to the Company. Compliance failures can further result in penalties, censure or reputational damage.	The Governance, Regulatory and Compliance Committee tracks and reports on emerging regulatory, tax and legal developments potentially impacting the Company. These are monitored within the Company's risk framework. The Committee receives regular reporting and input from the Company's legal counsel (both UK and Bermuda), financial adviser, and internal compliance team.

Liquidity risk

Risks and uncertainties	Impact	Mitigation
As the Company invests in illiquid private equity closed-ended funds and direct private debt and equity investments, forecasting cash flows is a key component in managing liquidity risk. These cash flow forecasts include significant estimates as to timing and quantum of cash inflows and outflows.	The ability to meet ongoing operational liquidity needs and capital calls related to Fund commitments is of the highest priority for the Company. The level of new Fund commitment is driven off longer-term future Fund cash flow projections, which are considered within a range of probabilities.	To manage this uncertainty, the Company maintains a level of liquidity to enable it, based on these estimates, to meet its capital commitments to the Oakley Funds as well as being able to participate in any other potential investments made by Oakley throughout the investment and realisation cycle. Cash flow models are reviewed at least quarterly to manage cash throughout the investment cycle. This enables the Company to fulfil its commitments as they fall due, manage longer-term commitments and actively manage liquid cash resources. The Risk Committee actively monitors future cash flow forecasts with a focus on understanding key assumptions and estimates, and maintenance of liquidity within established risk tolerances.

NOMINATION COMMITTEE REPORT

The Board is supported by the Nomination Committee, which comprises three Non-Executive Directors. Caroline Foulger is the Chair of the Committee, with Richard Lightowler and Fiona Beck also serving.

Objectives for 2021

- Continuing to oversee appointments and reappointments to the Board of Directors; and
- Continuing to assess and oversee Board effectiveness.

Achievements in 2020

- Appointed one new Bermuda-based Non-Executive Director to join the Board, strengthening the balance of skills and providing further succession planning options;
- Enhanced the Board Effectiveness Review process; and
- Continued effective Board management.

The purpose of the Committee is to provide effective operation of the Board and to oversee appointments and reappointments to the Board.

The Committee oversees the process of nomination and appointment of new Directors. In summary, the process includes, but is not limited to:

- reviewing the succession plans and needs for the Chair of the Board and Directors;
- seeking the best available candidates considering specific criteria determined by the Board;
- agreeing a short-list of candidates, considering the views of the Company's professional advisers; and
- conducting interviews both individually and inclusive of the Board as a whole.

Members of the Committee vote on the election of new candidates, following which appointment is recommended to the full Board. The Board considers diversity when making a new appointment and seeks to get a unanimous vote on the appointment of the proposed candidate.

As at 8 March 2021, the Nomination Committee comprised Caroline Foulger (Chair), Fiona Beck and Richard Lightowler. Caroline, as Chair of the Board, cannot vote on her own appointment. The Company does not have a formal policy of tenure in place but assesses each Director's role on an individual basis based on their performance. In its review of the effectiveness of the Board, the Committee monitors Board and Committee meeting attendance. See the Governance, Regulatory and Compliance Committee Report for details of the Diversity and Inclusion policy.

During 2020, Laurence Blackall retired and Craig Bodenstab resigned from the Board in May and June respectively. Fiona Beck was appointed as an independent Non-Executive Director in September.

On behalf of the Board.

Caroline Foulger
Chair of the Nomination Committee

Number of meetings attended / eligible to attend:

Director	Board Meetings	Audit Committee	Risk Committee	Management Engagement Committee	Governance, Regulatory and Compliance Committee	Nomination Committee	Remuneration Committee
Caroline Foulger	10/10	3/3	4/4	2/2	4/4	1/1	3/3
Craig Bodenstab *(resigned June 2020)*	6/6	1/1	2/2	1/1	2/2	0/0	2/2
Laurence Blackall *(retired May 2020)*	4/4	1/1	1/1	0/0	1/1	0/0	1/1
Stewart Porter	10/10	3/3	4/4	2/2	4/4	1/1	3/3
Fiona Beck *(appointed September 2020)*	2/2	1/1	1/1	1/1	1/1	0/0	1/1
Peter Dubens *(or David Till as alternate)*	10/10	3/3	4/4	2/2	4/4	1/1	3/3
Richard Lightowler *(appointed in December 2019)*	10/10	3/3	4/4	2/2	4/4	1/1	3/3

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

The Board is supported by the Management Engagement Committee, which comprises two Non-Executive Directors. Caroline Foulger chairs the Committee, and Richard Lightowler also serves on the Committee.

Objectives for 2021

- Continuing to monitor the remuneration, performance and compliance with respective agreements of key service providers.
- Continued enhancement of ongoing monitoring and reporting of key service provider control environment and performance.

Achievements in 2020

- Assessment of the remuneration, contractual arrangements and performance of the Administrative Agent, Investment Adviser, Broker and Financial Adviser.
- Review of all fees and expenses related to key material service providers.
- Renegotiated direct investment performance and operational service fees.

We are pleased to report on the matters which the Management Engagement Committee has considered.

The purpose of the Committee is to review on a regular basis the appointment, remuneration and performance of the key service providers to the Company, with a key focus on the Investment Adviser and Administrative Agent.

The Committee is focused on quality and value in the services obtained, and monitors this by means of oversight of performance, assessments of internal controls and exception reporting.

The Chair of the Management Engagement Committee is appointed by the Board of Directors.

The Management Engagement Committee met three times during the year. The Committee formally reports to the Board on its proceedings on all matters within its duties and responsibilities. Attendance is summarised as part of the report by the Nomination Committee of the Board.

Investment Adviser and Administrative Agent

The Management Engagement Committee reviewed the performance and compliance with agreements of both the Administrative Agent and Investment Adviser in 2020.

Factors addressed by the Committee during the year include:

- Marketing and investor relations performance – ongoing oversight of investor relations. Noting enhanced shareholder engagement during the year despite limited ability to engage in person.
- Remuneration: The Company renegotiated management and performance fees on direct investments to better align with market practice (see Directors' Report for further detail).
- Compliance with contractual arrangements and duties, including an assessment of the internal control environment.
- ESG and diversity considerations were flagged to service providers as high priorities of the Board in its review.

It is the opinion of the Directors that the continuing appointment of the Administrative Agent and the Investment Adviser on the terms agreed is in the interests of its shareholders as a whole. Through the work of the Management Engagement Committee of the Board, the proven strong performance delivery from these service providers was noted, with no material deficiencies in delivery against agreed terms.

Other key service providers

In most instances, relationships with key third-party service providers are managed by employees of the Investment Adviser and Administrative Agent on behalf of the Company. The Broker and Financial Adviser were specifically assessed by the Committee during 2020.

Both the Committee and Board reviewed vendor-specific expenses during the year, and regularly had discussions regarding the performance of providers of legal, financial advisory, brokerage, communications and administration services.

On behalf of the Board.

Caroline Foulger

Chair of the Management Engagement Committee

GOVERNANCE, REGULATORY AND COMPLIANCE COMMITTEE REPORT

The Board is supported by the Governance, Regulatory and Compliance Committee, which comprises two Non-Executive Directors. During 2020, Stewart Porter chaired the Committee. From November 2020, Fiona Beck is the Chair of the Committee with Stewart Porter remaining on the Committee.

Objectives for 2021

- Continuing to develop and oversee the framework for Board training.
- Continued regular updates on regulatory and compliance matters.
- Ensuring the Board remains fully informed of upcoming changes in regulation, governance and compliance requirements.

Achievements in 2020

- Conducted bespoke training for Directors on relevant laws and regulations.
- Detailed monitoring of ongoing obligations and Director responsibilities.
- Solidified OCI's compliance with the new Bermuda Economic Substance Act.

The Board is pleased to report on the range of matters which the Governance, Regulatory and Compliance Committee has considered during 2020.

The purpose of the Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the relevant codes, laws, regulations and policies impacting the Company.

Key responsibilities include:

- Evaluate and monitor the Company's compliance with relevant codes, laws, regulations and external policies.
- Monitor new governance, legal, regulatory and compliance standards and ensure that plans are put in place and implemented to ensure the Company's readiness.
- Oversee the framework for Board training.

The Chair of the Governance, Regulatory and Compliance Committee is appointed by the Board of Directors.

The Governance, Regulatory and Compliance Committee met four times during the year. The Committee formally reports to the Board on all matters within its delegated responsibilities.

Attendance is encouraged for all Board members, as it serves as a forum for regulatory awareness and training. Director attendance is summarised as part of the report by the Nomination Committee of the Board.

Governance

The Committee considered the 42 provisions and 18 principles of the AIC Code of Corporate Governance, as updated in February 2019.

Compliance with and exceptions to the AIC Code were reported to the Board, and are presented in summary as part of the Corporate Governance Statement of this report.

Diversity and inclusion

The Company recognises the benefits that diversity can bring to its Board, and places great importance on ensuring that Board membership reflects this. The Board believes that a wide range of experience, age, background, perspectives, skills and knowledge allows Directors to share varying perspectives and insights, helping to create an environment of effective decision-making.

The Board supports the Investment Adviser's endeavours in relation to diversity and inclusion.

Additionally, the Board recognises the importance of leading by example on and encouraging Board diversity as it relates not only to Oakley, but also to the composition of Oakley portfolio company boards and leadership teams.

Regulatory and compliance

2020 saw the first reporting cycle of new Economic Substance regulations in Bermuda, with the Company compliant. In addition, the Administrative Agent, Oakley Capital Manager Limited, underwent a supervisory review as a regulated Investment Business in Bermuda under the Bermuda Monetary Authority. This serves as testament to the effectiveness of additional levels of oversight and robustness in the compliance control environment of the Company's key service providers.

Compliance with relevant London Stock Exchange and Bermuda law continuing obligations is monitored on an ongoing basis.

On behalf of the Board.

Fiona Beck

Chair of the Governance, Regulatory and Compliance Committee

REMUNERATION COMMITTEE REPORT

The Board is supported by the Remuneration Committee, which comprises three Non-Executive Directors. Craig Bodenstab served as Committee Chair until his resignation in June 2020. Caroline Foulger is the Chair of the Committee, with Fiona Beck and Richard Lightowler also serving on the Committee.

Objectives for 2021

- Continuing to assess and determine Directors' remuneration, ensuring no single Director determines their own remuneration.

Achievements in 2020

- External remuneration consultant review, benchmarking and revision of Directors' fees.

As the Company has no direct employees, the purpose of the Committee is to determine or (as applicable) make recommendations regarding the remuneration of Directors of the Company, whilst ensuring no single Director determines their own remuneration.

The Committee commissioned an independent external remuneration consultant, early in 2020, in order to assess, benchmark and recommend appropriate levels of Director remuneration. The consultant, Trust Associates Limited, has no connection with the Company or individual Directors.

The active nature of the Board, and the way the Board works collectively sharing responsibility, particular challenges of attracting high-calibre Bermuda-based Directors, long-term continuity in Board membership and the absence of additional Committee Chair fees were all considered as part of the remuneration assessment.

Based upon the recommendations and feedback from the consultant, Director remuneration was increased from £50,000 to £90,000 per annum for Non-Executive Directors and from £65,000 to £100,000 per annum for the Chair, applicable to 2020 and 2021. Peter Dubens continues to serve without a fee.

The Chair of the Remuneration Committee is appointed by the Board of Directors and in the current scenario where Caroline Foulger chairs the Committee, she explicitly does not vote on or determine her own remuneration.

On behalf of the Board.

Caroline Foulger
Chair of the Remuneration Committee

Directors are remunerated in the form of fixed fees.

Remuneration report

The Non-Executive Directors who served in the period from 1 January 2020 to 31 December 2020 received the fees detailed in the table below. Directors are remunerated in the form of fixed fees, payable twice annually in advance (typically in January and July of each year), to the Director personally. No fees are paid for attending meetings or chairing Board committees.

Director	2020 Fees (£)	2019 Fees (£)
Caroline Foulger	100,000	65,000
Peter Dubens[1]	0	0
Laurence Blackall[2]	27,500	50,000
Stewart Porter	90,000	50,000
Craig Bodenstab[3]	45,000	23,315
Richard Lightowler[4]	90,000	0
Fiona Beck[5]	22,500	0

The table above details the Director's fee paid to each Director of the Company for the years ended 31 December 2019 and 31 December 2020.

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company and each Director is appointed by a letter of appointment setting out the terms of their appointment. Directors are elected by shareholders at the AGM.

[1] Peter Dubens serves without a fee.
[2] Laurence Blackall retired in May 2020.
[3] Craig Bodenstab resigned in June 2020.
[4] Richard Lightowler was appointed in December 2019.
[5] Fiona Beck was appointed in September 2020.

Directors' interests in shares of the Company

The Board has put in place a policy whereby each Director is required to buy and hold sufficient publicly-traded stock in the Company to represent a minimum of one year's remuneration. Any newly appointed Director is required to purchase stock to that level within a reasonable amount of time (less than three years) from the date of appointment. All Directors are in compliance with the policy. As at 8 March 2021, Directors who are beneficial owners of shares in the Company are:

Director	8 March 2021	19 March 2020
Caroline Foulger	122,000	122,000
Peter Dubens	18,083,631	17,595,827
Stewart Porter	45,216	0
Richard Lightowler	130,000	0
Fiona Beck	22,000	0

Save as disclosed above, none of the Directors nor any member of their respective immediate families has any interest whether beneficial or non-beneficial in the share capital of the Company.

ALTERNATIVE INVESTMENT FUND MANAGERS' DIRECTIVE

The Company maintains an adequate level of liquidity to ensure it can meet its capital commitments.

Status and legal form

The Company is a self-managed non-UK Alternative Investment Fund ('AIF'). It is a closed-ended investment Company incorporated in Bermuda and its ordinary shares are traded on the Specialist Fund Segment ('SFS') of the London Stock Exchange's Main Market. The Company's registered office is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Investment policy

For details of the investment policy refer to page 54.

Liquidity management

As the Company is a self-managed non-UK AIF, it is not required to comply with Chapter 3.6 of the Investment Funds sourcebook of the Financial Conduct Authority (FUND) in relation to liquidity management.

The Company maintains an adequate level of liquidity to ensure that it can meet its capital commitments to the Oakley Funds throughout the investment-realisation cycle. Cash flow modelling is performed regularly to enable the Company to manage its liquid resources and to ensure it has the ability to pay commitments as they fall due, whilst also endeavouring to manage any surplus cash.

Fees, charges and expenses

For details of the fees payable by the Company, refer to Note 15 of the Notes to the Consolidated Financial Statements.

Fair treatment of shareholders and preferential treatment

The Company will treat all of the Company's investors fairly and will not allow any investor to obtain preferential treatment, unless such treatment is appropriately disclosed. No investor currently obtains preferential treatment or the right to obtain preferential treatment.

Remuneration disclosure

The total amount of remuneration paid by the Company to its Directors during the year ended 31 December 2020 was £375,000. This comprised solely of fixed remuneration; no variable remuneration was paid. Fixed remuneration was composed of agreed fixed fees. There were six beneficiaries of this remuneration, including two Directors who retired/resigned from the Board during 2020.

Investors wishing to purchase or sell shares in the Company may do so through a stockbroker, financial adviser, bank or share-dealing platforms.

Financial calendar

The announcement and publication of the Company's results is expected in the months shown below:

January	Trading update for the year announced
March	Final results for the year announced, Annual Report published
April	Payment of final dividend
July	Interim trading update announced
September	Interim results announced, Interim Report published
October	Payment of interim dividend

Dividend

The final dividend proposed in respect of the year ended 31 December 2020 is 2.25 pence per share.

Ex-dividend date (date from which shares are transferred without dividend)	25 March 2021
Record date (last date for registering transfers to receive the dividend)	26 March 2021
Dividend payment date	15 April 2021

Share dealing

Investors wishing to purchase or sell shares in the Company may do so through a stockbroker, financial adviser, bank or share-dealing platforms.

To purchase this investment, you must have read the Key Information Document ('KID') before the trade can be executed. This is available on the Company's website at: https://oakleycapitalinvestments.com/wp-content/uploads/2020/12/2020-OCI-KID-Document.pdf

If you are proposing to use Computershare Investor Services PLC to purchase shares, please contact them directly and they will provide you with the KID either by email or post.

You can contact them on +44 370 703 0084.

Important information

Past performance is not a reliable indicator of future results. The value of OCI shares can fall as well as rise and you may get back less than you invested when you decide to sell your shares.

WHY INVEST IN LISTED PRIVATE EQUITY?

Private equity investment isn't solely about high-quality private companies benefiting from access to capital, but also accessing a private equity manager's sector and operational experts.

Private equity targets investments in privately owned businesses across all sectors, from recognisable household names to companies with significant growth potential. It then seeks to help these companies maximise their value during the holding period. While private equity funds are not accessible to most private investors, one attractive alternative is buying shares in listed investment companies that provide access to these funds and the performance of the private companies they back.

A bigger pond and superior performance

The number of public companies in North America and Europe is decreasing by just over 2% per annum, reflecting a simultaneous decline in IPOs and an increase in delistings and take-private transactions. In contrast, private equity continues to grow in scale and sophistication, with the industry reaching $4.5 trillion in global assets under management at the end of the first half of 2020.[1] This has resulted in the number of private equity-backed companies increasing by over 8% per annum, a trend that looks set to continue as businesses favour access to abundant levels of capital and expertise to drive long-term growth, without the distractions of public ownership.[2]

Global private equity has achieved consistently strong returns throughout the past decade and has continued to outperform during the COVID-19 pandemic, as the asset class's long-term investment horizon is well placed to weather short-term disruption. The sector benefits from portfolio diversity and reduced volatility through exposure to a range of fast-growing companies, often in sectors that are harder to access through public markets. As a result, the global private equity benchmark has consistently outperformed the FTSE all-share index during the past ten years, with both revenue and profit growth consistently superior to listed companies globally.

Democratising access to private equity returns

Due to the investment ticket size and the conventional ten-year term of commitment required, typical private equity fund investors are large institutions such as pension funds, insurance companies or sovereign wealth funds. For most retail investors, private equity funds are unattainable.

Listed private equity offers a solution to these barriers. Private equity investment trusts are publicly listed companies that commit capital to private equity funds. Investors can buy and sell shares as with any public company, reducing the minimum level of investment required to the price of one share. This increases liquidity for the fund, whilst allowing retail investors to benefit from superior returns.

A hands-on approach

Private equity investment isn't solely about access to capital. It also allows high-quality private companies to benefit from private equity managers' operational professionals, who bring deep sector expertise and engage with companies on a daily basis. They may hold seats on boards, enabling them to embed deeply within organisations and directly oversee the enhancement of a company's value.

Management fees reflect the value of this active approach, meaning that they are typically higher than those of a public equity fund. However, the benefits of an engaged, experienced manager are manifested in the Fund's returns. When selecting a manager, therefore, it is important to choose one that has a strong track record.

Oakley Capital Investments has been listed since 2007 and provides access to Oakley Capital's proven record of sourcing high-quality, diversified investments; supporting their growth through active management; and selling them at attractive multiples. The companies Oakley backs, typically enjoy a set of key characteristics: market leader in their chosen niche; stable, recurring revenue streams; diversified customer bases; opportunities to expand service proposition; and scope for mergers and acquisitions. The result for shareholders is access to a globally diversified, carefully selected portfolio which provides market-leading returns.

[1] Source: Prequin.

[2] Source: Pitchbook.

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

KPMG

To the Shareholders and Board of Directors of Oakley Capital Investments Limited

Opinion

We have audited the Consolidated Financial Statements of Oakley Capital Investments Limited and its subsidiary (the "Company"), which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and Notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Bermuda and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

The key audit matter	How the matter was addressed in our audit
Valuation of the Funds As discussed in the Audit Committee report on page 63, the accounting policies on pages 89 to 92 and in Notes 6 and 8 to the Consolidated Financial Statements on pages 98 to 105, the Company holds investments in private equity partnerships (the "Funds") at 31 December 2020 of £354.7 million, where quoted prices do not exist. The Funds are carried at their estimated fair values based upon the principles of the International Private Equity and Venture Capital Association ("IPEV") valuation guidelines and IFRS 13. The valuation of the Funds held in the Company's investment portfolio is the key driver of its net asset value and total return to shareholders. The Funds hold equity investments in unquoted portfolio companies. The valuations of these portfolio companies are complex and require the application of judgment by Oakley Capital Limited (the "Investment Adviser"). The fair values of these portfolio companies are principally based upon the market approach, which estimates the enterprise value of the portfolio company using a comparable multiple of revenues or EBITDA, information from recent comparable transactions, or the underlying net asset value. **The risk** The significance of the Funds to the Company's Consolidated Financial Statements, combined with the judgment required in estimating their fair values means this was an area of focus during our audit.	We obtained management's schedule of investments comprising the fair value of the Company's investments in the Funds and performed the following procedures: • Compared the Company's valuations to the audited financial statements of the Funds as at 31 December 2020; • Inspected the components of the Funds' net assets to confirm the reported net asset values in the Funds' audited financial statements were representative of fair value under IFRS; • Inspected the disclosures made about the Funds in the Notes to the Consolidated Financial Statements for compliance with IFRS; and • Monitored any events that emerged in the post balance sheet period (up to the date of signing the Company's Consolidated Financial Statements) that would have a potential impact on the value of the Funds held at the year-end. Through our involvement in the Funds' audit engagements, we selected all unquoted equity investments held indirectly through the Company's investments in the Funds and performed the following audit procedures: • Obtained the Investment Adviser's models for valuing the unquoted equity investments; • Obtained independent confirmations of the existence and accuracy of the unquoted equity investments; • Determined that the valuation specialists engaged by the Investment Adviser are qualified and independent of the Funds; • Challenged the Investment Adviser on the methodologies followed and key assumptions used in determining the valuations of the unquoted equity investments in the context of the IPEV valuation guidelines; • Obtained management information, including budgets and forecasts for revenues and EBITDA and actual net debt amounts at the balance sheet date, which are the key inputs used in the valuation models by the Investment Adviser and compared this information to that used in the models; • Independently sourced multiples for comparable companies used by the Investment Adviser, considered whether those companies are comparable to the investee and compared them to the multiples used in the valuations; • Recalculated the mathematical accuracy of the valuation models; and • Monitored any events that emerged in the post balance sheet period (up to the date of signing each Fund's financial statements) that would have a potential impact on the value of the unquoted equity investments held at the year-end.

INDEPENDENT AUDITOR'S REPORT CONTINUED

The key audit matter	How the matter was addressed in our audit
Valuation of the unquoted debt securities In addition to investments in the Funds, the Company holds investments in unquoted debt securities at 31 December 2020 of £126.5 million. The valuation of the unquoted debt securities are derived from a discounted cash flow calculation based on expected future cash flows to be received, discounted at an appropriate rate. Expected future cash flows include interest received and principal repayment at maturity. **The risk** The unquoted debt securities were an area of audit focus on the basis that: • The securities are of material significance to the Company's Consolidated Financial Statements; • Judgement is required by the Investment Adviser in selection of an appropriate, risk- adjusted discount rate; and • Judgement is also required in determining the timing and amounts of prospective cash flows of the debt securities.	We engaged KPMG valuation specialists to assist in testing the valuation of the unquoted debt securities. In coordination with our valuation specialists, we selected all unquoted debt securities held by the Company at year end and performed the following audit procedures: • Inspected loan agreements to support the existence and accuracy of the debt securities; • Obtained the Investment Adviser's models for valuing the debt securities at year end and checked their mathematical accuracy; • Performed a sensitivity analysis over the discount rates being applied to the expected cash flows in the fair value calculations provided to us by management; • Assessed the reasonableness of the assumptions made by the Investment Adviser regarding the timing and amounts of prospective cash flows; and • Monitored any events that emerged in the post balance sheet period (up to the date of signing the Consolidated Financial Statements) that would have had a potential impact on the value of the unquoted debt investments held at the year end.

Other information in the Annual Report

Management is responsible for the other information contained in the Annual Report. The other information comprises the Overview, Strategic Report and Governance sections.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Funds to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's Shareholders and Board of Directors. Our audit work has been undertaken so that we might state to the Company's Shareholders and Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders and Board of Directors, as a body, for our audit work, for this report, or for the opinion we have formed.

The Engagement Partner on the audit resulting in this independent auditor's report is James Berry.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
10 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Income			
Interest income	13	10,466	9,218
Net realised gains on investments at fair value through profit and loss	6, 7	208,536	17,840
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	(133,086)	127,741
Net foreign currency gains/(losses)		13,700	(2,715)
Other income		390	1,073
Total income		100,006	153,157
Expenses	14	(7,620)	(17,888)
Profit attributable to equity shareholders/total comprehensive income		92,386	135,269
Earnings per share			
Basic and diluted earnings per share	18	£0.48	£0.66

The Notes on pages 87 to 114 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

	Notes	2020 £'000	2019 £'000
Assets			
Non-current assets			
Investments	6, 8	505,124	660,966
		505,124	660,966
Current assets			
Trade and other receivables	11	33	40
Cash and cash equivalents	10	223,090	48,866
		223,123	48,906
Total assets		728,247	709,872
Liabilities			
Current liabilities			
Trade and other payables	12	297	23,864
Total liabilities		297	23,864
Net assets attributable to shareholders		727,950	686,008
Equity			
Share capital	20	1,806	1,986
Share premium	20	188,144	229,728
Retained earnings		538,000	454,294
Total shareholders' equity		727,950	686,008
Net asset per ordinary share			
Basic and diluted net assets per share	19	£4.03	£3.45
Ordinary shares in issue at 31 December 2020 ('000)	20	180,600	198,600

The Notes on pages 87 to 114 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements of Oakley Capital Investments Limited (registration number: 40324) on pages 87 to 114 were approved by the Board of Directors and authorised for issue on 10 March 2021 and were signed on their behalf by:

Caroline Foulger
Director

Richard Lightowler
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2019	2,048	244,533	328,241	574,822
Profit for the year/total comprehensive income	–	–	135,269	135,269
Ordinary shares repurchased and cancelled	(62)	(14,805)	–	(14,867)
Dividends	–	–	(9,216)	(9,216)
Total transactions with equity shareholders	(62)	(14,805)	(9,216)	(24,083)
Balance at 31 December 2019	1,986	229,728	454,294	686,008
Profit for the year/total comprehensive income	–	–	92,386	92,386
Ordinary shares repurchased and cancelled	(180)	(41,584)	–	(41,764)
Dividends	–	–	(8,680)	(8,680)
Total transactions with equity shareholders	(180)	(41,584)	(8,680)	(50,444)
Balance at 31 December 2020	1,806	188,144	538,000	727,950

The Notes on pages 87 to 114 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Purchases of investments		(95,983)	(127,265)
Sales of investments		332,595	90,005
Interest income received		5,146	842
Expenses paid		(21,050)	(7,009)
Other income received		390	1,073
Net cash (used in)/provided by operating activities		221,098	(42,354)
Cash flows from financing activities			
Purchase of ordinary shares	20	(51,894)	(4,737)
Dividends paid	21	(8,680)	(9,216)
Net cash (used in)/provided by financing activities		(60,574)	(13,953)
Net (decrease)/increase in cash and cash equivalents		160,524	(56,307)
Cash and cash equivalents at the beginning of the year		48,866	107,888
Effect of foreign exchange rate changes		13,700	(2,715)
Cash and cash equivalents at the end of the year	10	223,090	48,866

The Notes on pages 87 to 114 are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Reporting entity

Oakley Capital Investments Limited (the 'Company') is a closed-ended investment company incorporated under the laws of Bermuda on 28 June 2007.

The Company invests in the following private equity funds structures (the 'Funds'):

Fund Group name	Country of establishment	Limited partnerships included
Fund I	Bermuda	Oakley Capital Private Equity L.P.[1]
Fund II	Bermuda	OCPE II Master L.P. Oakley Capital Private Equity II-A L.P.[1] Oakley Capital Private Equity II-B L.P. Oakley Capital Private Equity II-C L.P.
Fund III	Bermuda	OCPE III Master L.P. Oakley Capital Private Equity III-A L.P.[1] Oakley Capital Private Equity III-B L.P. Oakley Capital Private Equity III-C L.P.
Fund IV	Luxembourg	Oakley Capital IV Master SCSp Oakley Capital Private Equity IV-A SCSp[1] Oakley Capital Private Equity IV-B SCSp Oakley Capital Private Equity IV-C SCSp
Origin Fund	Luxembourg	Oakley Capital Origin Master SCSp Oakley Capital Private Equity Origin A SCSp[1] Oakley Capital Private Equity Origin B SCSp Oakley Capital Private Equity Origin C SCSp
OCPE Education	Bermuda	OCPE Education L.P. OCPE Education (Feeder) L.P.[1]

[1] Denotes the limited partnership in which the Company has made a direct investment.

The defined term "Company" shall, where the context requires for the purposes of consolidation, include the Company's sole and wholly owned subsidiary, OCI Financing (Bermuda) Limited ('OCI Financing'). OCI Financing provides financing to NSG Apparel BV, an entity that forms part of the North Sails Group in which Fund II invests.

The Company is listed on the Specialist Fund Segment ('SFS') of the London Stock Exchange ('LSE'), with the ticker symbol "OCI".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

2. Basis of preparation

The Consolidated Financial Statements of the Company have been prepared on a going concern basis and under the historical cost convention, except for financial instruments at fair value through profit and loss, which are measured at fair value. During 2020, the outbreak of COVID-19 and related global responses have caused material disruptions to economies around the world. Global markets have experienced significant volatility and divergence in performance across business sectors. The full impact of COVID-19 on economies and businesses remains uncertain.

The Board of Directors have assessed going concern and in doing so have considered a wide range of information relating to the present and future conditions and varying scenarios for the emergence from COVID-19. This assessment includes updates from Oakley Capital Limited (the 'Investment Adviser') on the impacts of COVID-19 on the portfolio companies of the Funds as well as the impact on investment and sale expectations for each of the Funds, cash flow projections and the longer-term strategy of the Company.

As part of the assessment, the Board of Directors:

- Assessed liquidity, solvency and capital management. The Company considered liquidity risk as the risk that the Company may encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations would have to be settled in a manner disadvantageous to the Company. Unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current cash flow projections and barring unforeseen events, the Company expects to be able to meet its obligations as they fall due.
- As at 31 December 2020, cash and cash equivalents of the Company amounted to £223,090,000. The Company has total unfunded capital and unquoted debt security commitments of £517,478,901 relating to the Funds which are expected to be called over the next four to five years. Under the Company's bye-laws, the Company is permitted to borrow up to 25% of total shareholders' equity which would amount to approximately £181,987,500 for the year ending 31 December 2020. As at 31 December 2020, the Company has had no need to secure any debt facilities. The Directors consider the Company to have sufficient resources and liquidity and can continue to operate for a period of at least 12 months.
- Considered the estimates inherent to the valuations of the Funds and the unquoted debt securities. The Company's approach to valuations was consistent with prior years, with the additional focus as at 31 December 2020 being the impact of COVID-19 on the Funds in which the Company invests. The Board of Directors held regular meetings with the Investment Adviser to consider how COVID-19 impacts were considered in the valuation process of the Funds. In addition, key assumptions and estimates relating to the valuation of the unquoted debt instruments were considered. This included assessment of counterparty risk, interest rates and future cash flow projections.
- Assessed the operational resilience of the Company's critical functions which includes monitoring the performance of the Company's key service providers.

The Board of Directors considers it appropriate to prepare the Consolidated Financial Statements of the Company on the going concern basis, having considered the impact of COVID-19 on its operations and those of the portfolio companies of the Funds.

2.1 Basis for compliance

The Consolidated Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS').

2.2 Functional and presentation currency

The Consolidated Financial Statements are presented in British Pounds ('Pounds'), which is the Company's functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

3. Significant accounting policies

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

Several amendments and interpretations apply for the first time effective 1 January 2020 but do not have a material effect on the Company's Consolidated Financial Statements and did not require retrospective adjustments.

(b) New standards, amendments and interpretations that are not yet effective but might be relevant for the Company

A number of new standards are effective for annual periods beginning after 1 January 2020 and early application is admitted, however, the Company has not adopted early the new or amended standards in preparing these Consolidated Financial Statements.

The Company is currently in the process of analysing the impact of these new standards, amendments to existing standards and annual improvements to IFRS in detail but these are not expected to have a material effect on the Consolidated Financial Statements of the Company.

3.2 Basis for consolidation

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. While the Company may have a greater than 50% ownership interest in a Fund, it is a limited partner and does not have the ability to affect the decisions of the Fund's General Partner or the returns of the Funds. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The Consolidated Financial Statements include the financial statements of the Company and its wholly-owned subsidiary, after the elimination of all significant intercompany balances and transactions.

IFRS 10 exempts investment entities from consolidating controlled investees. The Company meets the definition of an investment entity, as the following conditions are met:

- The Company provides investment management services.
- The business purpose of the Company is to invest into private equity funds and to purchase, hold and dispose of investments directly in portfolio companies with the goal of achieving returns from capital appreciation and investment income.
- The performance of these investments is measured and evaluated on a fair value basis.
- The Company holds multiple investments.

The Company therefore measures its investments at fair value through profit and loss in accordance with the investment entity exemption. The Company does not consolidate any of its investments in the Funds.

3. Significant accounting policies continued

As at 31 December 2020 the Company's Limited Partner ownership in the Funds are:

- Fund I ownership of 70.4% (2019: 70.4%)
- Fund II ownership of 36.2% (2019: 36.2%)
- Fund III ownership of 40.7% (2019: 40.7%)
- Fund IV ownership of 27.4% (2019: 28.6%)
- Origin Fund ownership of 27.0% (2019: 0%)
- OCPE Education ownership of nil (2019: 99.18%)

3.3 Investments

(a) Classification

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics, if any, of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, the Company classifies its investments in private equity funds, direct equity investments and loans as financial assets held at fair value through profit and loss at inception.

(b) Recognition and measurement

Financial assets held at fair value through profit and loss are recognised initially on the trade date which is the date on which the Company becomes a party to the contractual provisions of the instrument. Financial assets held at fair value through profit and loss are recognised initially at fair value, with transaction costs recognised in profit or loss.

Net gains and losses from financial assets held at fair value through profit and loss include all realised and unrealised fair value changes and foreign exchange differences and are included in the consolidated statement of comprehensive income in the period in which they arise.

Quoted investments are subsequently carried at fair value. Fair value is measured using the last reported sales price, where the last reported sales price falls within the bid-ask spread. In circumstances where the last reported sales price is not within the bid-ask spread, the Board of Directors, in consultation with the Investment Adviser, will determine the point within the bid-ask spread that is most representative of fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

3. Significant accounting policies continued

Unquoted investments, including both equities and loans, are subsequently carried in the consolidated balance sheet at fair value. Fair value is determined in accordance with the Company's investment valuation policy, which is compliant with the fair value guidelines under IFRS 13 and the International Private Equity and Venture Capital ('IPEV') Valuation Guidelines.

(c) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest on such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.4 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks and other short-term deposits. The Company considers all short-term deposits with an original maturity of 90 days or less as equivalent to cash.

3.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for impairment, using the effective interest method.

3.6 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired or received in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.7 Interest income

Interest on unquoted debt securities held at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts over the expected life of the debt security to its net carrying amount on initial recognition. Interest income is recognised gross of withholding tax, if any. Interest income on unquoted debt securities is recognised as a separate line item in the consolidated statement of comprehensive income and classified within operating activities in the consolidated statement of cash flows.

3.8 Expenses

Expenses are recognised on the accruals basis. Negative interest income is included in expenses in the consolidated statement of comprehensive income and classified within operating activities in the consolidated statement of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

3. Significant accounting policies continued

3.9 Foreign currency translation

The functional currency of the Company is Pounds. Transactions in currencies other than Pounds are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, investments and other monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Capital drawdowns and proceeds of distributions from the Funds and foreign currencies and income and expense items denominated in foreign currencies are translated into Pounds at the exchange rate on the respective dates of such transactions.

Foreign exchange gains and losses on other monetary assets and liabilities are recognised in net foreign currency gains and losses in the consolidated statement of comprehensive income.

The Company does not isolate unrealised or realised foreign exchange gains and losses arising from changes in the fair value of investments. All such foreign exchange gains and losses are included with the net realised and unrealised gains or losses on investments in the consolidated statement of comprehensive income.

3.10 Share capital

Ordinary shares issued by the Company are recognised based on the proceeds or fair value received or receivable, with the excess of the amount received over their nominal value being credited to the share premium account. Direct issue costs are deducted from equity.

3.11 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

4. Critical accounting estimates, assumptions and judgements

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underly the preparation of its Consolidated Financial Statements. IFRS require the Board of Directors, in preparing the Company's Consolidated Financial Statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. The Company's estimates and assumptions are based on historical experience and the Board of Directors' expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The judgements, assumptions and estimates involved in the Company's accounting policies that are considered by the Board of Directors to be the most important to the Company's results and financial condition are the fair valuation of the investments and the assessment that the Company meets the definition of an investment entity.

(a) Fair valuation of investments

The fair values assigned to investments held at fair value through profit and loss are based upon available information at the time and do not necessarily represent amounts which might ultimately be realised. Because of the inherent uncertainty of valuation, these estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and those differences could be material.

4. Critical accounting estimates, assumptions and judgements continued

Investments held at fair value through profit and loss are valued by the Company in accordance with relevant IFRS requirements. Judgement is required in order to determine the appropriate valuation methodology under these standards. Subsequently, judgement is required in assessing the net asset value of the Funds and determining the inputs into the valuation models used for the unquoted debt securities. Inputs include making assessments of the estimated future cash flows and determining appropriate discount rates.

There remain many unknown factors over the short, medium, and long term including the impact of COVID-19 on the Company. In these circumstances, the valuation of the Company's investments as at 31 December 2020 carried significantly more uncertainty than previously. The Investment Adviser has considered the impact of COVID-19 in determining inputs in the valuation models used for the valuations of each of the Funds. Additionally the impact of COVID-19 has been considered in the valuation of the unquoted debt securities.

(b) Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit and loss.

The Board of Directors has concluded that the Company meets the definition of an investment entity as its strategic objective is to invest in the Funds on behalf of its investors for the purpose of generating returns in the form of investment income and capital appreciation.

5. Financial risk management

5.1 Introduction and overview

The Board of Directors, the Company's Risk Committee and Oakley Capital Limited (the 'Investment Adviser') attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made. The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Investment Adviser provides the Board of Directors with recommendations as to the Company's asset allocation and annual investment levels that are consistent with the Company's objectives. The Risk Committee reviews and agrees policies for managing the risks.

The Company has exposures to the following risks from financial instruments: credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and price risk). The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

5.2 Credit risk

The Company is subject to credit risk on its unquoted investments and cash. The majority of the Company's cash balances were held with Barclays and Butterfield Bank. Barclays are rated A1 and Butterfield Bank are rated at A3 by Moody's (2019: Barclays A1 and HSBC A2).

In accordance with the Company's policy, the Investment Adviser monitors the Company's exposure to credit risk on cash on a quarterly basis and the Risk Committee regularly reviews the Company's exposure to credit risk. The credit quality of the investments in the Funds and debt securities, which are held at fair value and include debt and equity elements, are not rated. As at 31 December 2020, no debt securities held were overdue or impaired.

5. Financial risk management continued

5.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Company. The Company, with advice from the Investment Adviser, manages liquidity through reviews of detailed cash flow projections which estimate the timing and quantums of outflows, including capital calls, and inflows from disposals of portfolio companies which aim to avoid undue risk of illiquidity.

The unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current cash flow projections and barring unforeseen events, the Company expects to be able to honour all capital calls by the Funds.

As of 31 December 2020 cash and cash equivalents of the Company amounted to £223,090,000 (2019: £48,866,356). The Company had total unfunded capital and loan commitments of £517,478,901 (2019: £462,781,291) relating to the Funds. The unfunded commitments of the Company are listed in Note 22. The Company can borrow up to 25% of total shareholders' equity. As at 31 December 2020, the Company has no borrowings (2019: nil).

The majority of the investments held by the Company are in Funds which are unquoted and subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Company might not be able to readily dispose of its holdings at the time of its choosing and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's consolidated balance sheet.

The Company's consolidated financial liabilities are all repayable within three months after the balance sheet date and are carried at fair value. Financial liabilities exclude outstanding capital commitments at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

5. Financial risk management continued

5.4 Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's sensitivity to these items is set out below.

The Company's financial assets that are subject to currency and interest rate risk are analysed below (presented in Pounds and translated at the year-end foreign exchange rate):

	2020			2019		
	Pound £'000	Euro €'000	Total £'000	Pound £'000	Euro €'000	Total £'000
Fixed and floating rate debt and cash	201,566	147,990	349,556	151,692	24,330	176,022
Non-interest-bearing Fund and equity investments	23,940	354,718	378,658	38,510	495,300	533,810
Total	225,506	502,708	728,214	190,202	519,630	709,832

a) Interest rate risk

Interest rate risk arises principally from changes in interest receivable on cash and deposits and unquoted debt securities at fair value.

The Company's unquoted debt investments carry fixed rates of interest ranging from 5% to 12%. These loans are subject to interest rate risk as increases and decreases in interest rates will have an impact on their fair value. A 100 basis point increase in interest rates would result in a decrease in the fair value of those loans of £1,155,534 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2019: £2,860,355).

The impact of an increase in interest rates of 100 basis points on cash and deposits, based on the closing consolidated balance sheet position over a 12-month period, would have been £2,053,734 on the profit and loss in the consolidated statement of comprehensive income (2019: £839,176). A decrease in interest rates of 100 basis points on cash and deposits would have an equal and opposite effect.

In addition, the Company has indirect exposure to interest rate fluctuations through changes to the financial performance and valuation in equity investments in the Funds as certain portfolio companies have issued debt. Short-term receivables and payables are excluded as, due to their short-term nature, the risks due to fluctuation in the prevailing levels of market interest rates associated with these instruments are not significant.

b) Currency risk

The Company holds significant assets and liabilities denominated in currencies other than its functional currency, which expose the Company to the risk that the exchange rates of those currencies against the Pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. The following sensitivity analysis shows the sensitivity of the Company's net assets to movements in foreign currency exchange rates assuming a 10% increase in exchange rates against the Pound. A 10% decrease in exchange rates against the Pound would have an equal and opposite effect. The sensitivity analysis below is representative of the year as a whole, since the level of exposure changes as the Company's holdings change through the purchase and realisation of investments (presented in Pounds and translated at the year end foreign exchange rate).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

5. Financial risk management continued

	2020 £'000	2019 £'000
Assets:		
Financial assets at fair value through profit and loss	35,472	49,530
Cash and cash equivalents	14,799	2,433
Total assets	50,271	51,963
Impact on profit/(loss)	50,271	51,963

The Investment Adviser monitors the Company's currency position on a regular basis and reports the impact of currency movements on the performance of the investment portfolio to the Risk Committee quarterly. In accordance with the Company's investment policy, all direct investments in quoted equity securities and debt securities are denominated in Pounds, placing currency risk on the counterparty. The investments in the Funds are denominated in Euros.

c) Price risk – market fluctuations

The Company's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the selection of financial assets within specified limits as advised by the Investment Adviser and approved by the Risk Committee.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 15% change in the price of those investments would have a £3,590,988 (2019: £5,776,436) direct impact on the profit and loss in the consolidated statement of comprehensive income and the net assets attributable to shareholders in the consolidated balance sheet. The impact on net asset per ordinary share is £0.02 (2019: £0.03).

For the investment in the Funds, the market risk is deemed to be the change in fair value. A 15% change in the fair value of those investments would have a £53,207,700 (2019: £74,295,012) direct impact on the profit and loss in the consolidated statement of comprehensive income and the net assets attributable to shareholders in the consolidated balance sheet. The impact on net asset per ordinary share is £0.29 (2019: £0.37).

The Company is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and diversity of the investments held by the Funds.

Limitations of sensitivity analysis

The sensitivity information included in Notes 5 and 8 demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors.

It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. Furthermore, estimates of sensitivity may become less reliable in unusual market conditions such as instances when risk-free interest rates fall towards zero.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

5. Financial risk management continued

5.5 Capital management

The Company's capital is represented by ordinary shares with £0.01 par value and they carry one vote each. The shares are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and repurchase of ordinary shares. The movements of capital are shown in the consolidated statement of changes in equity.

The Company's objectives when managing capital are to safeguard the Company's assets to achieve positive returns. In order to maintain or adjust the capital structure, the Company may issue shares or may return capital to shareholders through the repurchase of shares or by paying dividends. The effects of the issue, the repurchase and resale of shares are described in Note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

6. Investments

Investments as at 31 December 2020:

	2019 Fair value £'000	Purchases/ Capital calls £'000	Total sales[1]/ Distributions £'000	Realised gains/ (losses) £'000	Interest and other £'000	Net change in unrealised gains/(losses) £'000	2020 Fair value £'000
Oakley Funds							
Fund I	33,358	10,906	–	–	–	(28,115)	16,149
Fund II	57,182	8,689	(16,993)	10,455	–	(6,123)	53,210
Fund III	310,068	–	(186,493)	123,345	–	(29,054)	217,866
Fund IV	19,708	32,018	–	–	–	14,634	66,360
Origin Fund	–	2,856	–	–	–	(1,723)	1,133
Total Oakley Funds	420,316	54,469	(203,486)	133,800	–	(50,381)	354,718
Direct investment Funds							
OCPE Education (Feeder) LP	74,984	–	(94,210)	74,736	–	(55,510)	–
Total direct investment Funds	74,984	–	(94,210)	74,736	–	(55,510)	–
Total Funds	495,300	54,469	(297,696)	208,536	–	(105,891)	354,718
Quoted equity securities							
Time Out Group plc	38,510	12,625	–	–	–	(27,195)	23,940
Total quoted equity securities	38,510	12,625	–	–	–	(27,195)	23,940
Unquoted debt securities							
Ellisfield (Bermuda) Limited	15,796	–	–	–	1,468	–	17,264
Fund I	9,435	1,000	(4,432)	–	642	–	6,645
Fund II	4,398	3,333	(7,985)	–	254	–	–
Fund III	–	–	–	–	–	–	–
NSG Apparel BV	29,992	6,990	–	–	1,727	–	38,709
Oakley Capital III Limited	731	–	(732)	–	1	–	–
Oakley NS (Bermuda) LP	43,490	15,066	–	–	5,292	–	63,848
Time Out Group plc	23,314	2,500	(27,071)	–	1,257	–	–
Total unquoted debt securities	127,156	28,889	(40,220)	–	10,641	–	126,466
Total investments	660,966	95,983	(337,916)	208,536	10,641	(133,086)	505,124

[1] Total sales include sales, loan repayments and transfers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

6. Investments continued

Investments as at 31 December 2019:

	2018 Fair value £'000	Purchases/ Capital calls £'000	Total sales[1]/ Distributions £'000	Realised gains/ (losses) £'000	Interest and other £'000	Net change in unrealised gains/(losses) £'000	2019 Fair value £'000
Oakley Funds							
Fund I	18,159	1,788	–	–	–	13,411	33,358
Fund II	71,794	7,386	(30,197)	19,067	–	(10,868)	57,182
Fund III	208,628	29,672	(9,712)	(1,227)	–	82,707	310,068
Fund IV	–	25,930	–	–	–	(6,222)	19,708
Total Oakley Funds	298,581	64,776	(39,909)	17,840	–	79,028	420,316
Direct investment Funds							
OCPE Education (Feeder) LP	41,789	672	–	–	–	32,523	74,984
Total direct investment Funds	41,789	672	–	–	–	32,523	74,984
Total Funds	340,370	65,448	(39,909)	17,840	–	111,551	495,300
Quoted equity securities							
Time Out Group plc	22,320	–	–	–	–	16,190	38,510
Total quoted equity securities	22,320	–	–	–	–	16,190	38,510
Unquoted debt securities							
Ellisfield (Bermuda) Limited	14,889	–	–	–	907	–	15,796
Fund I	7,035	9,880	(8,080)	–	600	–	9,435
Fund II	17,412	8,344	(21,846)	–	488	–	4,398
Fund III	4,033	13,291	(17,853)	–	529	–	–
NSG Apparel BV	26,569	2,319	–	–	1,104	–	29,992
Oakley Capital III Limited	2,169	–	(1,518)	–	80	–	731
Oakley NS (Bermuda) LP	14,038	25,483	–	–	3,969	–	43,490
Time Out Group plc	20,914	2,500	(2,607)	–	2,507	–	23,314
Total unquoted debt securities	107,059	61,817	(51,904)	–	10,184	–	127,156
Total investments	469,749	127,265	(91,813)	17,840	10,184	127,741	660,966

[1] Total sales include sales, loan repayments and transfers.

Quoted equity securities and unquoted debt securities are additional direct investments in certain of the portfolio companies in one of the Oakley Funds. The total sales on unquoted debt securities distributions include accrued interest repaid of £5,321,000 (2019: £1,808,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

7. Net gains/(losses) from investments at fair value through profit and loss

	2020 £'000	2019 £'000
Net change in unrealised gains/(losses) on investments at fair value through profit and loss:		
Funds	(105,891)	111,551
Quoted equity securities	(27,195)	16,190
Total net change in unrealised gains/(losses) on investments at fair value through profit and loss	(133,086)	127,741
Net realised gains/(losses) on investments at fair value through profit and loss:		
Funds	208,536	17,840
Total net realised gains/(losses) on investments at fair value through profit and loss	208,536	17,840

8. Disclosure about fair value of financial instruments

The Company has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Company classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

- Level I: Quoted prices (unadjusted) in active markets for identical instruments that the Company can access at the measurement date. Level I investments include quoted equity instruments.
- Level II: Inputs other than quoted prices included within Level I that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level III: Inputs that are not based on observable market data. Level III investments include private equity funds and unquoted debt securities.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgement by the Company.

The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

8. Disclosure about fair value of financial instruments continued

The following table analyses the Company's investments measured at fair value as of 31 December 2020 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	354,718	354,718
Quoted equity securities	23,940	–	23,940
Unquoted debt securities	–	126,466	126,466
Total investments measured at fair value	23,940	481,184	505,124

The following table analyses the Company's investments measured at fair value as of 31 December 2019 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	495,300	495,300
Quoted equity securities	38,510	–	38,510
Unquoted debt securities	–	127,156	127,156
Total investments measured at fair value	38,510	622,456	660,966

Level I

Quoted equity investment values are based on quoted market prices in active markets, and are therefore classified within Level I investments. The Company does not adjust the quoted price for these investments.

Level II

The Company did not hold any Level II investments as of 31 December 2020 or 2019.

Level III

The Company has determined that Funds and unquoted debt securities fall into Level III. Funds and unquoted debt securities are measured in accordance with the IPEV Valuation Guidelines with reference to the most appropriate information available at the time of measurement. The Consolidated Financial Statements as of 31 December 2020 include Level III investments in the amount of £481,183,852, representing approximately 66.10% of shareholders' equity (2019: £622,456,416; 90.74%).

8. Disclosure about fair value of financial instruments continued

Funds

The Company primarily invests in portfolio companies via the Funds as a limited partner. The Funds are unquoted equity securities. The Company's investments in unquoted equity securities are recognised in the consolidated balance sheet at fair value, in accordance with IPEV Valuation Guidelines and IFRS 13 and are considered Level III investments.

The valuation of unquoted fund investments is based on the latest available net asset value ('NAV') of the Fund as reported by the corresponding general partner or administrator, provided that the NAV has been appropriately determined using fair value principles in accordance with IFRS 13.

The NAV of a Fund is calculated after determining the fair value of that Fund's investment in any portfolio company. The fair value is determined by the Investment Adviser by calculating the Enterprise Value ('EV') of the portfolio company and then adding excess cash and deducting financial instruments, such as external debt, ranking ahead of the Fund's highest ranking instrument in the portfolio company.

A common method of determining the EV is to apply a market-based multiple (e.g. an average multiple based on a selection of comparable quoted companies) to the 'maintainable' earnings or revenues of the portfolio company. This market-based approach presumes that the comparable companies are correctly valued by the market. A discount is sometimes applied to market-based multiples to adjust for points of difference between the comparables and the Company being valued.

As at 31 December 2020, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	Fund IV €'000	Origin Fund €'000	OCPE Education €'000
Investments	21,600	58,723	334,940	168,957	11,530	–
Loans	(5,199)	(3,684)	(53,907)	(98,373)	(11,756)	–
Estimated performance fee payable	–	–	(41,135)	(2,041)	–	–
Other net assets	1,645	4,420	3,555	5,610	1,493	–
Total value of the Fund attributable to the Company (€'000)	18,046	59,459	243,453	74,153	1,267	–
Total value of the Fund attributable to the Company (£'000) at year-end exchange rate	16,149	53,210	217,866	66,360	1,133	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

8. Disclosure about fair value of financial instruments continued

As at 31 December 2019, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	Fund IV €'000	Origin Fund €'000	OCPE Education €'000
Investments	44,568	75,540	456,259	57,091	–	88,436
Loans	(7,845)	(9,836)	(41,206)	(44,657)	–	–
Estimated performance fee payable	–	(3,130)	(50,487)	–	–	–
Other net assets	2,698	5,002	1,858	10,856	–	177
Total value of the Fund attributable to the Company (€'000)	39,421	67,576	366,424	23,290	–	88,613
Total value of the Fund attributable to the Company (£'000) at year-end exchange rate	33,358	57,182	310,068	19,708	–	74,984

The Company records its investments in the Funds at the NAV reported by the Funds which it considers to be fair value. The NAV as reported by the Funds' general partner or administrator is considered to be the key unobservable input. The Company has the following control procedures in place to evaluate whether the NAV of the underlying Fund investments represents a reliable estimate of fair value and calculated in a manner consistent with IFRS 13:

- Thorough initial due diligence processes and the Board of Directors performing ongoing monitoring procedures, primarily discussions with the Investment Adviser.
- Comparison of historical realisations to last reported fair values.
- Review of the quarterly financial statements and the annual audited NAV of the respective Fund.

Unquoted debt securities

The fair values of the Company's investments in unquoted debt securities are derived from a discounted cash flow calculation based on expected future cash flows to be received, discounted at an appropriate rate. Expected future cash flows include interest received and principal repayment at maturity.

Unobservable inputs for Level III investments

Funds

In arriving at the fair value of the unquoted Fund investments, the key input used by the Company is the NAV as provided by the General Partner or administrator of the relevant Fund. The Company recognises that the NAVs of the Funds are highly sensitive to movements in the fair values of the underlying portfolio companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

8. Disclosure about fair value of financial instruments continued

The underlying portfolio companies owned by the Funds may include both quoted and unquoted companies. Quoted portfolio companies are valued based on market prices, consistent with the Company's accounting policy for quoted investments, and no unobservable inputs are used. Unquoted portfolio companies are valued by the Investment Adviser based on a market approach for which significant judgement is applied. Consideration has also been given by the Investment Adviser to the impact of COVID-19 for the valuation at 31 December 2020.

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the year ending 31 December 2020, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 6.1% movement in net assets attributable to shareholders (2019: 7.6%). A 10% decrease to the fair value of the unquoted portfolio companies held by the Funds would have an equal and opposite effect.

Unquoted debt securities

In arriving at the fair value of the unquoted debt securities, the key inputs used by the Company are future cash flows expected to be received until maturity of the debt securities and the discount factor applied. The discount factor applied is an unobservable input and ranges between 5% and 12% considering contractual interest rates charged on debt, risk-free rate and assessment of credit risk.

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the year ending 31 December 2020, a 1% increase to the discount factor would result in a 0.2% movement in net assets attributable to shareholders (2019: 0.4%). A 1% decrease to the discount factor would have an equal and opposite effect. Refer to Note 5.4(a).

Transfers between levels

There were no transfers between the levels during the year ended 31 December 2020 (2019: none).

Level I and Level III reconciliation

The changes in investments measured at fair value, for which the Company has used Level I and Level III inputs to determine fair value as of 31 December 2020 and 2019, are as follows:

Level I investments: **Quoted equity securities**	**2020** **£'000**	**2019** **£'000**
Fair value at the beginning of the year	38,510	22,320
Purchases	12,625	–
Net change in unrealised gains/(losses) on investments	(27,195)	16,190
Fair value of Level I investments at the end of the year	23,940	38,510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

8. Disclosure about fair value of financial instruments continued

Level III investments:	Funds £'000	Unquoted debt securities £'000	Total £'000
2020			
Fair value at the beginning of the year	495,300	127,156	622,456
Purchases	54,469	28,889	83,358
Proceeds on disposals (including interest)	(297,696)	(40,220)	(337,916)
Realised gain on sale	208,536	–	208,536
Interest income and other fee income	–	10,641	10,641
Net change in unrealised gains/(losses) on investments	(105,891)	–	(105,891)
Fair value at the end of the year	354,718	126,466	481,184

	Funds £'000	Unquoted debt securities £'000	Total £'000
2019			
Fair value at the beginning of the year	340,370	107,059	447,429
Purchases	65,448	61,817	127,265
Proceeds on disposals (including interest)	(39,909)	(51,904)	(91,813)
Realised gain on sale	17,840	–	17,840
Interest income and other fee income	–	10,184	10,184
Net change in unrealised gains/(losses) on investments	111,551	–	111,551
Fair value at the end of the year	495,300	127,156	622,456

Other financial instruments

Financial instruments, other than financial instruments at fair value through profit and loss, where carrying values are equal to fair values:

	2020 £'000	2019 £'000
Cash and cash equivalents	223,090	48,866
Trade and other receivables	33	40
Trade and other payables	297	23,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

9. Segment information

The Company has two reportable segments, as described below. For each of them, the Board of Directors receives detailed reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Fund investments
- Direct investments

Balance sheet and income and expense items which cannot be clearly allocated to one of the segments are shown in the column "Corporate" in the following tables.

The reportable operating segments derive their revenue primarily by seeking investments to achieve an attractive return in relation to the risk being taken. The return consists of interest, dividends and/or unrealised and realised capital gains.

The financial information provided to the Board of Directors with respect to total assets and liabilities is presented in a manner consistent with the Consolidated Financial Statements. The assessment of the performance of the operating segments is based on measurements consistent with IFRS. With the exception of capital calls payable, liabilities are not considered to be segment liabilities but rather managed at the corporate level.

There have been no transactions between the reportable segments during the financial year 2020 (2019: none).

The segment information for the year ended 31 December 2020 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Corporate £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	208,536	–	208,536	–	208,536
Net change in unrealised gains/(losses) on financial assets at fair value through profit and loss	(105,891)	(27,195)	(133,086)	–	(133,086)
Interest income	–	10,251	10,251	215	10,466
Net foreign currency gains/(losses)	–	–	–	13,700	13,700
Other income	–	390	390	–	390
Expenses	(4,044)	(220)	(4,266)	(3,354)	(7,620)
Profit/(loss) for the year	98,601	(16,774)	81,825	10,561	92,386
Total assets	354,718	150,406	505,124	223,123	728,247
Total liabilities	–	–	–	(297)	(297)
Net assets	354,718	150,406	505,124	222,826	727,950
Total assets include:					
Financial assets at fair value through profit and loss	354,718	150,406	505,124	–	505,124
Cash and others	–	–	–	223,123	223,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

9. Segment information continued

The segment information for the year ended 31 December 2019 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Corporate £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	17,840	–	17,840	–	17,840
Net change in unrealised gains/(losses) on financial assets at fair value through profit and loss	111,551	16,190	127,741	–	127,741
Interest income	–	9,111	9,111	107	9,218
Net foreign currency gains/(losses)	–	–	–	(2,715)	(2,715)
Other income	–	1,073	1,073	–	1,073
Expenses	(12,615)	(2,409)	(15,024)	(2,864)	(17,888)
Profit/(loss) for the year	116,776	23,965	140,741	(5,472)	135,269
Total assets	495,300	165,666	660,966	48,906	709,872
Total liabilities	(10,130)	–	(10,130)	(13,734)	(23,864)
Net assets	485,170	165,666	650,836	35,172	686,008
Total assets include:					
Financial assets at fair value through profit and loss	495,300	165,666	660,966	–	660,966
Cash and others	–	–	–	48,906	48,906

10. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash and demand balances at banks	172,892	28,759
Short-term deposits	50,198	20,107
	223,090	48,866

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

11. Trade and other receivables

	2020 £'000	2019 £'000
Prepayments	33	40
	33	40

12. Trade and other payables

	2020 £'000	2019 £'000
Trade payables	87	93
Amounts due to related parties	150	13,641
Other payables	60	10,130
	297	23,864

On 20 December 2019, the Company purchased for cancellation 4,000,000 of its own ordinary shares at the market price on that date for a total of £10,100,250. As at 31 December 2019, the amount payable for the share buy-back remained outstanding (refer to Note 20) and was included in "Other payables".

13. Interest income

	2020 £'000	2019 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	215	107
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	10,251	9,111
	10,466	9,218

14. Expenses

	Notes	2020 £'000	2019 £'000
Investment-related fees	15	4,266	14,574
Operating expenses	16	3,354	3,314
		7,620	17,888

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

15. Investment-related fees

Included in Investment related fees are operational and performance fees paid to Oakley Capital Manager Limited (the 'Administrative Agent'). The Administrative Agent has been appointed by the Company to provide operational assistance and services to the Board with respect to the Company's direct investments and generally to administer the assets of the Company, as provided for in the Operational Services Agreement.

a) Operational fees

During 2020 and 2019, the Administrative Agent was paid an operational services fee of 2% per annum of the net asset value of certain of the Company's direct investments. During 2019, the operational services fee was calculated by reference to all of the Company's direct investments. With effect from 1 January 2020, operational services fees relating to direct debt investments were eliminated, so that the operational services fee became payable only by reference to the net asset value of the Company's direct equity investments. With effect from 1 July 2020, no further operational services fees are payable by reference to the Company's current direct equity investments.

The operational services fee for the year ended 31 December 2020 totalled £620,874 (2019: £3,928,313). There are no amounts outstanding as at 31 December 2020 (2019: £1,109,199).

b) Performance fees

The Administrative Agent is paid a performance fee of 20% of profits (after expenses) from the full or partial realisation on disposal of any direct equity investments subject to an 8% preferred return. With effect from 1 July 2020, no performance fees are payable by reference to the Company's current direct equity investments.

Performance fees for the year ended 31 December 2020 totalled £3,644,444 (2019: £10,646,241). There are no amounts outstanding as at 31 December 2020 (2019: £12,447,622).

16. Operating expenses

The following expenses are included in operating expenses:

a) Administration fees

The Company has appointed Mayflower Management Services (Bermuda) Limited (the 'Administrator') to provide administration services at an annual fee at prevailing commercial rates. Administration fees for the year ended 31 December 2020 totalled £344,584 (2019: £352,040). There were no amounts payable to the Administrator as at 31 December 2020 (2019: £nil).

b) Directors' fees

For the year ended 31 December 2020, the Company paid Directors' fees of £100,000 (2019: £65,000) to the Chair of the Board and £275,000 (2019: £175,000) to other Board members. No fees were payable as at 31 December 2020 (2019: £nil).

The members of the Board of Directors are considered to be Key Management Personnel. No pension contributions were made in respect of any of the Directors and none of the Directors receive any pension from any portfolio company held by the Funds. During the year one of the Directors waived remuneration (2019: one). No other fees were paid to the Directors (2019: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

16. Operating expenses continued

For the years ended 31 December 2020 and 2019 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2020 '000	2019 '000
Shares at the beginning of the year	18,018	9,736
Shares acquired during the year	745	8,342
Shares held by a Director who resigned during the year	(400)	(60)
Shares at the end of the year	18,363	18,018
Dividends paid to Directors (£'000)	818	561

c) Auditor's remuneration

The Company's auditor is KPMG. During the year ending 31 December 2020, the Company paid KPMG audit fees of £144,009 (2019: £142,549) and other advisory services fees of £6,666 (2019: £5,000).

d) Other expenses

The Company is recharged by the Administrative Agent for certain services such as compliance, accounting and investor relations provided by the Administrative Agent's contracted advisers, (which include the Investment Adviser) on behalf of the Company. Such recharges are specifically agreed on an annual basis.

For the year ended 31 December 2020, the Administrative Agent recharged £947,000 (2019: £719,034). The amount outstanding as at 31 December 2020 was £90,000 (2019: £70,000) and is included in "Trade and other payables" in the consolidated balance sheet.

17. Withholding tax

Under current Bermuda law the Company is not required to pay tax in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of such taxes being imposed, the Company is exempt from such taxation until at least 31 March 2035.

The Company may, however, be subject to foreign withholding taxes in respect of income derived from its investments in other jurisdictions. For the year ended 31 December 2020, the Company was not subjected to foreign withholding taxes (2019: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

18. Earnings per share

The earnings per share calculation uses the weighted average number of shares in issue during the year.

	2020	2019
Basic and diluted earnings per share	£0.48	£0.66
Profit for the year ('000)	£92,386	£135,269
Weighted average number of shares in issue ('000)	192,707	204,113

The Company's diluted earnings per share equals the basic earnings per share.

19. Net asset value per share

The net asset value per share calculation uses the number of shares in issue at the end of the year.

	2020	2019
Basic and diluted net asset value per share	£4.03	£3.45
Net assets attributable to shareholders ('000)	£727,950	£686,008
Number of shares in issue at the year end ('000)	180,600	198,600

20. Share capital

a) Authorised and issued capital

The authorised share capital of the Company is 280,000,000 ordinary shares at a par value of £0.01 each. Ordinary shares are listed and traded on the SFS of the LSE Main Market. Each share confers the right to one vote and shareholders have the right to receive dividends.

During the year ending 31 December 2020, the Company purchased the following ordinary shares:

	Number of ordinary shares	Purchase price (£'000)
18 March 2020	3,000,000	4,818
18 June 2020	1,340,000	2,775
29 July 2020	3,660,000	8,318
2 October 2020	3,053,000	7,786
3 December 2020	6,947,000	18,068

20. Share capital continued

During the year ending 31 December 2019, the Company purchased the following ordinary shares:

	Number of ordinary shares	Purchase price (£'000)
15 March 2019	404,100	767
14 November 2019	1,800,000	4,000
20 December 2019	4,000,000	10,100

The ordinary shares purchased by the Company have been cancelled. The Company's authorised share capital is not reduced by this cancellation.

As at 31 December 2020, the Company's issued and fully paid share capital was 180,599,936 ordinary shares (2019: 198,599,936).

	2020 '000	2019 '000
Ordinary shares outstanding at the beginning of the year	198,600	204,804
Ordinary shares purchased	(18,000)	(6,204)
Ordinary shares outstanding at the end of the year	180,600	198,600

b) Share premium

Share premium represents the amount received in excess of the nominal value of ordinary shares.

21. Dividends

On 11 March 2020, the Board of Directors declared a final dividend for 2019 of 2.25 pence per ordinary share resulting in a dividend of £4,391,999 paid on 23 April 2020 (2019: On 13 March 2019, the Board declared and approved a final dividend for 2018 of 2.25 pence per ordinary share which resulted in a dividend payment of £4,608,091 paid on 25 April 2019).

On 10 September 2020, the Board of Directors declared an interim dividend of 2.25 pence per ordinary share resulting in a dividend of £4,288,499 (2019: On 10 September 2019, the Board declared an interim dividend of 2.25 pence per ordinary share which resulted in a dividend of £4,608,091).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

22. Commitments

The Company had the following outstanding capital commitments in Euros as at year end:

	Original commitment £'000	2020 £'000	2019 £'000
Fund I	202,398	2,834	2,834
Fund II	190,000	13,300	13,300
Fund III	325,780	120,539	120,539
Fund IV	400,000	334,000	370,000
Origin Fund[1]	105,000	101,850	–
Total outstanding commitments (€'000)	1,223,178	572,523	506,673
Total outstanding commitments (£'000)	1,094,622	512,351	428,746

[1] The Company made the commitment to the Origin Fund during the year ending 31 December 2020.

The Company had the following outstanding unquoted debt security commitments at year end:

	Original commitment £'000	2020 £'000	2019 £'000
Fund I	5,000	5,000	4,000
Fund II[1]	20,000	–	15,700
Oakley NS (Bermuda) LP[2]	54,710	128	14,334
Total outstanding commitments (£'000)	79,710	5,128	34,034

[1] The unquoted debt security commitment to Fund II was terminated on 17 October 2020.
[2] As at 31 December 2019, the original commitment to Oakley NS (Bermuda) LP was £53,850,000.

23. Related parties

Related parties transactions not disclosed elsewhere in the Consolidated Financial Statements are as follows:

One Director of the Company, Peter Dubens, is also a Director of the Investment Adviser, an entity which provides services to, and receives compensation, from the Company and is also the sole shareholder of Oakley Capital Manager Limited (the 'Administrative Agent') which is considered a related party to the Company given the direct control this Director has over this entity. The agreements between the Company and these service providers are based on normal commercial terms and are disclosed in Note 15.

24. Events after balance sheet date

The Board of Directors has evaluated subsequent events from the year end through 10 March 2021, which is the date the Consolidated Financial Statements were available for issue. The following events have been identified for disclosure:

On 21 January 2021, the Company increased its commitment in the Origin Fund by €24,300,000. The Company's total commitment is €129,300,000 and its holding changed from 27.0% to 29.72%.

On 26 February 2021, the Company received a distribution of €25,377,986 (£21,992,563) from Fund III arising from the refinancing of Career Partner Group.

On 10 March 2021, the Board of Directors declared a final dividend for the year ended 31 December 2020 of 2.25 pence per ordinary share resulting in a dividend of £4,063,499 payable on 15 April 2021.

DIRECTORS AND ADVISERS

Directors

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Chair

Richard Lightowler
Senior Independent Director

Fiona Beck
Independent Director

Peter Dubens
Director

Stewart Porter
Director

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Channel Islands

GLOSSARY

Administrative Agent	Oakley Capital Manager Limited ('OCML'), in respect of the Company.
AIF	Alternative Investment Fund, as at 31 December 2020, Oakley Capital Investments Limited is a non-EU AIF.
Auditor	KPMG Audit Limited or such other auditor as appointed from time to time.
Board / Directors	The Board of Directors of the Company.
Carry Vehicles	The Oakley Funds' Carry Vehicles are Oakley Capital Founder Member Limited in respect of Fund I, Oakley Capital Founder Member II LP in respect of Fund II, OCPE III Founder Member LP in respect of Fund III, Oakley Capital IV FM SCSp in respect of Fund IV, and Oakley Capital Origin FM SCSp in respect of the Origin Fund.
Commitments	The amount committed by an investor to the Funds whether or not such amount has been advanced in whole or in part.
Company / OCI	Oakley Capital Investments Limited, a company incorporated with limited liability in Bermuda and registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 31 December 2020, i.e. the investment cost net of amounts realised from partial exits and refinancings, where applicable.
DACH region	Austria, Germany and Switzerland.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.
EV/EBITDA multiple	The EV/EBITDA multiple compares a company's Enterprise Value ('EV') to its annual EBITDA.
Exchange rate	The GBP:EUR exchange rate at 31 December 2020 was £1: €1.1174.
Five-year p.a. total return	Annualised Total NAV Return per share calculated over a five-year period.
Fund facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
Fund I / Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II / Oakley Fund II	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. and OCPE II Master L.P.
Fund III / Oakley Fund III	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. and OCPE III Master L.P.

GLOSSARY CONTINUED

Fund IV / Oakley Fund IV	Those limited partnerships constituting the Fund known as Oakley Capital IV, comprising Oakley Capital IV-A SCSp, Oakley Capital IV-B SCSp, Oakley Capital IV-C SCSp and Oakley Capital IV Master SCSp.
General Partners ('GP')	Oakley Capital I Limited in respect of Fund I (previously Oakley Capital GP Limited), Oakley Capital II Limited in respect of Fund II (previously Oakley Capital GP II Limited) and Oakley Capital III Limited in respect of Fund III (previously Oakley Capital GP III Limited), all exempted companies incorporated in Bermuda. Oakley Capital IV S.à r.l. in respect of Fund IV and Oakley Capital Origin S.à r.l. in respect of the Origin Fund, private limited liability companies incorporated in Luxembourg.
IFRS	International Financial Reporting Standards. The Consolidated Financial Statements and Notes have been prepared in accordance with IFRS.
Investment Adviser	Oakley Capital Limited, a Company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority; or any successor as Investment Adviser of the Oakley Funds.
IPO	Initial Public Offering.
IRR	The gross Internal Rate of Return of an investment or Fund. It is the annual compound rate of return on investments. Gross IRR does not reflect expenses to be borne by the relevant fund or its investors including performance fees, management fees, taxes and organisational, partnership or transaction expenses.
Look-through	OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio of OCI's commitments to the respective Oakley Fund to total commitments to that Fund), applied to each investment's fair value as held in the relevant Oakley Fund, net of any accrued performance fees relating to that investment, and converted using the year-end EUR:GBP exchange rate.
LTM	Last 12 months.
LTM EBITDA growth	Increase in EBTDA over the last 12 months of the year ending 31 December 2020.
MM	Money Multiple.
NAV	Net Asset Value is the value of the Company's total assets less total liabilities.
Oakley	The Investment Adviser being Oakley Capital Limited.
Oakley Group	Oakley Capital Limited as Investment Adviser, Oakley Capital Manager Limited as Administrative Agent, Oakley Capital Holdings S.à r.l., the General Partners, the Fund IV and Origin Fund AIFM and any other AIFM and General Partner of successor Oakley Funds or any additional management or holding entities formed under the control of the current Oakley Group.

GLOSSARY CONTINUED

Oakley Funds	Fund I, Fund II, Fund III, Fund IV and Origin Fund, and (as applicable) any successor Funds.
Ongoing charges	Ongoing charges are calculated in accordance with the guidelines issued by The Association of Investment Companies ('AIC'). They comprise recurring costs, including the operating expenses of the Company, operational services fees paid to the Administrative Agent and, OCI's share of the management fees paid by the underlying Oakley Funds. The calculation specifically excludes expenses, gains and losses relating to the acquisition or disposal of investments, performance-related fees (such as carried interest), and financing charges. This calculation cannot be directly reconciled to OCI's Financial Statements due to the inclusion of OCI's share of the management fees paid by the underlying Oakley Funds which is not directly included in OCI's Financial Statements.
Origin Fund	Those limited partnerships constituting the Fund known as the Origin Fund, comprising Oakley Capital Origin A SCSp, Oakley Capital Origin B SCSp and Oakley Capital Origin Master SCSp.
SFS	The Specialist Fund Segment is a segment of the London Stock Exchange's regulated Main Market.
Total NAV return	A measure showing how the Net Asset Value ('NAV') per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. Calculated as: (increase in NAV + dividends) / opening NAV.
Total Portfolio	The Total Portfolio is the fair value of OCI's investments, made up of the Oakley Funds' investments on a look-through basis, and OCI's direct investments. This can be reconciled to the NAV as below:

	£m
Total Portfolio	£638.2
Other Oakley Fund assets/(liabilities)	(£139.7)
Other direct investments	£6.6
Cash and other	£222.9
NAV	£728.0

Total shareholder return	Total shareholder return is the financial gain that results from a change in OCI's share price plus dividends paid by the Company during the year, divided by the initial purchase price of the stock.

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