Oakley Capital **Investments**

ANNUAL REPORT 2021

At a glance

Total NAV Return per Share of 35% and Total Shareholder Return of 48% for 2021

- **NAV per share since inception**
- **Ten-year outperformance**

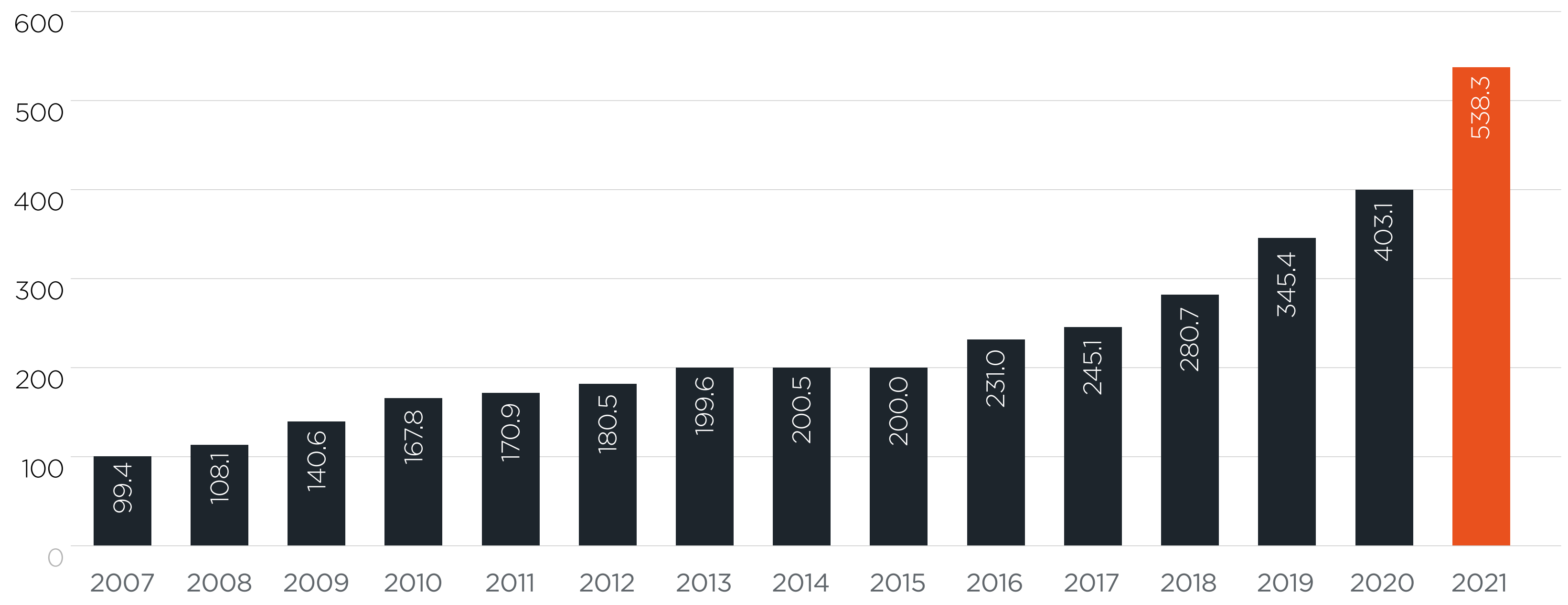
OUR OBJECTIVE

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.

NAV per share since inception
(pence at 31 December)

538p

Net Asset Value ('NAV') per share of 538 pence, up from 403 pence at 31 December 2020.



At a glance

Total NAV Return per Share of 35% and Total Shareholder Return of 48% for 2021

- NAV per share since inception
- Ten-year outperformance

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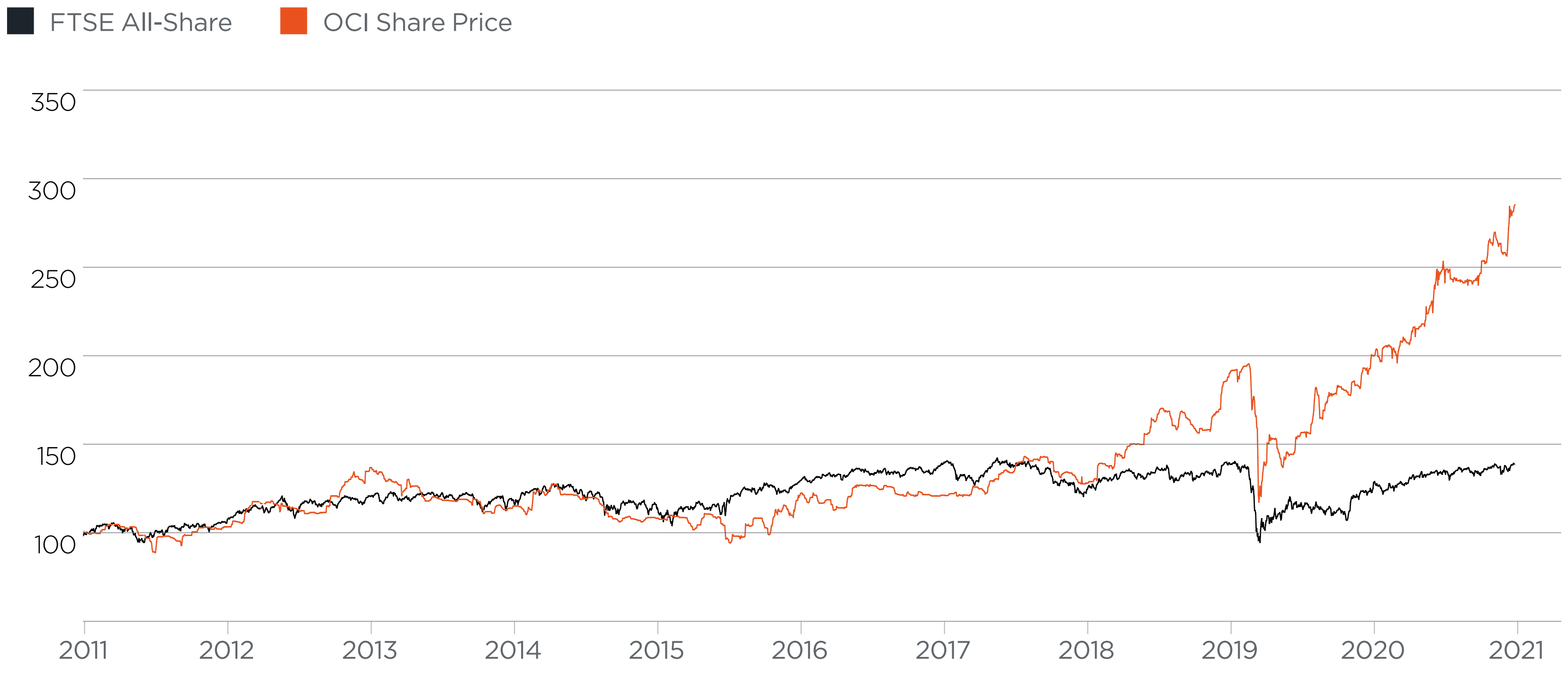
FTSE All-Share and OCI share price performance over ten years
(rebased to 100 at 1 January 2012)

48%

Significant outperformance in 2021 with a Total Shareholder Return for the year of 48%.



Contents

Why invest in listed private equity?

Historically, private equity has been walled off from retail investors – it's right there in the name. But listed private equity means anyone can access this market...

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. OCI's sustained, strong performance over the years has helped build credibility in listed private equity, an important development in the necessary democratisation of the wider asset class.

Public access

to private companies

- **Public access to private companies**
- **Extraordinary opportunities**
- **A partner of choice**

Why invest in OCI?

Extraordinary opportunities

Returns are driven by profit growth in a high-quality portfolio of companies primarily across Western Europe in three distinct sectors – Technology, Consumer and Education.

Their business models are predominantly focused on tech-enabled services and resilient, recurring revenues that have delivered strong trading performance. While some companies were impacted by temporary COVID-related restrictions, the wider portfolio enjoyed strong earnings growth, benefitting from accelerating long-term trends such as the increasing adoption of digital solutions by businesses and consumers, and growing demand for quality, accessible education.

- Public access to private companies
- **Extraordinary opportunities**
- A partner of choice

Why invest in OCI?

A partner of choice

OCI benefits from its partnership with Oakley Capital ('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 entrepreneurial culture. Oakley was conceived by entrepreneurs to be the partner of choice for entrepreneurs and this spirit lies at the heart of the firm's culture. Over 20 years of investing with a focus on building deep, long-standing relationships across the Oakley network has laid the foundations for future growth as the firm benefits from their help in sourcing, unlocking and executing deals, and driving value creation across the portfolio.

- **Public access to private companies**
- **Extraordinary opportunities**
- **A partner of choice**

Financial highlights

Performance

OCI continued to benefit from the Oakley Funds' investment focus on technology-enabled businesses. NAV per Share increased to 538 pence, with a Total NAV Return per Share of 35% and a Total Shareholder Return of 48%.

Net Asset Value

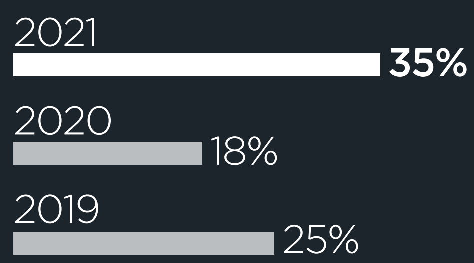
Net Asset Value ('NAV') of £961 million

£961m

Total NAV Return per Share

Total NAV Return per Share of 35% for the year

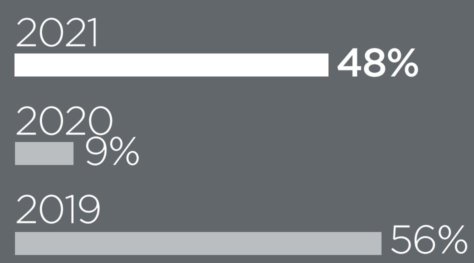
35%



Total Shareholder Return

Total Shareholder Return of 48% for the year

48%



Watch video

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

Financial highlights

Performance
Balance sheet and distributions
Portfolio companies

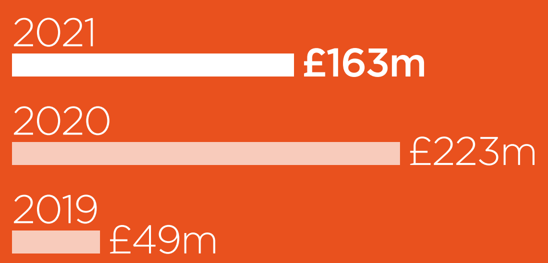
Balance sheet and distributions

Full-year dividend of 4.5 pence and further cash deployed during the year while maintaining liquidity for new investments. Post year-end, an initial €400 million (£336 million) commitment announced to Fund V.

Cash

Cash of £163 million, representing 17% of NAV

£163m



Dividend

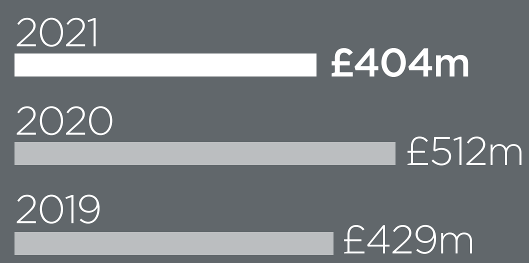
Full-year dividend of 4.5 pence

4.5p

Outstanding fund commitments

Outstanding fund commitments of £404 million

£404m



Financial highlights

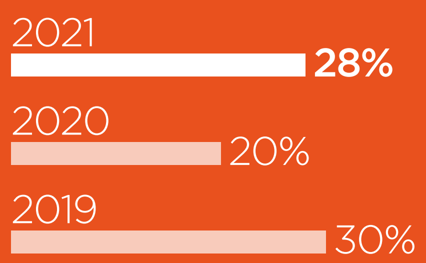
Portfolio companies

Strong earnings growth, with the portfolio benefitting from accelerating long-term trends such as the increasing adoption of digital solutions by businesses and consumers, and growing demand for quality, accessible education.

LTM EBITDA growth

Last twelve months EBITDA growth of 28%

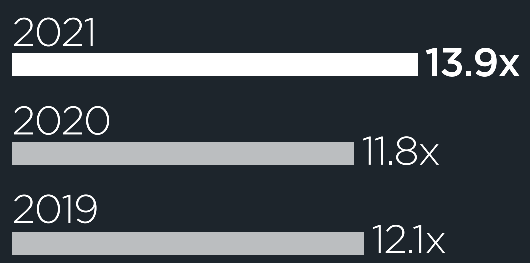
28%



EV/EBITDA multiple

Average Enterprise Value to EBITDA multiple of 13.9x

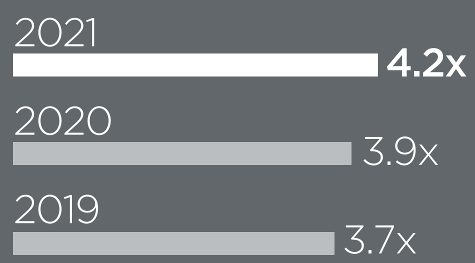
13.9x



Net Debt/EBITDA ratio

Average Net Debt to EBITDA ratio of 4.2x

4.2x



Portfolio activity

New investments

New investments on a look-through basis. See Glossary for further details.

Total invested

£137m

- New investments
- Realisations & refinancings

2021

JAN

idealista

Fund IV acquired a minority stake in idealista, an online real estate classifieds platform in Southern Europe, present in Spain, Italy and Portugal.

£43m
Investment

FEB

Dexters

Fund IV acquired a controlling stake in Dexters, London's leading independent chartered surveyor and estate agent.

£13m
Investment

MAR

APR

MAY

ECOMMERCE ONE

The Origin Fund completed the acquisitions of Afterbuy and DreamRobot, two providers of e-commerce software in German-speaking Europe, together creating the ECOMMERCE ONE Group.

£6m
Investment

JUN

ICP Education

Fund IV completed the acquisition of a majority stake in ICP Education, an independent group of UK children's nurseries.

£27m
Investment

Portfolio activity

New investments

New investments on a look-through basis. See Glossary for further details.

Total invested

£137m

- New investments
- Realisations & refinancings

2021

JUL

ACE Education

The Origin Fund completed its investment in ACE Education, a private vocational higher education platform in France and Spain.

£10m

Investment

AUG

SEPT

Seedtag

The Origin Fund completed a minority investment in Seedtag, a leader in contextual advertising in EMEA and Latin America.

£7m

Investment

OCT

NOV

DEC

Portfolio activity

Realisations & refinancings

Realisations and refinancings on a look-through basis. See Glossary for further details.

Total realised

£121m

- New investments
- Realisations & refinancings

2021

JAN

FEB

IU Group

IU Group completed a refinancing resulting in a distribution to Fund III.

£29m

Refinancing

MAR

Daisy

The Daisy Group disposed of its Digital Wholesale Solutions division, resulting in a distribution to Fund II, and all outstanding loans to OCI being repaid.

£22m

Partial exit and debt repayment

APR

MAY

JUN

Portfolio activity

Realisations & refinancings

Realisations and refinancings on a look-through basis. See Glossary for further details.

Total realised

£121m

New investments

Realisations & refinancings

2021

JUL

ACE Education

Fund III exited its investment in ACE Education, a private vocational higher education platform in France and Spain.

£16m

Exit

AUG

SEPT

OCT

Contabo

Contabo completed a refinancing resulting in a distribution to Fund IV.

£13m

Refinancing

NOV

DEC

IU Group

IU Group completed a refinancing resulting in a distribution to Fund III.

£36m

Refinancing

7NXT

7NXT completed a refinancing resulting in a distribution to the Origin Fund.

£5m

Refinancing

Chair's statement

The Company's underlying investments maintained their pattern of strong growth with average EBITDA increasing by 28%, underpinned by the portfolio's focus on digitally enabled businesses and recurring revenues.

Caroline Foulger
Chair

Chair's statement

I am delighted to report that OCI has continued to deliver on its long-term strategy, generating an impressive Total Shareholder Return of 48% during the period. Our investors benefitted from another significant uplift in NAV, with the value of OCI's portfolio increasing by more than a third, driven by healthy earnings and realisations. Indeed, 76% of the increase in the portfolio's value was driven by EBITDA growth.

The Company's underlying investments maintained their pattern of strong growth with average EBITDA increasing by 28%, underpinned by the portfolio's focus on digitally enabled businesses and recurring revenues. OCI also benefitted from robust investor appetite for Oakley's portfolio companies, including TechInsights, which was sold in February 2022 at a 131% premium to the June book value. These results are a clear demonstration of the Investment Adviser's unique origination strategy, proven value creation drivers and effective active management.

The democratisation of private equity

The results are also a validation of OCI's continued strategy and mandate to invest in the Oakley Funds, with a five-year compound annual growth rate ('CAGR') of 19%. Importantly, they are also a validation for the wider asset class.

As Chair, I am heartened to see how this sustained, strong performance over the years has helped build credibility in the listed private equity sector, an important development in the democratisation of this outperforming asset class.

As the Investment Adviser sets out in its report, the universe of public equities is shrinking as more companies, especially high-growth, tech-enabled businesses, opt to partner with private equity instead. It is important to ensure that shareholders can participate in the long-term upside we expect these companies will generate in the years to come, and I am proud that OCI is helping to make this happen through the diversification of our shareholder register, as you will read about later.

New investments

Many of these private companies consider Oakley as their partner of choice to help them realise their strategic goals. During the period, the Oakley network continued to generate strong opportunities for new investments at attractive valuations, the key to future growth. It is pleasing to see further diversification, accelerating Oakley's transformation into a true, pan-European investor. In Iberia, where Oakley is already busy building the region's leading business software platform Grupo Primavera, it has added investments in property portal idealista as well as Seedtag, a leading ad-tech business. While these latest investments have a pronounced digital flavour, Oakley has also strengthened its lead in the education sector with new platform deals, including ICP Education, a chain of premium, early-years education centres in London, and a reinvestment in ACE Education, which specialises in on-campus vocational higher education. Both investments enable OCI to continue tapping into the growing, global demand for quality, accessible education.

Cash and commitments

At year-end, OCI had cash on the balance sheet of £163 million and no debt. A strong cash position provides the necessary firepower for new Fund investments, not only in platform deals but also for follow-on acquisitions. Buy-and-build remains a core value creation driver for Oakley, as you will read about in the Investment Adviser's report. Over half of the current portfolio are pursuing this growth strategy, and it is testament to Oakley's expertise and track record in this space that it has successfully completed more than 100 bolt-ons to date. With Fund IV now effectively 75% invested, attention turns to Oakley's successor fund.

The Board is pleased to confirm an initial €400 million commitment to Fund V, continuing our mandate of investing in the Oakley Funds. With more private businesses looking for alternative sources of capital and a rich pipeline in place, OCI has the resources to help finance new Fund investments in the coming years, using balance sheet cash as well as proceeds from anticipated future realisations. At the same time, the Board is pleased to reiterate our intention to realise, at the right point, our direct debt and equity investments in specific portfolio companies as we focus entirely on committing to the Oakley Funds.

£163m
Cash on the balance sheet

€400m
Initial commitment to Fund V

Chair's statement

It is encouraging to see so much progress achieved in Oakley's ESG and sustainability strategies, and you can read more about the carbon reduction and diversity & inclusion initiatives launched both by the Investment Adviser as well as within individual portfolio companies.

Photo credit: Endeavour Sailing, Bermuda

Environment, Society and Governance ('ESG')

There has been significant progress in Oakley's ESG and sustainability strategies, which we continue to encourage as a way to de-risk investments, support value creation and demonstrate Oakley's commitment to responsible investing. On page 69, you can read more about the carbon reduction and diversity & inclusion initiatives launched both by the Investment Adviser as well as within individual portfolio companies, including IU Group for example, which has laid out an ambitious road map to become Germany's first zero carbon university. As we highlighted in our interim results, I am pleased to report that OCI has advanced its own direct Corporate Social Responsibility programme which will focus on supporting local charities and youth programmes in Bermuda, where OCI is headquartered.

Enhanced communications

The Board reiterates its strong commitment to enhanced communications and transparency with OCI's investors. During the period, we announced our intention to move to quarterly NAV updates in 2022 and I am pleased to confirm that this will begin with our Q1 results on 27 April. In 2021, we continued to invest in our digital communications, including the launch of our first digital Annual Report as well as increasing social media engagement. We are also investing in our website, to better engage with a wider pool of stakeholders, and to reach a new generation of investors. Enhanced digital communications help us to better tell OCI's story and inform stakeholders about our investment strategy, our underlying portfolio as well as the key drivers of NAV growth: they also help OCI to communicate the wider opportunity in listed private equity.

Chair's statement

Discount

It is pleasing to note that the discount in OCI's share price to underlying NAV had shrunk to 6% at year-end, the lowest year-end gap in eight years. This follows a sustained focus on communicating our strategy, results and key performance drivers as well as a disciplined share buy-back programme. The Board remains confident that these measures, together with sustained strong investment performance, will ensure that the share price better reflects the quality and potential of the underlying investment portfolio.

12%

OCI Board and Oakley employees share ownership

Share purchases

During the period, the Board authorised a buy-back of 2 million shares, which were acquired and cancelled at a price of 354 pence. Board members, Oakley partners and employees also continued to buy shares during the period and now own 12% on a combined basis. I note an article from the Financial Times' Money section: 'Skin in the game gives investment trusts a vital edge. The directors' interests are aligned with shareholders - that's a key advantage.' The title, I believe, speaks for itself.

We achieved further shareholder diversification during the year. The top ten shareholders' combined holding decreased from 80% in 2018 to 61% as at 31 December 2021, with an increasing number of private investors attracted to OCI's performance as well as the superior returns and liquid access that listed private equity provides.

Dividend

In April 2021, a final dividend of 2.25 pence per share was paid for the period ended 31 December 2020. An interim dividend of 2.25 pence per share was paid in October.

4.5p

annual dividend

Outlook

OCI has sustained its outperformance throughout the COVID-19 pandemic, largely avoiding the challenges that have disrupted the wider global economy. Oakley's sharp focus on active management and value creation helped its tech-enabled portfolio to continue generating strong earnings growth for us. Its unique deal sourcing network continued to unearth promising investment opportunities at attractive valuations. Looking ahead to a period of geopolitical, market and economic volatility, the Board is very confident about Oakley's capabilities as a leading private equity investor, as well as the long-term potential of the Oakley Funds, to continue generating superior returns for investors.

Caroline Foulger
Chair
9 March 2022

Business model

Our relationship with Oakley Capital

Oakley Capital Investments ('OCI')

Provides liquid access to a portfolio of high-quality private companies and market-leading returns by investing in the Funds managed by Oakley.

- **Invests in Oakley Funds**, enabling investors to share in the growth and performance of high-quality, private companies in attractive sectors
- Board of Directors safeguards the **interests of shareholders**

Oakley Capital ('Oakley')

Leading private equity firm specialising in fast-growing, mid-market companies across the Technology, Consumer and Education sectors.

- Unique origination capabilities and proven **value creation strategies**
- **Focus on key sectors** underpinned by **accelerating megatrends**

Business model

The Oakley Capital difference

Deal origination

Oakley's success is built on its unique network of entrepreneurs, many of whom it has backed on repeat deals, and who go on to invest in the Oakley Funds and introduce new opportunities.

"Our entrepreneurial DNA means we are the partner of choice for entrepreneurs: we empathise with founders; we understand their mindset; we anticipate their priorities and concerns.

Value creation

Oakley's Investment Team works closely with founders and management teams to create sustainable value through M&A, growth acceleration, business transformation and ESG integration.

"Our tech-enabled portfolio and our focus on sticky, recurring revenues provide valuable income visibility and predictability which further underpins the value of our companies.

Business model

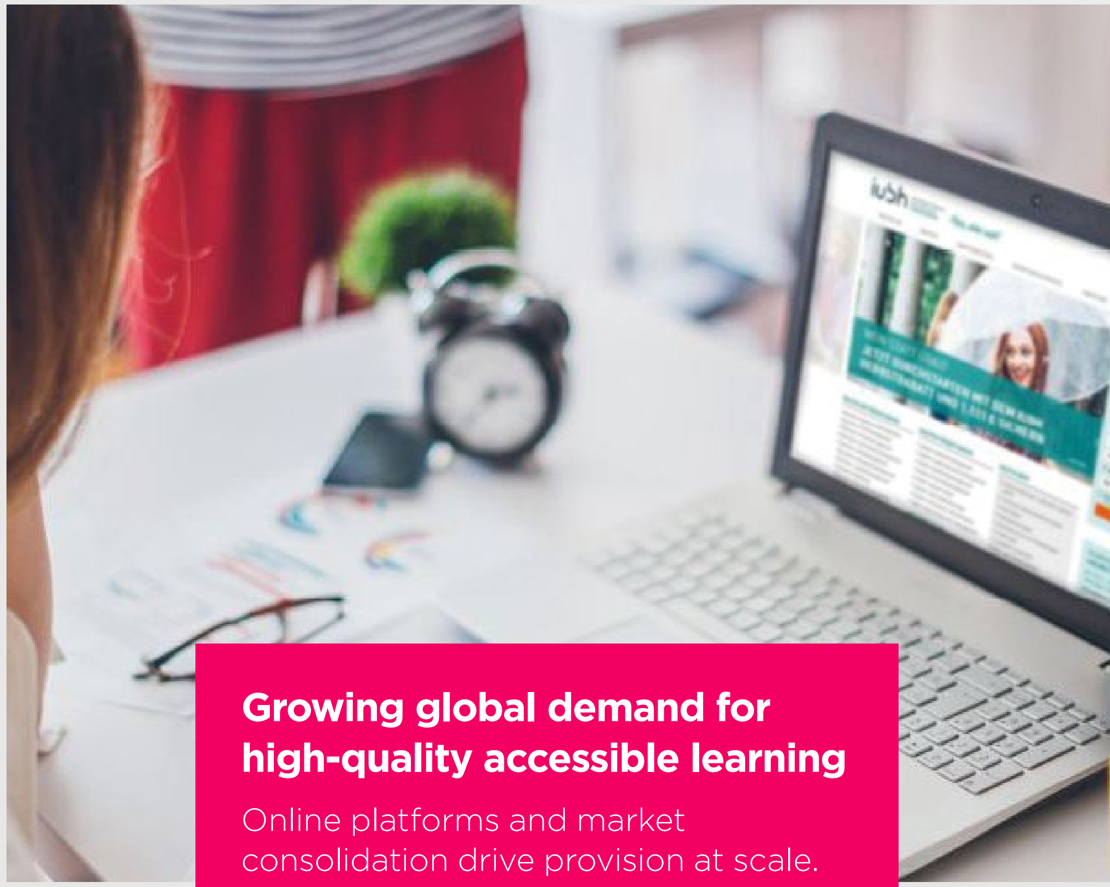
Oakley Capital's focus on key sectors is underpinned by accelerating megatrends

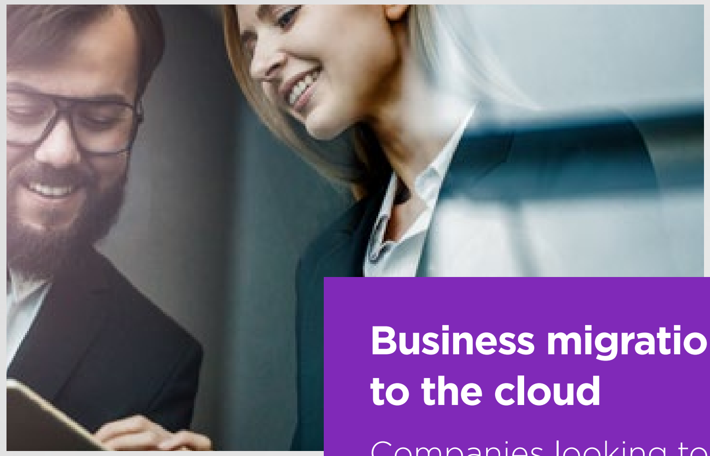
- **Key sectors**
- **Deal-sourcing network**
- **Adding value**

Consumer shift to online

Regions and sectors that are ripe for digital disruption.

Consumer

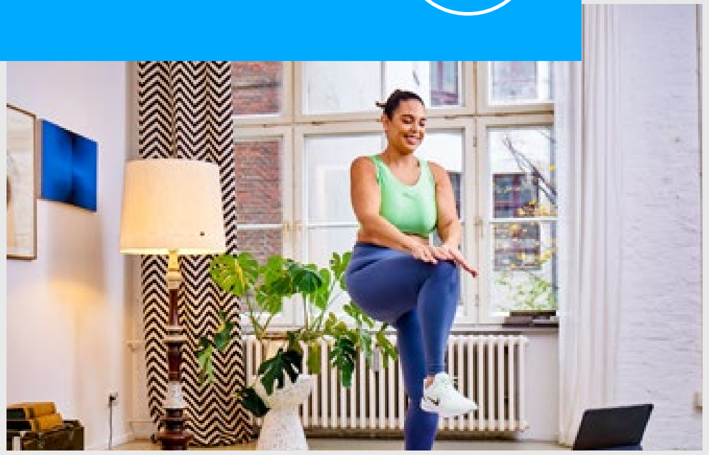




Business migration to the cloud

Companies looking to deliver efficiency and productivity gains.

Technology



Growing global demand for high-quality accessible learning

Online platforms and market consolidation drive provision at scale.

Education

Business model

Unique deal sourcing network

- Key sectors
- Deal-sourcing network
- Adding value

Business founder network

Business founder network provides privileged access to off-market opportunities and creates frequent repeat partnerships.

Navigating complexity

Successful track record of navigating complexity across multiple dimensions: carve-outs, founder-led and complex stakeholder management.

88%
Primary deals

75%
Uncontested deals

9.4x
Average entry multiple

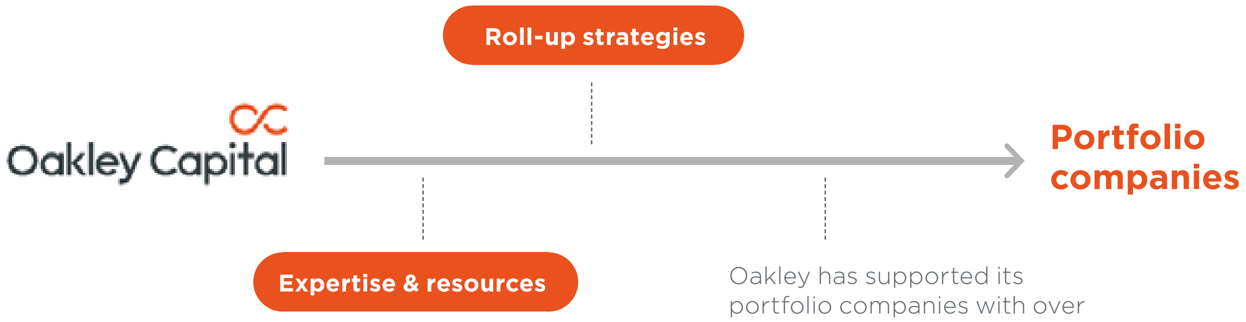
Business model

Proven value creation strategies

- Key sectors
- Deal-sourcing network
- **Adding value**

Buy-and-build | Business Transformation | Performance improvement | Talent acquisition

Buy-and-build



Oakley has supported its portfolio companies with over

100

bolt-on acquisitions

Oakley provides the expertise and resources for portfolio companies to source and execute transformative acquisitions. These include sizable deals that enable them to scale up quickly and expand into new products or markets, as well as roll-up strategies that add smaller acquisitions to a larger platform and enable consolidation in fragmented markets. To date, Oakley has supported its portfolio companies with over 100 bolt-on acquisitions.

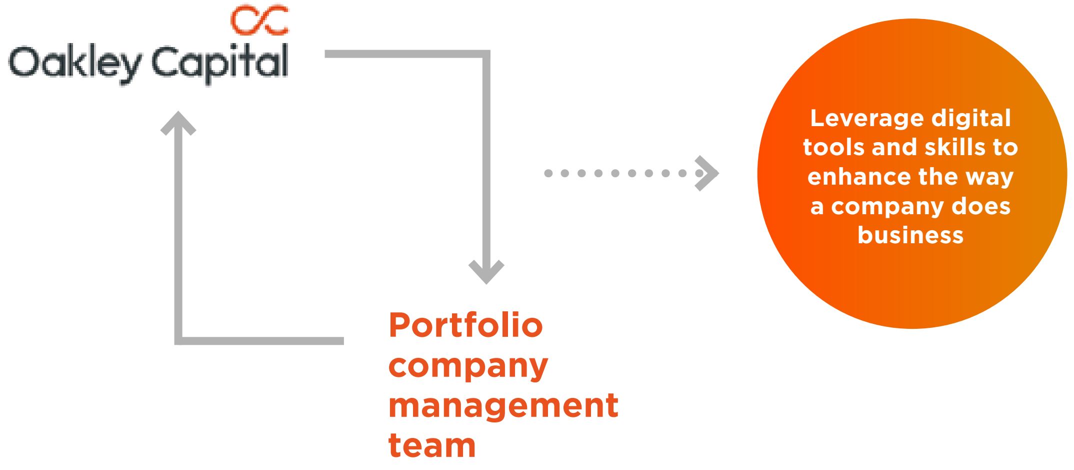
Business model

Proven value creation strategies

- Key sectors
- Deal-sourcing network
- **Adding value**

Buy-and-build | **Business transformation** | Performance improvement | Talent acquisition

Business transformation



Oakley works with management teams to leverage digital tools and skills in order to meaningfully enhance the way a company does business, from migrating its services online to launching new e-commerce channels. Improving the quality and predictability of earnings by shifting sales to a software as a service ('SaaS')/recurring revenue model can have a meaningful impact on valuations. Today, over 70% of Oakley's current portfolio is digital/tech-enabled.

Business model

Proven value creation strategies

- Key sectors
- Deal-sourcing network
- **Adding value**

Buy-and-build · Business transformation · **Performance improvement** · Talent acquisition

Performance improvement

Oakley helps businesses reach their potential by deploying a range of tools to enhance their performance. Achieving marketing excellence is one effective method and the firm has deep experience working with portfolio companies to identify the optimal marketing channels that will help their business to build its brand. Investment in marketing can be complemented by other performance enhancement tools, such as improving yield management and boosting cross-selling.

Business model

Proven value creation strategies

- Key sectors
- Deal-sourcing network
- Adding value

Buy-and-build · Business transformation · Performance improvement · **Talent acquisition**

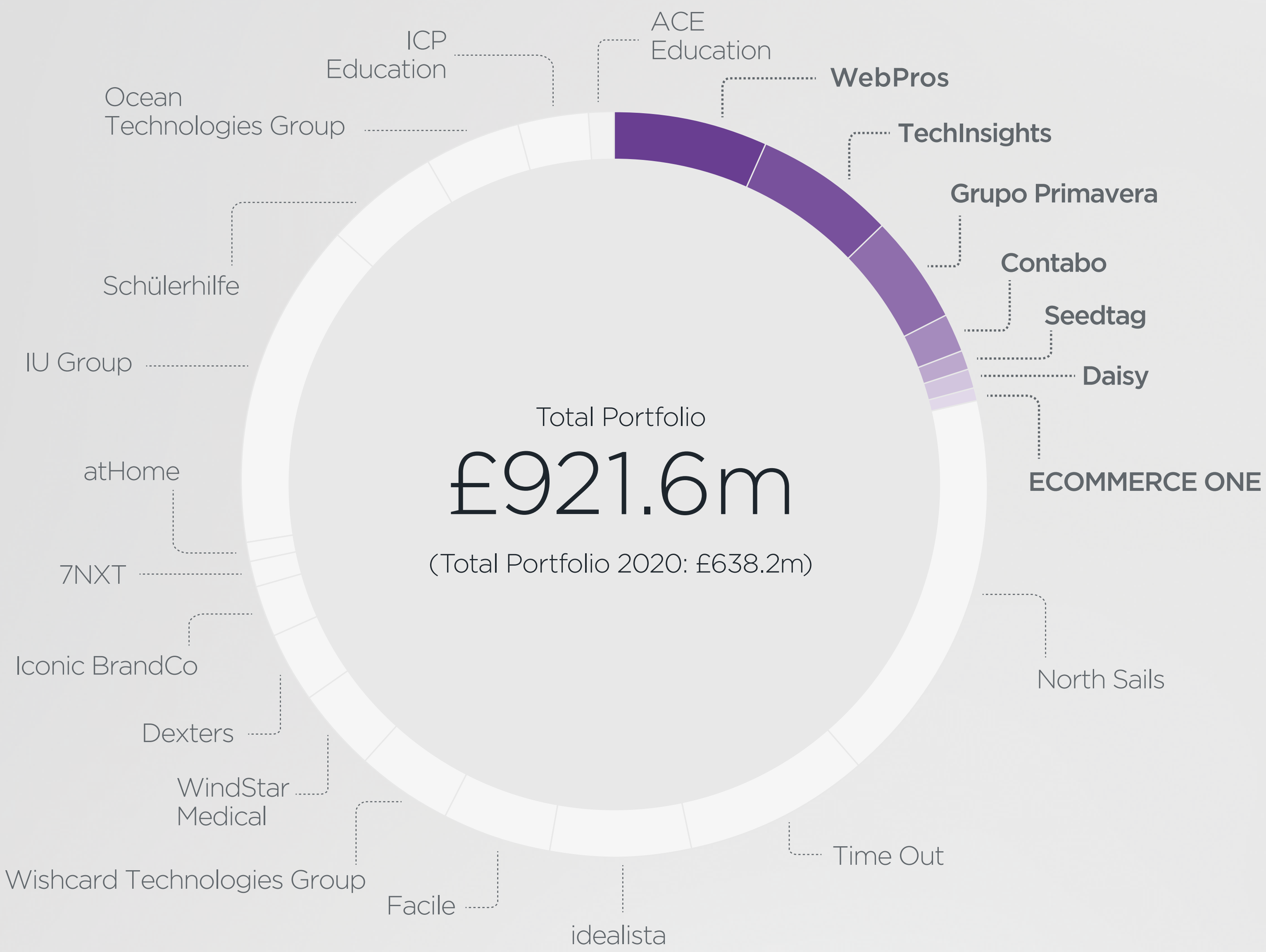
Talent acquisition

A key asset in any business is human capital, and Oakley helps portfolio companies attract and retain the best talent. In the case of corporate carve-outs, Oakley can assemble entire new management teams as well as recruit for critical roles such as sales, marketing, technology and finance. With founder-led businesses, Oakley will often strengthen management by building out a team to support entrepreneurs or formulate a succession plan.

Portfolio overview

A strong, tech-enabled portfolio

The Oakley Funds invest primarily in unquoted, pan-European businesses across three sectors: Technology, Consumer and Education



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.

Technology

£199.0m

WebPros	**£61.6m**
TechInsights	**£58.4m**
Grupo Primavera	**£43.2m**
Contabo	**£13.7m**
Seedtag	**£8.7m**
Daisy	**£7.5m**
ECOMMERCE ONE	**£5.9m**

Consumer

£470.3m

North Sails	**£159.1m**
Time Out	**£72.5m**
idealista	**£58.3m**
Facile	**£43.2m**
Wishcard Technologies Group	**£38.7m**
WindStar Medical	**£31.4m**
Dexters	**£29.2m**
Iconic BrandCo	**£20.3m**
7NXT	**£9.7m**
atHome	**£7.9m**

Education

£252.3m

IU Group	**£131.2m**
Schülerhilfe	**£46.1m**
Ocean Technologies Group	**£38.5m**
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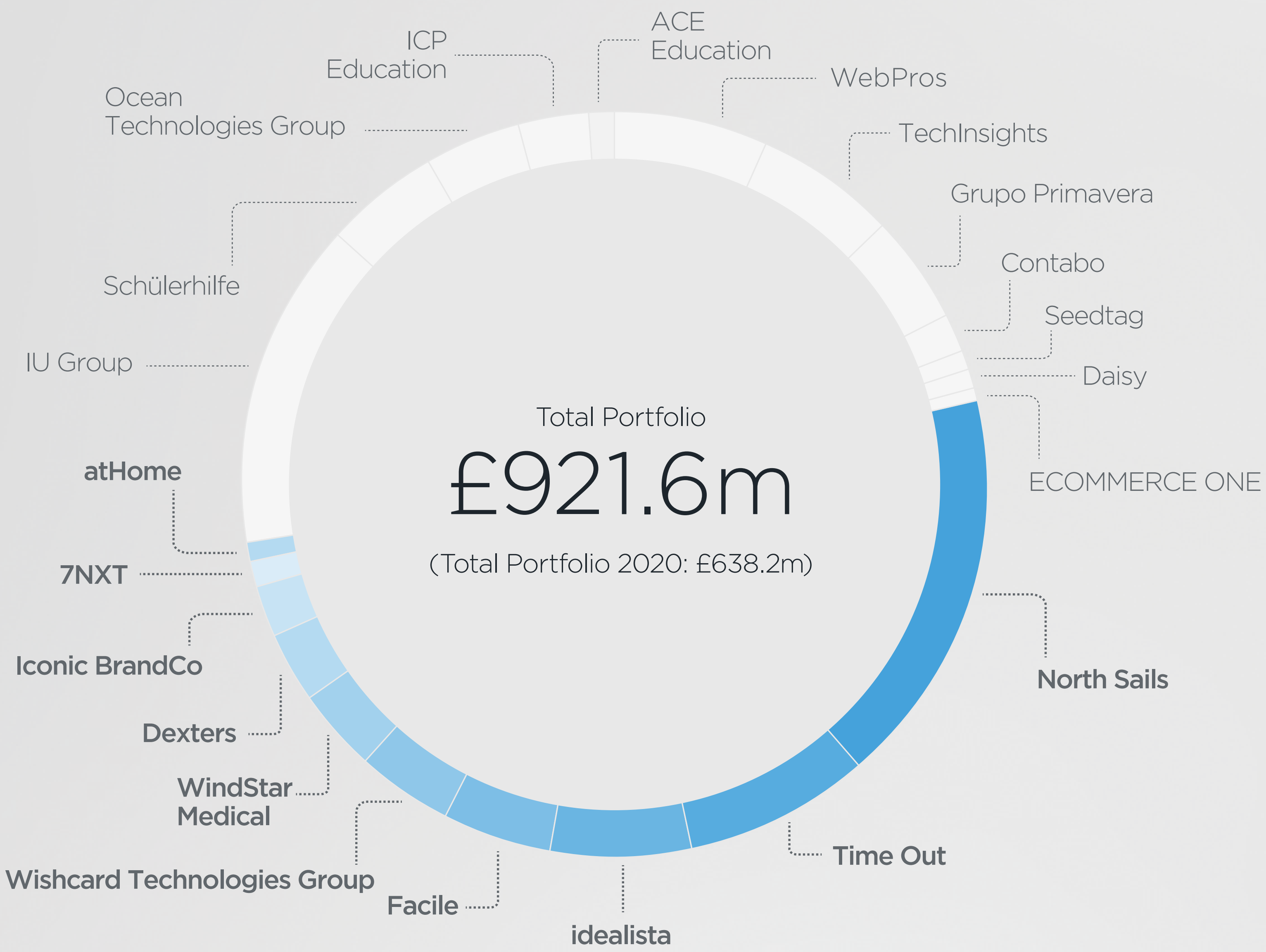

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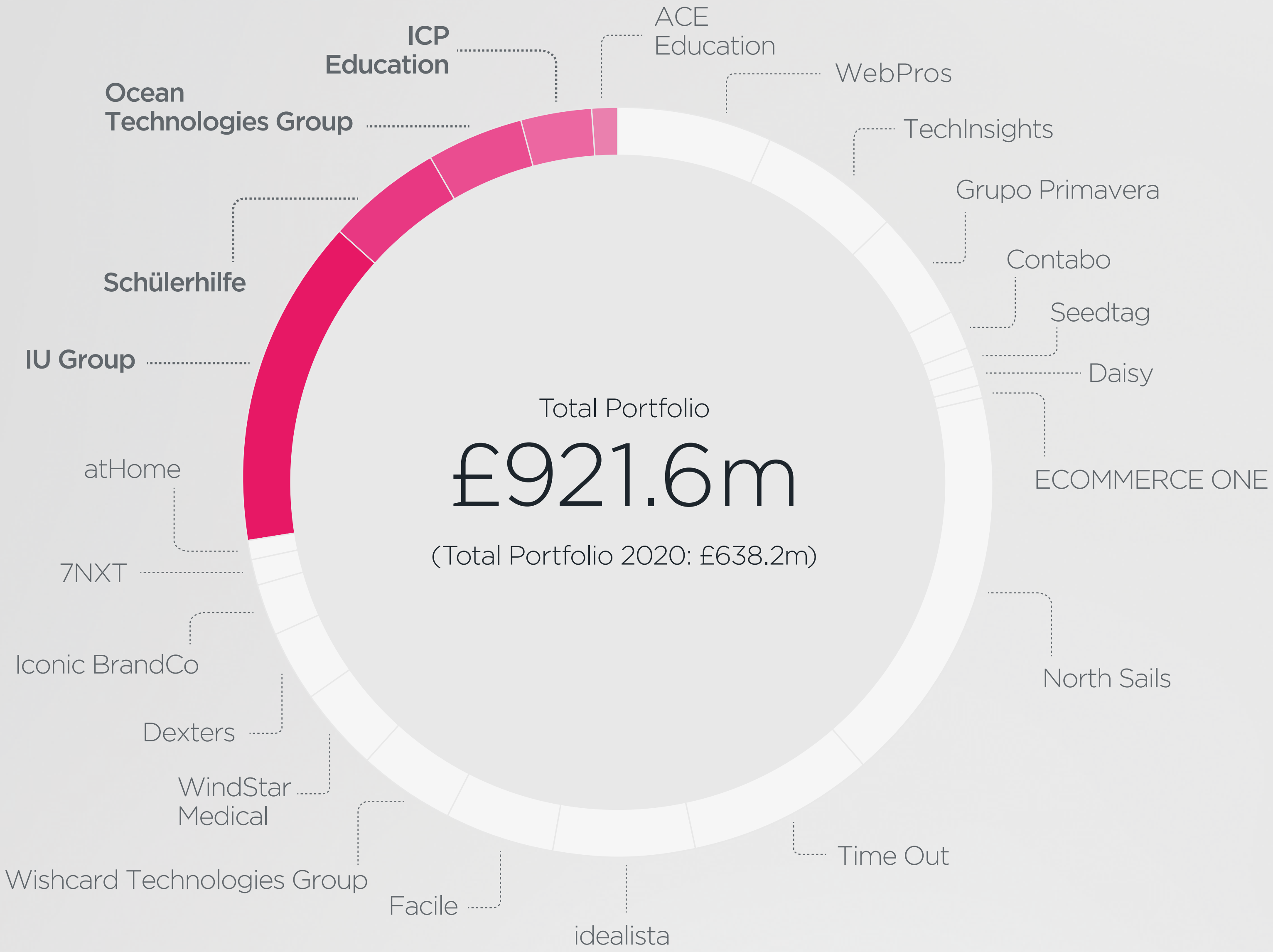

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Portfolio overview

The largest contributors to NAV growth in our portfolio

iu GROUP

+52 pence

NAV per share uplift

Student intake growth of 34% vs the prior year

IU Group has further strengthened its position as Germany's largest and fastest growing university group in the period. The company achieved intake, revenues and EBITDA growth of 34%, 62% and 68% respectively against a strong previous year. Tech-enabled IU Group has successfully tapped into a global trend that accelerated during the pandemic: the growing demand for quality, accessible tertiary education and corporate learning.

Read more on page 64

TechInsights

+24 pence

NAV per share uplift

Trading performance increased fair value by 277%

TechInsights delivered strong performance during the year, with 2021 proving to be an inflection point. Run rate revenues and EBITDA were up 31% and 15% vs prior year, respectively. In February 2022, Fund III exited its stake in the business at a 131% premium to the June book value and generated gross returns of 19.0x MM and 82% IRR. As part of the transaction, Fund IV acquired a majority stake, alongside CVC Growth Funds.

Read more on page 55

Portfolio overview

The largest contributors to NAV growth in our portfolio

WISHCARD

+10 pence

NAV per share uplift

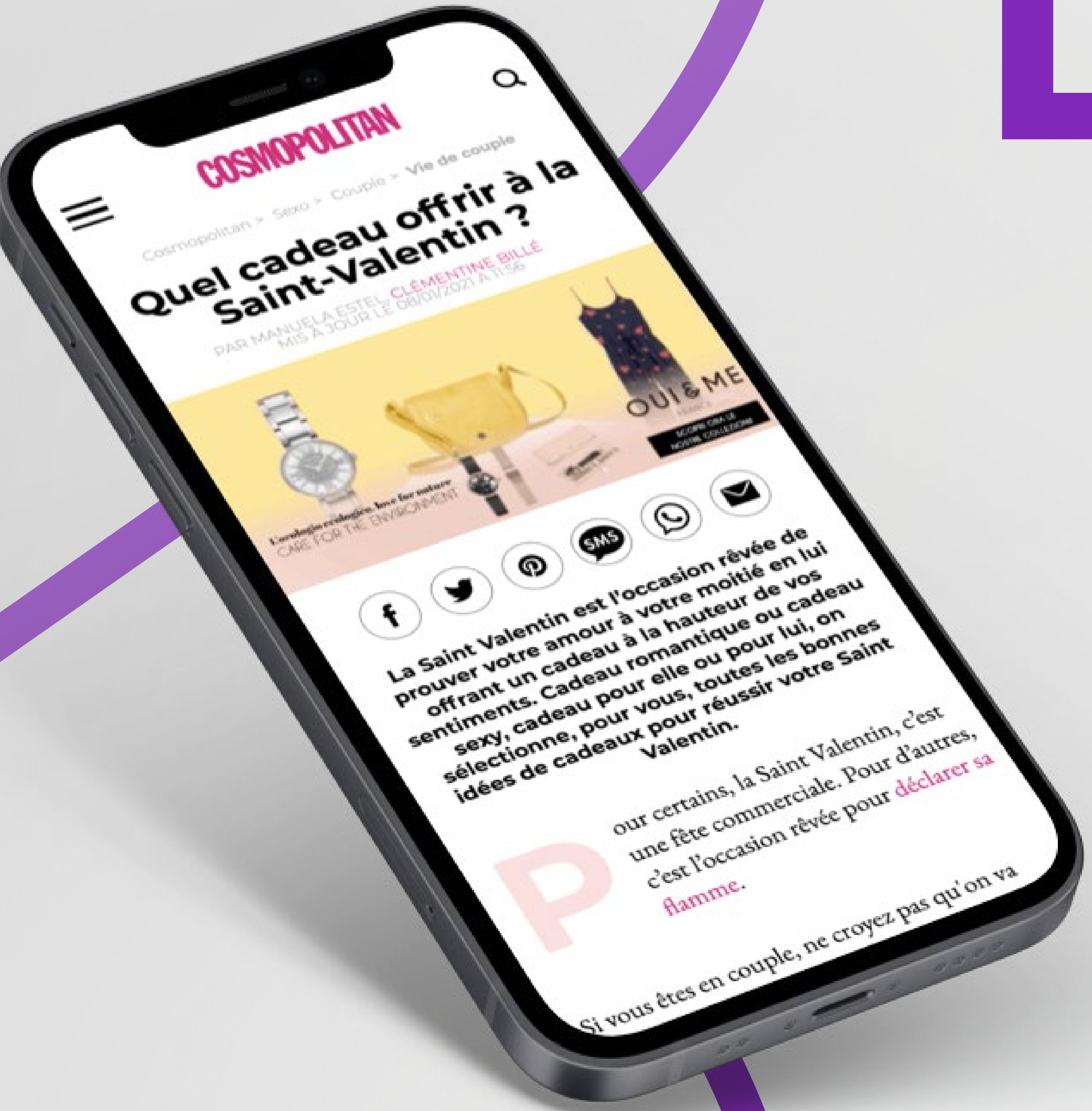
2021 full year revenue growth of 68%

Wishcard has continued to deliver strong performance in 2021, recording full-year revenue growth of 68% vs the prior year. The business has recorded strong growth across all business segments, with particularly impressive e-commerce sales, which more than doubled vs last year.

Read more on page 60

> **Wishcard is Europe's leading gifts and rewards platform, selling over 9 million multi-brand gift cards a year.** The company has experienced phenomenal growth thanks to its market-beating combination of over 500 redemption partners and an omnipresent distribution network.

Case study



Leader

in contextual advertising in EMEA & Latin America

New investment: Seedtag combines best-in-class technology and strong partnerships with leading brands and premium publishers.

Founded in Madrid in 2014, Seedtag helps brands and agencies to deliver digital advertising that is directly relevant to the content that readers are consuming. Oakley's investment will support the Company's expansion into the US and fund further investment in its contextual AI technology at a time of profound change for the advertising industry.

The increasing importance of consumer privacy and GDPR rules is expected to drive a shift away from third-party cookies, and advertisers will no longer be able to reach target audiences by leveraging user browsing history. As a result, brands and agencies are searching for reliable alternatives, such as Seedtag's proprietary software that does not rely on the use of cookies, to help them to understand consumer interests while targeting priority audiences.

Portfolio company: **Seedtag**

Investment Adviser's report

In these times, it pays to embrace a prudent, conservative approach to valuations, as we have consistently done. Our portfolio's 14x average valuation multiple and the strong exit premiums we achieve, including most recently with TechInsights, demonstrate how we do not rely on inflated stock markets to boost our portfolio valuation.

Investment Adviser's report

We remain confident that our tech-enabled portfolio focused on resilient, recurring and growing revenues puts us in a strong position to continue our outperformance.

9.4x

Oakley average entry multiple

12.1x

Industry average entry multiple

Another record year for private equity

During 2021, so many of the metrics we use to measure the growth and exuberance of private equity reached new highs: record fundraising levels, record valuations particularly in 'hot' sectors such as technology, buoyant investment activity and high earnings growth. In this environment, our diversified portfolio of high-growth companies continued to deliver superior returns, while our unique network helped us source promising new investments at attractive valuations. More recently, we have witnessed how accelerating inflation and higher interest rates have triggered market volatility post year-end, as supply chain pressures and labour shortages build in the global economy. Geopolitical tensions have also impacted markets. In spite of these challenges, we remain confident that our tech-enabled portfolio focused on resilient, recurring and growing revenues puts us in a strong position to continue our outperformance.

A certain bet for uncertain times

The market sell-off that we witnessed at the beginning of 2022 was triggered by questions about the sustainability of tech earnings, in particular whether the COVID-19 boost that many companies enjoyed was just a temporary blip. Suddenly, the buoyant equity prices that underpinned the high multiples for many investment portfolios, including those comprising private companies, have given way. In these times, it pays to embrace a prudent, conservative approach to valuations, as we have consistently done. Our portfolio's 14x average valuation multiple and the strong exit premiums we achieve, including most recently with TechInsights, demonstrate how we do not rely on inflated stock markets to boost our portfolio valuation. Instead, its strength is based on earnings growth, proven value creation strategies and Oakley's active management that we can see playing out in so many ways. For example, our focus on transforming TechInsights' business model from project fees to subscription-based revenues helped underpin its exceptional realisation and provides firm foundations for the next period of growth following our reinvestment. Meanwhile, our transformation of Alessi's online channels has turbo-charged its e-commerce business: on Black Friday alone, the Italian homeware brand sold more goods online than for the whole of 2018.

Investment Adviser's report

Great oaks from little acorns grow

While digitisation remains a key component in our value creation toolkit, buy-and-build is another effective method for Oakley to deploy capital and create value, especially during periods of high valuations. To date, we have completed over 100 bolt-on acquisitions and during the period added crew management SaaS provider COMPAS to Ocean Technologies Group, accelerating the transformation of the portfolio company from an e-learning business for ship crews to the leading software provider to the maritime industry. Ekon combined with PRIMAVERA and rebranded to Grupo Primavera to become the largest independent provider of business software in Iberia, helping more companies migrate mission-critical HR, payroll and accounting software to the cloud. Meanwhile, WindStar Medical added L.A.B. Cosmetics, a leading provider of products in the fast-growing clean beauty category.

88%

Primary deals

75%

Uncontested deals

The rise in competition for private assets

As we highlighted in our introduction, the sheer growth of so-called 'dry powder' has intensified the competition to buy the most desirable businesses, but paying over the odds can be dangerous for future returns. In this environment, maintaining an edge in deal origination is key. For Oakley, this includes the unique toolkit we can offer business founders, the power of our network, as well as our ability to unlock complex situations. The founders of L.A.B. chose to partner with WindStar Medical and with Oakley in particular because of our successful track record helping grow digital consumer platforms. Our investment in Seedtag demonstrates the enduring strength of the Oakley network, where entrepreneurs and contacts help us source proprietary deals. Our investment in children's nursery group ICP Education followed a detailed sector screening exercise and builds on our significant track record in education. Meanwhile, our acquisition of London's leading estate agent Dexters underlines our confidence working with complex investment situations. Together, our investments in 2021 have maintained our strong long-term record with 88% of deals being primary and 75% uncontested, since inception.

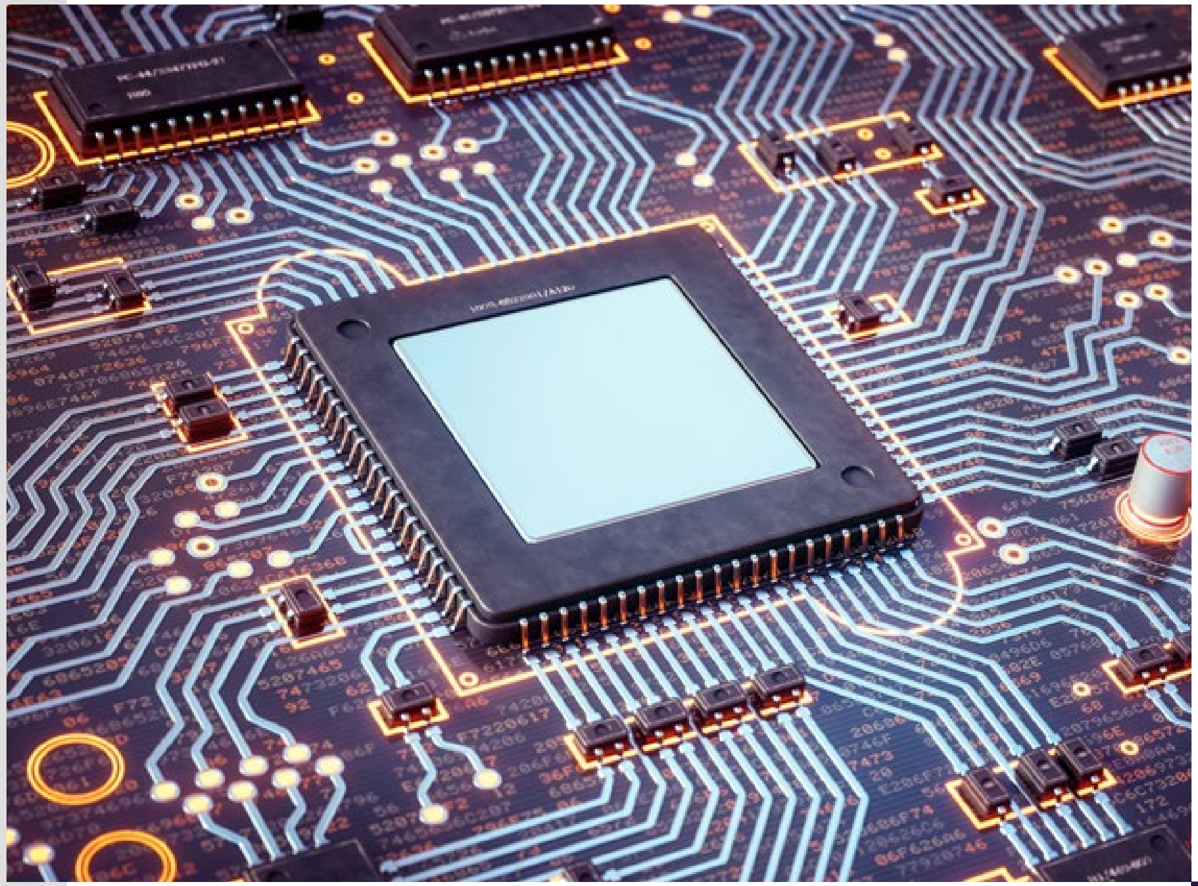
Oakley invests for the future

As our portfolio grows, we continue to invest in the Oakley platform to support deal origination, value creation and active management across our core markets. Our Milan office opened in 2021, adding to our existing network in London, Munich and Luxembourg. During the period, we sustained a steady expansion across all teams, including our Investment Team, investor relations, communications, HR, finance and compliance. Our well-invested platform means we are well-placed to continue generating strong outcomes for all our stakeholders, and to deploy fresh capital as we launch our fundraising for Fund V.

PE can be a force for good

Embracing responsible investing ('RI') helps to de-risk our investments and create long-term value. During the period, we accelerated a number of important initiatives to support RI, including an in-depth carbon footprint audit to support our journey to becoming a net-zero organisation in the near future. We also completed a diversity & inclusion assessment to inform our recruitment policies at Oakley, in the firm belief that diverse, inclusive teams make better investment decisions and deliver better outcomes. We also enhanced climate reporting at a portfolio company level in order to help management teams better understand 'double materiality', or how their activities are impacting climate change, as well as how climate change can impact their operations. Measuring data in this way will empower Oakley and our companies to set ambitious goals and targets that will make our organisations more resilient and help contribute to a better tomorrow.

Investment Adviser's report



Outlook

The growth in private equity as an industry and asset class means there is more money than ever to deploy in new investments. While that is expected to sustain high valuations and competitive sales processes, there is also a greater range of opportunities for private equity investors to put their capital to work. Data shows that more privately owned businesses are staying private for longer: some are choosing to avoid public market IPOs altogether. Instead, they are choosing to partner with private equity, preferring their longer-term investment horizons, their hands-on approach to management and the specific expertise they offer such as internationalisation, digitisation and M&A. Oakley excels in successfully applying these value drivers, as our track record demonstrates. Founder managers appreciate this track record, and, we believe, see Oakley as their partner of choice thanks to our empathetic, entrepreneurial approach to business partnerships. Looking ahead, we remain confident about our ability to continue sourcing highly attractive deals, applying proven strategies to accelerate sustainable growth, and creating businesses that will succeed in a changing world.

Steven Tredget
Partner at Oakley Capital

6

New investments in 2021

Case study

Creating Europe's favourite gifts and rewards platform

Wishcard, Europe's leading gifts and rewards platform, has experienced phenomenal growth thanks to its market-beating combination of over 500 redemption partners and an omnipresent distribution network. Wishcard's exceptional position makes it well-placed to take advantage of a growing global market worth €200 billion today and enjoys several, crucial advantages which have underpinned and will continue to propel its strong growth. It has a broad distribution network at the highest footfall locations with over 90,000 points of sale, including digital vouchers sold direct to consumers via its website, and 500+ redemption partners, which offers so much choice to customers.

Portfolio company: **Wishcard Technologies Group**

Oakley Funds overview

Total realised gross returns of 3.4x Money Multiple and 70% average realised gross IRR across all Funds

Funds overview

OCI is a listed investment company providing consistent, long-term returns in excess of the FTSE All-Share Index by investing in the Funds managed by Oakley Capital, thereby capturing the outperformance of a leading private equity manager.

Oakley leverages its unique business founder network to source attractive investment opportunities and then applies proven value creation strategies to accelerate sustainable growth.

Total outstanding commitments to Oakley Funds were £404 million at the year-end. In January 2022, OCI announced an initial €400 million commitment (£336 million) to Fund V, the successor to Oakley Capital Fund IV, which is effectively c.75% invested. This will be deployed in new Fund investments over the next five years, funded with existing balance sheet cash as well as expected proceeds from future realisations.

Oakley funds

Oakley Origin Fund
Fund size: **€458m**
OCI commitment: **€129m**
OCI outstanding commitment: **£97m**

Oakley Fund II
Fund size: **€524m**
OCI commitment: **€190m**
OCI outstanding commitment: **£11m**

Oakley Fund IV
Fund size: **€1,460m**
OCI commitment: **€400m**
OCI outstanding commitment: **£208m**

Oakley Fund I
Fund size: **€288m**
OCI commitment: **€202m**
OCI outstanding commitment: **£2m**

Oakley Fund III
Fund size: **€800m**
OCI commitment: **€326m**
OCI outstanding commitment: **£86m**

Proceeds in 2021

£121m

Investments in 2021

£137m

Oakley Funds overview

- **Oakley Origin Fund**
  Fund size: **€458m**
- **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**

Oakley Origin Fund

Vintage: 2021

The Origin Fund launched during 2021 with €458 million of commitments and is Oakley's first vehicle focused on investing in lower mid-market companies, building on the firm's successful history of investing in this segment.

Fund size

€458m

OCI commitment
€129m

OCI outstanding commitment
£97m

Outstanding OCI commitment as a % of NAV
10%

Current investments

7NXT

ACE EDUCATION

ECOMMERCE ONE

SEEDTAG

Oakley Funds overview

- **Oakley Origin Fund**
  Fund size: **€458m**
- **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**

Oakley Fund IV

Vintage: 2019

Fund IV was launched during 2019 with €1,460 million of commitments. Fund IV is c.75% effectively invested and made its first distribution during the year.

Fund size

€1,460m

OCI commitment
€400m

OCI outstanding commitment
£208m

Outstanding OCI commitment as a % of NAV
22%

Current investments

Dexters, Contabo, icpeducation, idealista, Ocean Technologies Group, webpros, Windstar Medical, WishCard

Oakley Funds overview

Oakley Origin Fund
Fund size: **€458m**

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**

Oakley Fund III

Vintage: 2016

Fund size

€800m

Fund III launched in 2016 with €800 million of commitments. The Fund's investment period closed in 2019 and the Fund is now in its realisation phase, with a number of refinancings and exits during the year.

OCI commitment
€326m

OCI outstanding commitment
£86m

Outstanding OCI commitment as a % of NAV
9%

5.5x
Realised gross Money Multiple

120%
Realised gross IRR

Current investments

atHomegroup, facile.it, Alessi, Globetrotter, Grupo Primavera, IU Group, Schülerhilfe, Tech Insights

Oakley Funds overview

- **Oakley Origin Fund**
  Fund size: **€458m**
- **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**

Oakley Fund II

Vintage: 2013

Fund II was Oakley's second fund and is now in the latter stages of its realisation phase, with two investments remaining, North Sails and Daisy Group.

Fund size

€524m

OCI commitment
€190m

OCI outstanding commitment
£11m

Outstanding OCI commitment as a % of NAV
1%

3.1x
Realised gross Money Multiple

59%
Realised gross IRR

Current investments

daisy. NORTH SAILS

Oakley Funds overview

Oakley Origin Fund
Fund size: **€458m**

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**

Oakley Fund I

Vintage: 2007

Oakley's first fund closed in 2009 and now has one remaining investment, Time Out Group Plc.

Fund size

€288m

OCI commitment
€202m

OCI outstanding commitment
£2m

Outstanding OCI commitment as a % of NAV
0%

2.9x
Realised gross Money Multiple

44%
Realised gross IRR

Current investments

TimeOut

OCI NAV overview

OCI's NAV grew from £728 million to £961 million, 538 pence per share, an increase of 32% since 31 December 2020

Oakley Fund Investments

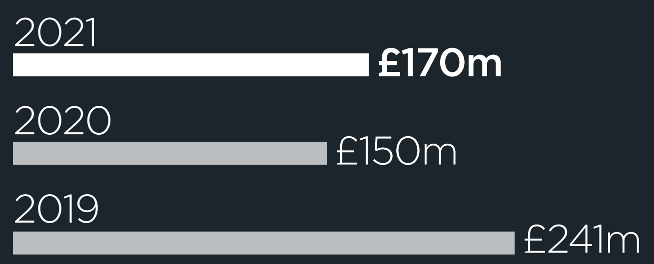
Oakley Fund Investments made up 65% of NAV at year-end

£629m

Direct Investments

Direct Investments made up 18% of NAV at year-end

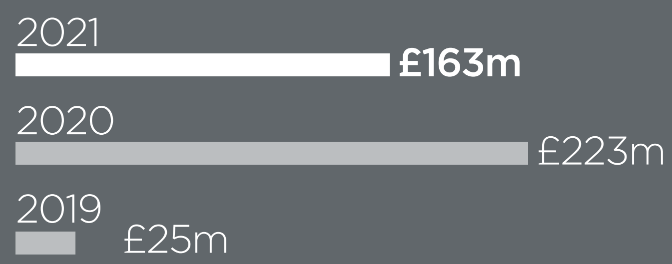
£170m



Cash and Other

Cash and Other made up 17% of NAV at year-end

£163m



OCI NAV overview

Proceeds

OCI's look-through share of proceeds from exits, refinancings and debt repayments during the period amounted to £121 million, consisting of:

Realisations

£38m

Exit of ACE Education, the partial sale of Daisy Group's stake in the Digital Wholesale Solutions division and the repayment of debt by Daisy Group

Refinancings

£83m

IU Group, Contabo and 7NXT all completed refinancings, demonstrating the quality of their recent earnings growth

Investments

During the period, Oakley continued to originate proprietary opportunities for its Funds across its focus sectors. OCI made a total look-through investment of £137 million attributable to:

New investments

£106m

idealista, Dexters and ICP Education in Fund IV; ECOMMERCE ONE, Seedtag, and a reinvestment in ACE Education in the Origin Fund

Follow-on investments

£31m

WindStar Medical in Fund IV; Grupo Primavera and Globe-Trotter in Fund III; and North Sails in Fund II and as a direct investment

OCI NAV overview

Movement in NAV

Movement in investments

Portfolio companies

Increase in NAV during the year driven by unrealised gains of £266 million

Movement in NAV (£m)

£249m

Net earnings in 2021

See 'Attribution analysis' definition within the Glossary for an explanation of methodology

OCI NAV overview

Movement in NAV

Movement in investments

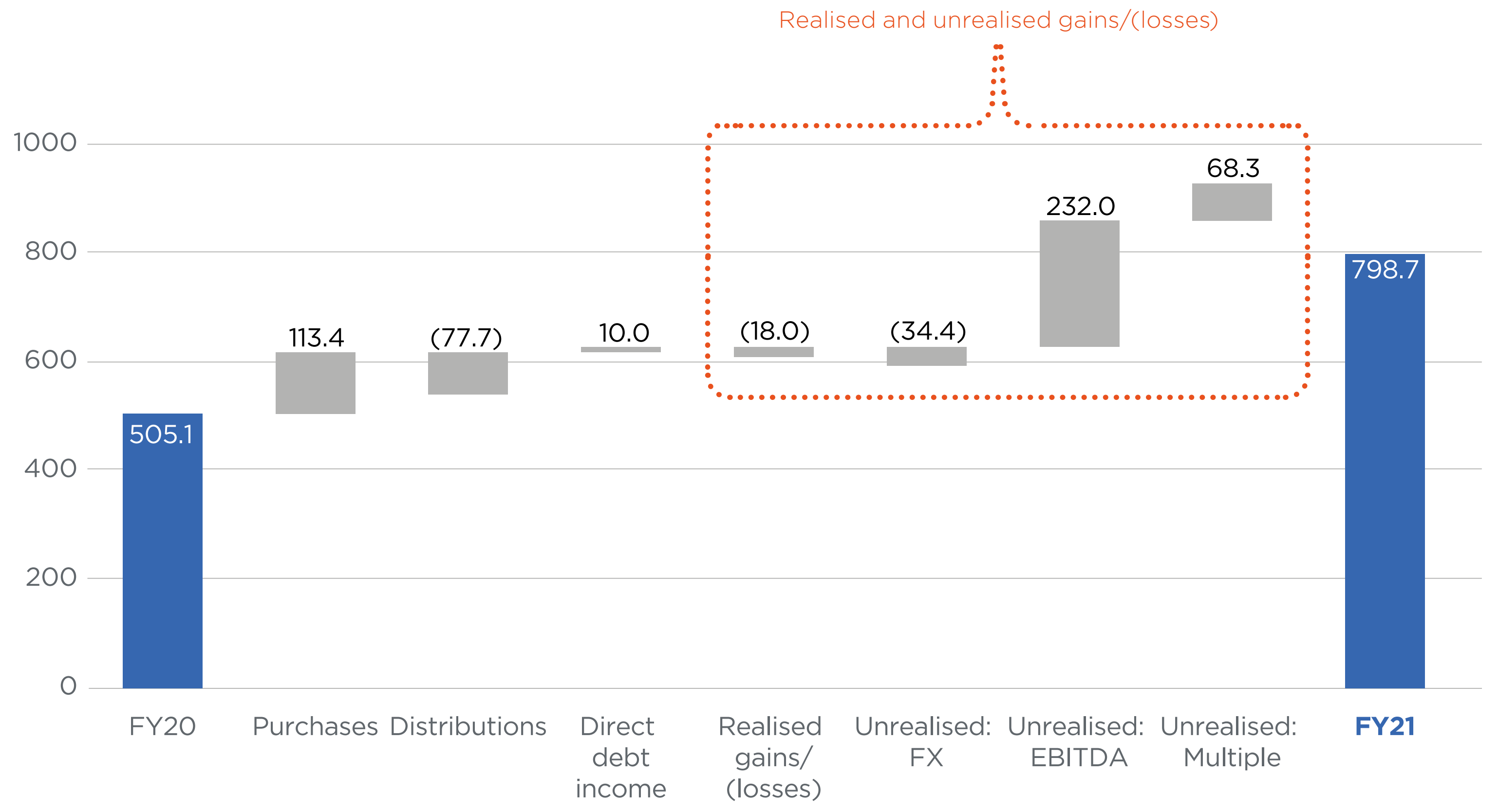
Portfolio companies

Increase in NAV during the year driven by unrealised gains of £266 million

Movement in the value of investments (£m)

£248m

Realised and unrealised gains on investments



See 'Attribution analysis' definition within the Glossary for an explanation of methodology

OCI NAV overview

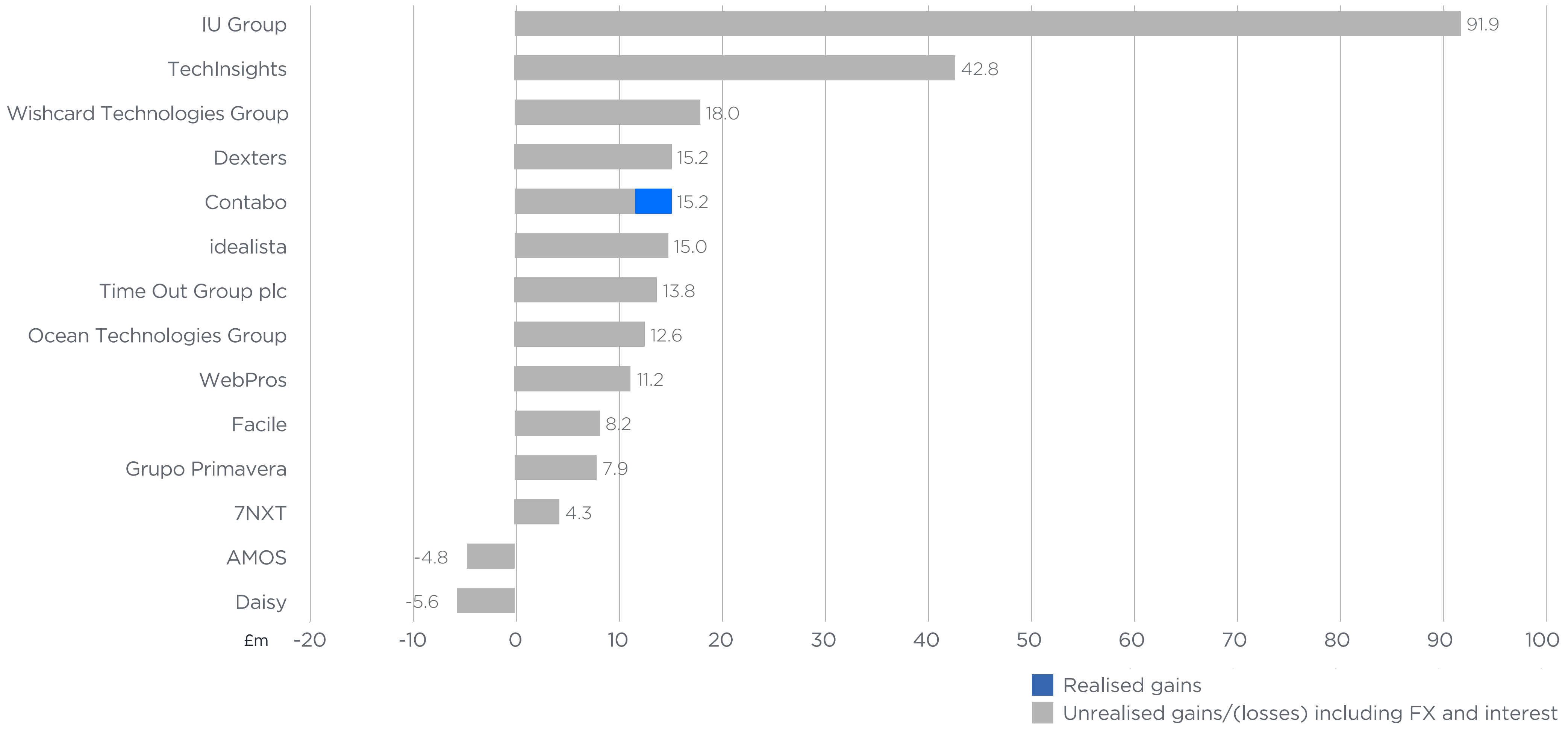
Movement in NAV

Movement in investments

Portfolio companies

Increase in NAV during the year driven by unrealised gains of £266 million

The below chart summarises the largest movements in realised and unrealised gains/(losses) of the portfolio companies during the period on a look-through basis



See 'Attribution analysis' definition within the Glossary for an explanation of methodology

OCI NAV overview

Commitments

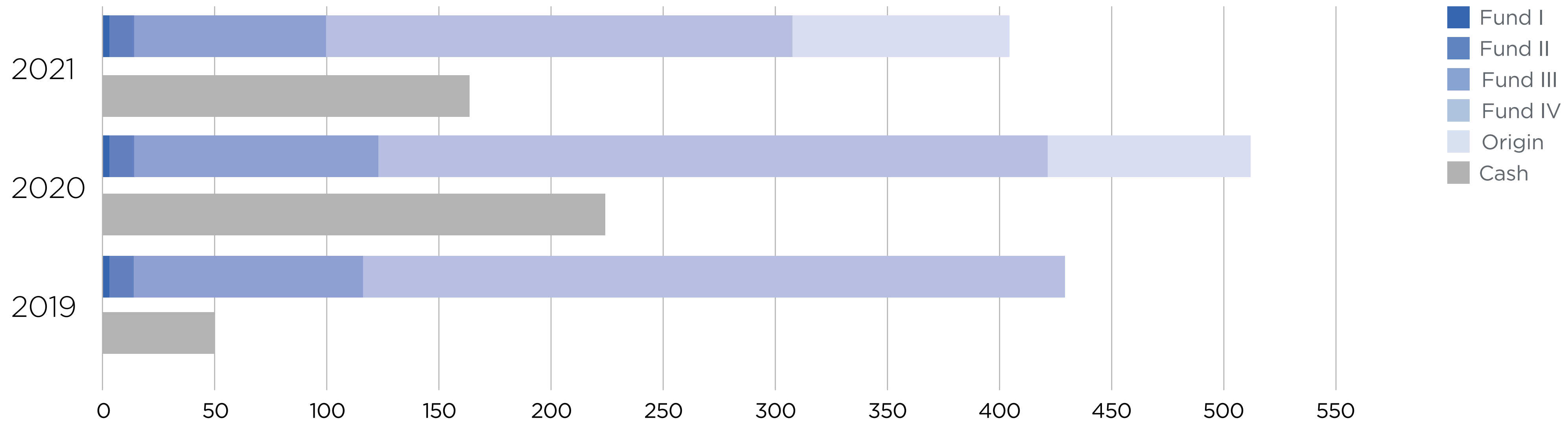
At the year-end, OCI had £404 million of outstanding commitments to the Oakley Funds. Funds I, II and III are in their realisation phase, with future commitments to these Funds expected to be drawn primarily for follow-on investments in Fund III. OCI had no debt, and cash on the balance sheet of £163m at year-end, resulting in outstanding commitments net of cash of £241 million, or 25% of NAV.

Following the year-end, OCI announced an initial €400 million commitment (£336 million) to Fund V, the successor to Oakley Capital Fund IV, which is effectively c.75% invested.

Fund	Total commitment EURm	Outstanding EURm	Outstanding £m*	% of NAV
Fund I	202.4	2.8	2.4	0.2%
Fund II – Master	190.0	13.3	11.2	1.2%
Fund III – Master	325.8	101.8	85.6	8.9%
Fund IV – Master	400.0	248.0	208.4	21.7%
Origin Fund – Master	129.3	115.1	96.7	10.0%
Outstanding £m			404.3	42.0%
Cash and cash equivalents £m			163.2	17.0%
Net Outstanding Commitments £m			241.1	25.1%

* Converted to GBP at 31/12/21 FX rate.

Outstanding commitments and liquid resources (£m)



OCI NAV overview

Funding profile of Oakley Funds

The OCI commitments to the Oakley Funds are expected to be deployed in new fund investments over the next five years. Following the Fund V initial commitment, OCI's commitments to the Oakley Funds were £740 million.

These commitments are expected to be funded through the following means:

- Cash on the balance sheet: at year-end this was £163 million.
- Proceeds from future realisations: the staggered profile of the Oakley Fund investments is expected to generate consistent and ongoing proceeds for OCI as the Funds progress through their life cycle. Fund's I and II are in the latter stages of their lifecycle, while Fund III is within its realisation phase and is expected to generate significant proceeds over the short and medium term; Fund IV is at the end of its investment period and is entering the realisation phase, with first refinancing proceeds received during the year.
- Direct investments: at the year-end, direct investments were £170 million and primarily comprised debt to North Sails and equity in Time Out Plc; these direct investments are expected to be realised in the short to medium term, in line with the Board's stated ambition to focus on Oakley Fund investments.
- Net cash flows: Oakley Fund investments have historically started to return cash during the investment period, with this cash available to fund future cash requirements. Therefore, the net cash funding requirement may be as low as c.50% of fund commitments, based upon historical performance.
- Uncalled commitments: Oakley Funds are not expected to call all commitments as the manager aims to retain flexibility; therefore, a proportion of commitments will remain uncalled for the duration of the Fund.
- Credit facilities: OCI currently does not have any debt, but has the potential to obtain debt facilities in the future.

It is important for the Board to strike the right balance between maximising NAV growth through commitments to, and deployment via, the Oakley Funds, and ensuring a sufficient cash buffer is maintained.

Modelled cash flow forecasts have been stress tested to give comfort that the amounts being committed are sufficient for optimal NAV growth while also ensuring adequate liquidity to meet these future fund commitments. The OCI Board is, therefore, confident that it will have sufficient funds to meet its commitments throughout the investment horizon of the Funds.

Cash flow profile for investors in private equity funds

Typically, an investor's net cash flows in a private equity fund will follow a 'J-Curve'. Capital is called during the 'investment period'. The fund will then begin distributing proceeds from refinancings and disposals, moving into the realisation phase. During the realisation phase, investors will continue to receive proceeds until all investments are realised.

By investing in Oakley Funds at varying stages of their life cycle, proceeds from older vintage funds in their realisation phase can be used to fund investment in current and future funds in their investment period.

OCI NAV overview

Overview of OCI's underlying investments

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Origin Fund					
7NXT	Consumer	Germany	2020	£ 4.6	£ 9.7
ECOMMERCE ONE	Technology	Germany	2021	£ 5.7	£ 5.9
ACE Education	Education	France	2021	£ 9.5	£ 9.5
Seedtag	Technology	Spain	2021	£ 7.2	£ 8.7
Total investments					£ 33.8
Other assets and liabilities					(£ 20.2)
OCI's investment in Origin Fund					£ 13.6
Fund IV					
Wishcard Technologies Group	Consumer	Germany	2019	£ 15.5	£ 38.7
Ocean Technologies Group	Education	Norway	2019	£ 20.4	£ 38.5
Contabo	Technology	Germany	2019	–	£ 13.7
WebPros	Technology	Switzerland	2020	£ 42.5	£ 61.6
WindStar Medical	Consumer	Germany	2020	£ 31.4	£ 31.4
idealista	Consumer	Spain	2021	£ 40.6	£ 58.3
Dexters	Consumer	United Kingdom	2021	£ 13.1	£ 29.2
ICP Education	Education	United Kingdom	2021	£ 26.3	£ 27.0
Total investments					£ 298.4
Other assets and liabilities					(£ 82.4)
OCI's investment in Fund IV					£ 216.0

OCI NAV overview

Overview of OCI's underlying investments continued

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Fund III					
atHome	Consumer	Luxembourg	2020	-	£ 7.9
TechInsights	Technology	Canada	2017	£ 0.3	£ 58.4
Schülerhilfe	Education	Germany	2017	£ 29.4	£ 46.1
IU Group	Education	Germany	2018	–	£ 131.2
Facile	Consumer	Italy	2018	£ 19.5	£ 43.2
Grupo Primavera	Technology	Spain	2019	£ 33.9	£ 43.2
Iconic BrandCo	Consumer	Italy/UK	2019/2020	£ 18.0	£ 20.3
Total investments					£ 350.3
Other assets and liabilities					(£ 26.2)
OCI's investment in Fund III					£ 324.1

OCI NAV overview

Overview of OCI's underlying investments continued

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Fund II					
North Sails	Consumer	USA	2014	£ 42.9	£ 35.5
Daisy	Technology	United Kingdom	2015	£ 8.4	£ 7.5
Total investments					£ 43.0
Other assets and liabilities					£ 3.0
OCI's investment in Fund II					£ 46.0

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Fund I					
Time Out	Consumer	United Kingdom	2010	£ 56.7	£ 33.1
Total investments					£ 33.1
Other assets and liabilities					(£ 4.2)
OCI's investment in Fund I					£ 28.9

OCI NAV overview

Overview of OCI's underlying investments continued

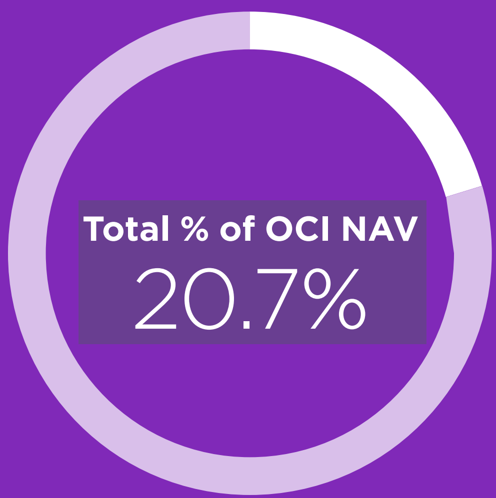
	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Time Out	Consumer	United Kingdom			£ 39.4
Fund I Loan	n/a	Bermuda			£ 7.1
North Sails	Consumer	USA			£ 69.3
North Sails Apparel	Consumer	USA			£ 54.3
Total direct investments					£ 170.1
Total indirect & direct investments					£ 798.7
Total cash					£ 163.2
Other liabilities/debtors					(£ 0.4)
Total net assets					£ 961.5

Technology sector

Leading in the digital economy

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

Oakley's first investments were in TMT, demonstrating the firm's early track record as a tech investor. This laid the foundations for subsequent investments in niche sectors where we excel including webhosting and cloud-based SaaS solutions.



Sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	OCI % of NAV
WebPros	Fund IV	42.5	61.6	6.4
TechInsights	Fund III	0.3	58.4	6.1
Grupo Primavera	Fund III	33.9	43.2	4.5
Contabo[2]	Fund IV	–	13.7	1.4
Seedtag	Origin Fund	7.2	8.7	0.9
Daisy	Fund II	8.4	7.5	0.8
ECOMMERCE ONE	Origin Fund	5.7	5.9	0.6
Total OCI valuation			199.0	

1. OCI's residual cost represents OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.
2. Entire cost invested in Contabo has been returned.

Case Study

Leading technical content platform

for silicon microchips

Fund III first invested in TechInsights in 2017 as a carve-out from AXIO Group. During its period of ownership, Oakley has supported management in transforming the business model by shifting its revenue base from one-off projects to higher-quality subscription revenues, growing recurring revenues from 15% at entry to 65% in 2021.

The integration of three bolt-on acquisitions further strengthened its position as a leader in its field, and today TechInsights provides syndicated content to blue-chip companies around the world.

Portfolio company: **TechInsights**

Technology sector

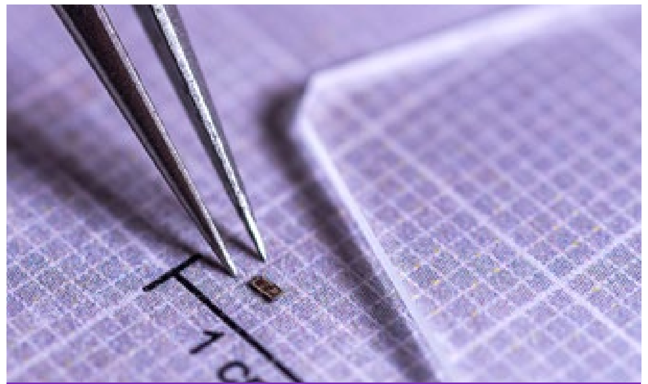
Our technology investment portfolio

WebPros

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

WebPros has continued to perform well in the period ended December 2021, recording revenue and EBITDA growth of 21% and 23%, respectively. On a group level, the total number of licences has increased by 3% against last year, while average revenue per licence has increased by 12%.

OCI valuation £61.6m



TechInsights

TechInsights is the authoritative semiconductor and microelectronics intelligence platform supporting clients in innovation and decision-making through independent research and analysis.

TechInsights delivered strong performance during the year, with 2021 proving to be an inflection point. Run rate revenues and EBITDA were up 31% and 15% vs prior year, respectively. In February 2022, Fund III exited its stake at a 131% premium to the June book value, generating gross returns of 19x MM and 82% IRR. As part of the transaction, Fund IV will acquire a majority stake, alongside CVC Growth Funds.

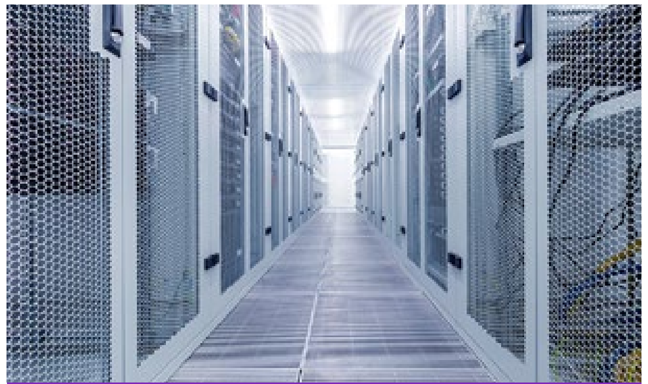
OCI valuation £58.4m

Grupo Primavera

The largest independent provider of business software in Iberia.

Grupo Primavera continues to perform ahead of expectations as the market environment for new customer acquisition improved with COVID-related uncertainty and lockdown restrictions easing. Group revenues for the period were organically 12% ahead of the prior year, largely driven by acceleration of SaaS revenues, which grew organically by 22% vs over the same period, driven by strong underlying growth in the Ekon, Primavera BSS and CloudCo businesses.

OCI valuation £43.2m



Contabo

A leading cloud infrastructure provider offering hosting services to developers and SMEs, with over 250k customers from ~180 countries.

Contabo continued to see strong growth in 2021, recording revenue and EBITDA growth of 52% and 70% vs prior year, respectively. In December 2021, Contabo successfully completed a refinancing with its current lender Barings, following continued strong performance and cash generation.

OCI valuation £13.7m

Technology sector

Our technology investment portfolio

Seedtag

A leader in contextual advertising in EMEA and Latin America.

Seedtag has recorded strong performance since acquisition in September 2021, with gross revenues and Adjusted EBITDA up ~80% and ~110% vs prior year, respectively, with growth across both channels and geographies. Since acquisition in September 2021, the business has been focused on investing into the product/offering suite, developing the team and expanding into new markets such as the US.

OCI valuation £8.7m

Daisy

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

Daisy experienced a mixed performance in the first nine months to 31 December 2021. Overall trading for the SMB division was resilient and in line with prior year, supported by a high degree of recurring revenues. This was offset by a decline in DCS Business Continuity and Allvotec revenues, both impacted by COVID-19 due to the shift to working from home and ongoing restrictions impacting project implementations. However, the DCS core EBITDA was broadly in line with prior year.

OCI valuation £7.5m

ECOMMERCE ONE

A leading provider of e-commerce software in the DACH region.

ECOMMERCE ONE has been stable since acquisition in May 2021. Revenues grew by 5% in FY21 while EBITDA is broadly in line with prior year as the business invested significantly across product development, sales and marketing, and IT infrastructure to prepare for accelerated growth in FY22. The business has made significant progress on establishing solid group level financial and KPI reporting as well as its M&A agenda, completing the first add-on acquisitions after the year-end.

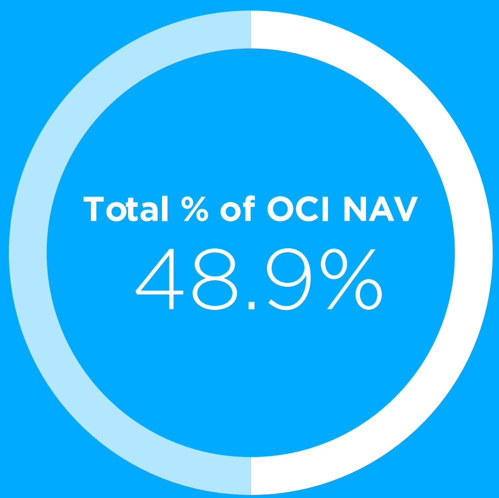
OCI valuation £5.9m

Consumer sector

Distinctive brands loved by consumers

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

Since inception, Oakley has built a track record of investments in online 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.



Sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	OCI % of NAV
North Sails[2]	Fund II	42.9	159.1	16.6
Time Out[2]	Fund I	56.7	72.5	7.5
idealista	Fund IV	40.6	58.3	6.1
Facile	Fund III	19.5	43.2	4.5
Wishcard Technologies Group	Fund IV	15.5	38.7	4.0
WindStar Medical	Fund IV	31.4	31.4	3.3
Dexters	Fund IV	13.1	29.2	3.0
Iconic BrandCo	Fund III	18.0	20.3	2.1
7NXT	Origin Fund	4.6	9.7	1.0
atHome[3]	Fund III	–	7.9	0.8
Total OCI valuation			470.3	

1. OCI's residual cost represents OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.
2. OCI's valuation of North Sails and Time Out includes both direct and indirect investments via the Oakley Funds on a look-through basis. Residual cost represents indirect investments only.
3. Entire cost invested in atHome has been returned.

Case Study

Values that design us

Alessi is an Italian design brand behind some of the world's most iconic homeware and kitchenware. Founded in Omegna, Italy in 1921, the business is celebrating its 100th anniversary with the third generation of the Alessi family as the helm. In 2019, Oakley invested in Alessi to help it expand internationally and online, with e-commerce sales now standing at 30% vs 19% at acquisition. The business is also a pioneer in sustainability: Alessi achieved B Corp status in 2017, a coveted recognition for its high-level commitment to the local community and its equal focus on 'people, planet and profit'.

Portfolio company: **Alessi**

Consumer sector

Our consumer investment portfolio

North Sails

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

North Sails overall had a strong year as it continued its recovery from COVID-19, recording total 2021 group revenue growth of 22% vs prior year. Customer demand has been consistently strong across the North Sails and North Actionsports businesses, and North Sails Apparel has demonstrated strong growth trends across all channels. NTG Masts trading was impacted by COVID-19 lockdowns in Q3 21.

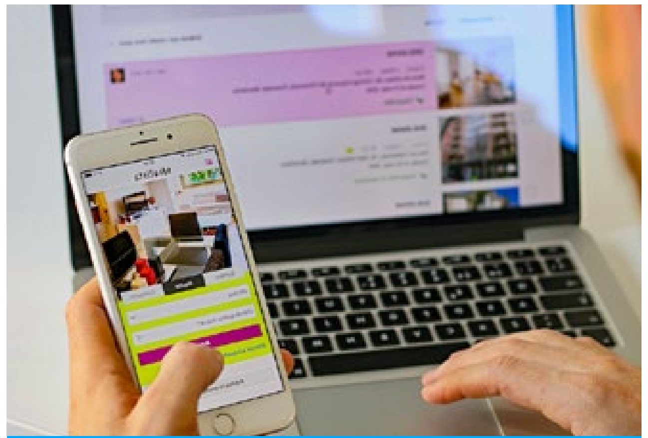
OCI valuation £159.1m

Time Out

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

Time Out Markets were disrupted due to periods of temporary closure in line with local government restrictions. By June 2021, all Markets reopened and have remained consistently open since with encouraging initial trading. Time Out Media faced reductions in advertising spend due to lockdowns but in response the business continued its focus on higher-margin digital offerings.

OCI valuation £72.5m



idealista

The leading online real estate classifieds platform in Southern Europe.

In the 12-month period to 31 December 2021, idealista reported revenue and EBITDA growth ahead of Oakley's investment case. Across all three of idealista's core markets, Spain, Italy and Portugal, traffic and leads are at, or close to, record levels and the number of subscribing agents are also experiencing strong growth, particularly in the Spanish market.

OCI valuation £58.3m

Facile

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

Facile traded well during 2021 despite a number of macro challenges in Italy. For the 12-month period, Facile generated revenue and EBITDA growth of 17% and 11% vs the prior year, respectively. Facile's core insurance vertical saw good growth in both its online and offline channels, while Gas & Power and Mortgages had particularly strong performances during 2021, demonstrating the benefit of a multi-vertical offering.

OCI valuation £43.2m

Consumer sector

Our consumer investment portfolio

Wishcard Technologies Group

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

Wishcard has continued to deliver strong performance in 2021, recording full-year revenue growth of 68% vs the prior year. The business has recorded strong growth across all business segments, with particularly impressive e-commerce sales, which more than doubled vs last year.

OCI valuation £38.7m

WindStar Medical

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

WindStar Medical has successfully navigated a challenging market over the past year, minimising the impact on performance and successfully completing the add-on of a high-growth digital consumer business, L.A.B. cosmetics, which wins access to the clean beauty industry where growth is outpacing the wider beauty market.

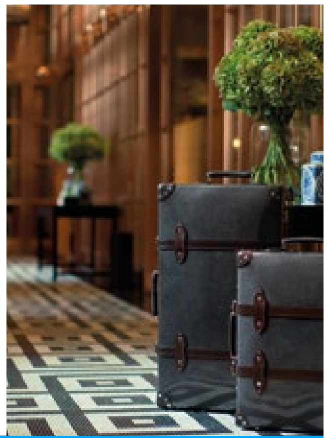
OCI valuation £31.4m

Dexters

London's leading independent chartered surveyors and estate agents.

Dexters had an exceptionally strong FY21, delivering 31% top-line growth. The lettings business continued to show steady growth (+14% yoy), driven by increase in market share and rental recovery with people returning to London. The stamp duty holiday up to the end of June 2021 resulted in heightened activity levels in the first half of the year. They remained strong in H2 21 and Dexters continued to perform well and gain market share. Solid performance in the first months of 2022 across both sales and lettings.

OCI valuation £29.2m

Iconic BrandCo

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

Alessi continued its strong performance during 2021, generating revenue growth of 36% vs the prior year, including digital sales which were up 33% vs prior year. This was driven by strong consumer demand for the brand and an improved digital and retail experience. Globe-Trotter YTD revenues continued to be impacted by COVID-19 travel restrictions in the important Japanese market, more than offsetting the strong growth achieved elsewhere in Retail and Global E-Commerce, although more recent trading is showing early signs of recovery.

OCI valuation £20.3m

Consumer sector

Our consumer investment portfolio

7NXT

Germany's market leader in online fitness subscription programmes focusing on female customers.

The 7NXT group has continued to perform strongly since acquisition in September 2020, primarily driven by Gymondo, its largest business. In FY21, Gymondo delivered revenue and EBITDA growth of 30% and 36% vs prior year, respectively, on the back of cost-effective subscriber growth and stable customer retention.

OCI valuation £9.7m

atHome

A digital group comprising a portfolio of leading real estate and automotive online classifieds and financial services.

In the 12-month period to 31 December 2021, atHome Group reported revenue and EBITDA growth of 16% and 13% vs prior year, respectively. atHomeFinance and LuxAuto continue to grow strongly and remain the #1 destinations for consumers in Luxembourg looking to take out a mortgage or buy a second-hand car, respectively. atHome Property has continued to exhibit steady growth. Given the subscription nature of the revenues, it should be well-positioned for strong growth going forward.

OCI valuation £7.9m

The shift to online commerce is accelerating as consumers embrace D2C channels and engage with brands on social media. We leverage our experience in digitalisation, marketing and M&A to help companies succeed online. We help our businesses develop platforms, marketplaces and social media campaigns that enable them to engage directly with customers and build brand loyalty.

Education sector

Securing first class opportunities

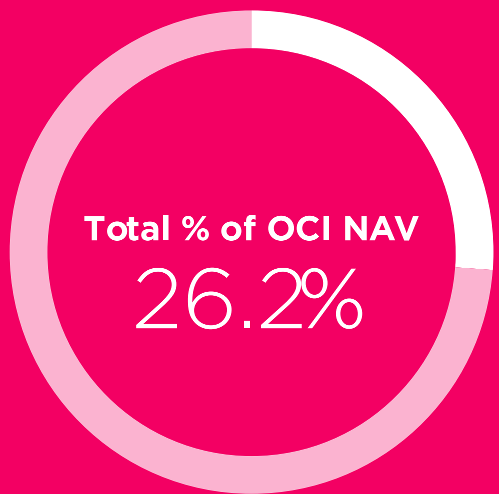
Education is a core sector, with five investments ranging from online tertiary education and after-school tutoring to marine e-learning.

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.

Sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	OCI % of NAV
IU Group[2]	Fund III	–	131.2	13.6
Schülerhilfe	Fund III	29.4	46.1	4.8
Ocean Technologies Group	Fund IV	20.4	38.5	4.0
ICP Education	Fund IV	26.3	27.0	2.8
ACE Education	Origin Fund	9.5	9.5	1.0
Total OCI valuation			252.3	

1. OCI's residual cost and fair value represent OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.
2. Entire cost invested in IU Group has been returned.



Case study

Vital software aboard 20,000 ships

Since acquisition in 2019, Oakley has transitioned Ocean Technologies Group ('Ocean') to become the leading software platform for the maritime industry, through a buy-and-build strategy, which began with the simultaneous acquisition of two competitors, Seagull and Videotel, into a single platform. Oakley has supported the business to integrate five further bolt-on acquisitions, which has enabled the business to cross-sell new products and services to its customers while creating further upside for the group. Today, Ocean serves almost 20,000 ships and installations with comprehensive and up-to-date compliance, risk and safety training and software tools that ensure adherence to the International Maritime Organization requirements.

Portfolio company: **Ocean Technologies Group**

Education sector

Our education investment portfolio

IU Group

The largest and fastest-growing university group in Germany.

IU Group continued to perform well in 2021 achieving revenue and EBITDA growth of 62% and 68% vs prior year, respectively. This growth was driven by strong student intake, which also increased by 34%. In 2022, IU Group will focus on expanding its international and German student base and expects to surpass over 100,000 paying students.

OCI valuation £131.2m

Schülerhilfe

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

Schülerhilfe has faced a challenging operating environment as a result of COVID-19 lockdowns and ensuing tutoring centre closures during the first half of 2021, but has emerged strongly from the lockdowns. Since the restrictions have eased, enrolments have started to recover, with Q4 2021 enrolments materially up on 2019.

OCI valuation £46.1m

Ocean Technologies Group

The leading provider of maritime e-learning and operational software worldwide.

Ocean delivered strong performance in FY21, underpinned by the successful launch of the Ocean Learning Platform and greater bundling of its growing software product suite. The continued emphasis on new product development, coupled with the synergistic acquisition of crew management software provider COMPAS, further contributed to Ocean's growth, and strengthened the Group's ability to offer cutting-edge digital solutions to the needs of ship managers and crew worldwide. Ocean has completed seven acquisitions in total and is now the largest maritime software group globally.

OCI valuation £38.5m

Education sector

Our education investment portfolio

ICP Education

A leading group of nurseries throughout the UK.

ICP Education ('ICP'), which was acquired by Fund IV in June 2021, has traded well during the period as the business recovered from the impact of COVID-19. The group delivered revenue and EBITDA growth of 48% and 71% vs prior year, respectively. ICP made six acquisitions in 2021, taking the Group to 50 sites in total.

OCI valuation £27.0m

ACE Education

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

ACE Education closed FY21 (August year-end) in line with expectations, recording revenue and EBITDA growth of 14% and 23% vs prior year, respectively. The FY22 enrolment season closed early November, with total enrolments up 18% against prior year and 5% above target. Despite a slow start to the enrolments campaign as a result of COVID-19, new students enrolled across the group were up 25% against the previous year, and re-enrolments up 14% against the prior year.

OCI valuation £9.5m

Global demand for quality, accessible education is growing. Oakley has a strong track record as one of Europe's most prolific private equity investors in this sector. Leveraging our experience in technology, internationalisation and M&A, we have successfully grown offline and online platforms across primary, secondary and tertiary education and professional learning.

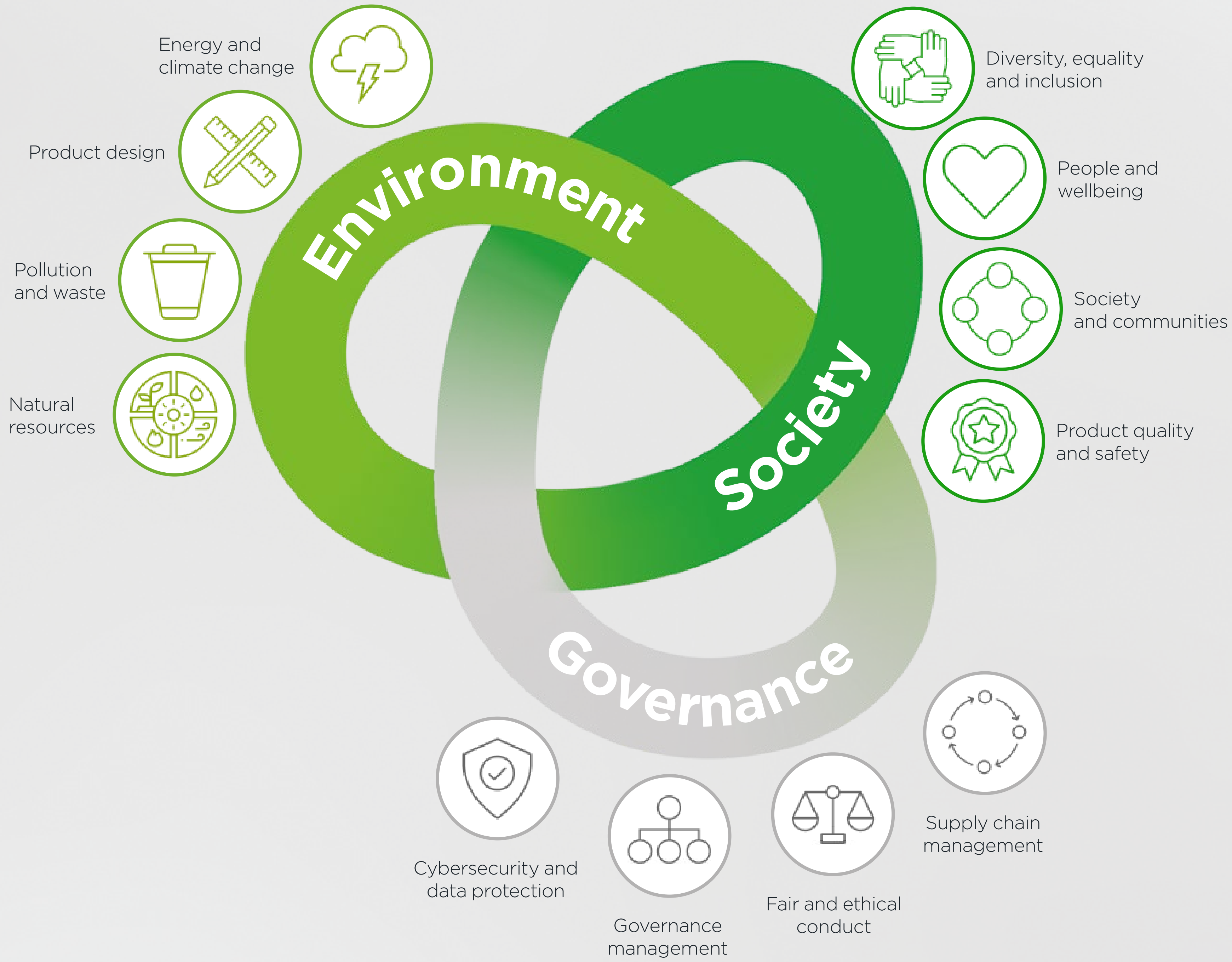
ESG

ESG at OCI

Being a responsible investor, and taking into consideration environmental, social and governance ('ESG') topics, is paramount to the way OCI operates.

This has become ever more important over the last year, as we begin to see the real effects of a changing climate, and how our interconnected, globalised world faces the ongoing challenges of the pandemic, bringing to a more prominent light the social challenges we face. The Directors believe that ensuring appropriate and robust assessment of ESG related risks and opportunities will lead to more robust businesses, creating long term, sustainable value.

OCI invests solely in funds managed by Oakley, and the Directors of OCI are fully engaged in and supportive of Oakley's approach to ESG and its ability to assess both ESG risks and opportunities. Oakley has always considered ESG in the way it operates, and formally committed to integrating ESG into the investment process when it became a signatory of the UN Principles for Responsible Investment in 2016. Over the last year, following the hire of a Head of Sustainability in Autumn 2020, Oakley has continued to develop and strengthen its integration of ESG into the investment process, including a focus on due diligence practices, portfolio engagement and, more broadly, ESG at portfolio company level.



ESG

Our Investment Adviser's ESG policy

Oakley supports businesses within three core sectors – Technology, Consumer and Education – providing the financial support and operational expertise that promising entrepreneurs and business founders require to realise the potential of their businesses.

Oakley recognises that sustainability and ESG factors are increasingly integral to the operations and offering of the businesses that the Funds invest in, as well as for Oakley itself. Individuals and society as a whole are demanding more transparency of how the products and services they choose to use impact society and the environment. This policy outlines how we as investors work with our investee companies to responsibly grow businesses.

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. We also believe that identifying, assessing and managing these factors as part of our investment process will help to create more successful, resilient and sustainable businesses, which in turn will generate enhanced value to society more broadly.

We are committed to investing responsibly and have been a signatory to the United Nations Principles for Responsible Investment, and its six principles, since 2016. The principles, as outlined on this page, have been incorporated into Oakley's business processes and practices.

The six principles for responsible investment

1 **Incorporating ESG issues into investment analysis and decision-making processes**

2 **Being active owners and incorporating ESG issues into ownership policies and practices**

3 **Seeking appropriate disclosure on ESG issues by the entities in which investments are completed**

ESG

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The six principles for responsible investment

4 **Promoting acceptance and implementation of the principles within the investment industry**

5 **Working together to enhance effectiveness in implementing the principles**

6 **Reporting on our activities and progress towards implementing the principles**

PRI Principles for Responsible Investment

ESG

Key stories

1

Carbon footprint assessment

In 2021, Oakley completed its first carbon footprint assessments, measuring the carbon emitted by our scope 1 and 2 operations, along with business travel (scope 3) for 2019, 2020 and 2021. Over 85% of our emissions in 2019 came from business travel. In absolute terms, Oakley's total emissions dropped by over 50% between 2019 and 2020, due primarily to a reduction in travel as a result of the pandemic. Data for 2021 is still being verified at the time of reporting, but is expected to be higher than the 2020 data, as business travel resumed. resumed. Over 94% of our emissions in 2019 came from business travel compared to 88% in 2020. Oakley is in the process of deciding how best to offset these historical emissions. Future emissions will continue to be measured annually, and we are beginning to consider how to measure the carbon footprint of our portfolio companies as well.

2

Diversity, equality and inclusion ('DEI') assessment

2021 also saw a focus on DEI at Oakley. Several DEI working groups were formed, a Chief People Officer joined the firm and an independent assessment of our DEI practices and culture was performed, identifying a strong and robust culture and a few focus areas for 2022.

3

Portfolio engagement

In 2021, we further developed and strengthened our ESG-related portfolio engagement practices. A formal portfolio ESG monitoring and reporting platform was launched and all existing and new investments underwent an ESG onboarding session. In December, we hosted an ESG webinar for all of our management teams, discussing trends in ESG, presenting case studies, fostering knowledge and sharing practice.

Case study

Access to education

Providing access to high-quality education is at the heart of the IU Group, which launched the Study Access Alliance in 2021. With a goal to help close the gap in access to higher education globally, the initiative will provide 100,000 scholarships to students who do not have access to traditional universities. With flexible modules and coursework, IU Group already helps to democratise education – 70% of students come from non-academic backgrounds (vs 47% at traditional universities), and despite the students meeting the exact same state-regulated entry requirements into higher education, the flexible offering enabled more than five times the number of new students without A-levels to access education compared to traditional universities.

Portfolio company: **IU GROUP**

ESG

Our Investment Adviser's ESG policy

The approach

Responsible investing principles are part of the life cycle of an investment, during origination and screening, due diligence and subsequently throughout our period of ownership and realisation. We seek to ensure that relevant ESG factors are considered in all steps of the investment process.

Pre-investment

When considering potential new investments, we assess target companies to understand the ESG risks and opportunities facing the business. An initial screening exercise is undertaken to identify any businesses or sectors which may require further ESG scrutiny. Additional due diligence is conducted by the Investment Team, supported by the Head of Sustainability, to identify material topics and potential red flags. If significant areas of concern or opportunity are identified, further specialist due diligence may be undertaken with support from independent experts.

ESG findings, including risks and opportunities, are included in the investment documents and presented to the Investment Committee for discussion, scrutiny and final approval.

Portfolio engagement and monitoring

Oakley is typically a control investor and, as such, we strive to be an active owner and to engage with management teams to promote and encourage the adoption of ethical and sustainable practices and appropriate ESG standards. Oakley is committed to working with all of the portfolio companies to improve ESG performance and disclosure practices during our ownership period.

ESG risks and opportunities are considered at company Board meetings. Investee companies are required to inform Oakley immediately should a material ESG incident occur.

Organisations the Investment Adviser is an active member of:

PRI Principles for Responsible Investment

LEVEL 20

BVCA British Private Equity & Venture Capital Association

INVEST EUROPE

iC initiative climat international – Private equity action on climate change

Principal risks

Our principal risks and uncertainties

The Board has developed a set of risk management policies, procedures and controls, and has delegated the monitoring, management, mitigation and oversight of these principal risks to the Risk Committee, with the Audit Committee having responsibility for Valuation Risk.

Both the Risk Committee and Audit Committee provide feedback to the Board on a regular basis. Key risks and uncertainties of the Company are assessed considering their impact, likelihood and the ability of the Company to control or influence mitigation tactics. The Risk Committee monitors detailed and, wherever possible, quantifiable indicators of the exposure, segmented into five core categories, summarised below.

During 2021, the Committee continued to monitor emerging risks and trends that could potentially impact the business of the Company. These included risks relating to the recovery from COVID-19 and cyber-security.

Clear distinction is drawn between those risks within the direct control of the Board of Directors, as compared to risks which are monitored and overseen by means of engagement with its advisers and service providers.

Principal risks

Key to risk management:

- 🔵 Directly manage, control, mitigate and monitor
- 🟢 Monitor and engage Investment Adviser for mitigation

Risks categories	Risks and uncertainties	Potential impact	OCI mitigation and positioning
Financial performance	**Valuation** 🔵	Valuation estimates are the key driver of financial performance and subject to significant uncertainty.	The Oakley Funds utilise a consistent valuation policy across the Funds. This is firstly monitored by the Valuations Committee of the Investment Adviser. The Oakley Funds' average portfolio valuation multiples are considered against comparables. Backtesting of exit values against reported enterprise values is used to monitor consistency and validity of Net Asset Value ('NAV') estimates and is reported to the Board of the Company quarterly. Independent valuations are performed at least annually for each portfolio company.
	Underlying portfolio company performance 🔵	Poor performance at the portfolio company level adversely affects valuations and therefore NAV.	Quarterly monitoring of KPIs of portfolio companies. Watchlist maintained of companies negatively impacted by COVID-19 and regular updates provided to the Committee.
	Credit risk on direct investments 🔵🟢	Exposure to financial loss if credit events occur on direct debt.	The Company continues to reduce its exposure to direct debt investments. At 31 December 2021, a £7 million loan to Fund I and £124 million of direct debt to the Fund II portfolio company North Sails were outstanding. The Board receives regular, detailed updates directly from the Investment Adviser on North Sails' performance and financing to closely monitor these positions (including company performance and debt to equity ratios). These fixed rate loans mature in December 2023; this short tenor limits the interest rate exposure related to fixed rate lending. An independent valuation of the debt was obtained as at 31 December 2021.

Principal risks

Principal risks continued

Key to risk management:

- 🔵 Directly manage, control, mitigate and monitor
- 🟢 Monitor and engage Investment Adviser for mitigation

Risks categories	Risks and uncertainties	Potential impact	OCI mitigation and positioning
Financial performance continued	**Private equity market competition** 🔵	Industry-wide demand for private equity assets could drive up entry multiples to 'expensive' levels and erode fund returns or limit attractive investment opportunities.	The Oakley Funds' investment origination model continues to prove it can consistently provide access to sector-focused investments at attractive multiples. Oakley's entrepreneur-led approach enables exclusive access to transactions in its core sectors. The Board discusses, at least quarterly, market factors impacting both investing and exit opportunities.
	Foreign exchange ('FX') rates 🟢	Significant movements in FX rates impact valuations and operating expenses.	Due to the nature of the underlying portfolio, the Company is exposed to movements in US dollar to euro and euro to pound sterling. Given the inherent imprecision of estimating significant cash flows (investments and realisations), the Board has opted not to implement an FX hedging strategy, although it remains under periodic review. Cash balances are held in euro and pound sterling to cover short-term cash demands, and sufficient cash reserves are held to cover expected operating expenses over a period of three years.
	Market 🔵	Material stock market volatility increases levels of uncertainty in valuations estimates.	The Oakley Funds observe a consistent valuation policy across the Funds in which the Company invests. This is firstly monitored by the Valuations Committee of the Investment Adviser. The Oakley Funds' average portfolio valuation multiples are considered against comparables (both public and private). Changes in valuation multiples are reviewed closely by the Audit Committee and reported to and discussed with the Board and Investment Adviser.

Principal risks

Principal risks continued

Key to risk management:
- (blue) Directly manage, control, mitigate and monitor
- (green) Monitor and engage investment adviser for mitigation

Risks categories	Risks and uncertainties	Potential impact	OCI mitigation and positioning
Financial performance continued	**Macro-economic:** Inflation, interest rates and geopolitical events (blue)	Heightened global inflation, interest rates and geopolitical uncertainty may impact portfolio company earnings, increase the cost of capital and impact valuation multiples.	Debt and equity levels at the portfolio company level are reported by the Investment Adviser regularly to the Board. Valuation multiples are a key metric monitored by the Board in its oversight of valuations estimates. Direct debt has contractual term limits which are relatively short term, reducing the impact of movement in interest rates. The Board monitors and responds to geopolitical events, including the recent conflict in Ukraine. Events are assessed and additional actions taken to limit any impacts. This includes implications such as sanctions, impacts on portfolio company customers and employees, portfolio company performance and the future investment environment.
	Concentration (green)	Building over-concentrated exposure to specific portfolio companies, sectors, geographies or investment theses increases focused vulnerability.	The Company invests as a Limited Partner in the Oakley Funds, which in turn seek to invest in a portfolio of underlying investments. Each Fund has concentration limits as part of its investment guidelines limiting investments in individual companies.
	Reputational (green)	Significant adverse events could impact the Company reputation resulting in negative stakeholder sentiment and a decreasing share price.	The Company operates in a prudent manner and has no appetite for reputational risk. The Board works closely with Oakley Investor Relations to understand market sentiment and shareholder viewpoints and to consider reputational exposures. The Company has in place a Code of Conduct which sets out a series of principles which assist in managing reputation risk.

Principal risks

Principal risks continued

Key to risk management:
- 🔵 Directly manage, control, mitigate and monitor
- 🟢 Monitor and engage investment adviser for mitigation

Risks categories	Risks and uncertainties	Potential impact	OCI mitigation and positioning
Company performance	**Macro event:** Preparation and responsiveness 🔵	Lack of preparedness to blind-spot macro and geopolitical events can result in an inability to respond adequately and on a timely basis.	Investing in a diverse portfolio of companies through the Oakley Funds significantly mitigates exposure to one-off events. Regular discussion and monitoring of the macro-economic environment and geopolitical events with close involvement of Oakley in the portfolio companies provide the ability to react quickly.
	Sustainability 🔵	Sustainability is an increasingly important factor in investing to create long-term value; not recognising this and investing in high- risk assets could adversely affect performance and reputation.	The Company has made the sustainability agenda a clear focus during 2021 and is committed to support the Investment Adviser in further building out its sustainability programme into 2022 and future years. Sustainbility is a key component of investment cycle at the Investment Adviser, from due diligence and management, through to exit.
	Company share price performance 🟢	Share price not reflecting NAV performance adversely impacts shareholder returns. Discount to NAV is an important metric.	The Board is committed to regular and transparent reporting to enable shareholders to make informed decisions and believes that quarterly reporting will enhance this. The discount to NAV is monitored and perceived reasons considered. Shareholder viewpoints and Investor Relations feedback is obtained. Share buy-backs have been utilised where the Board believes it appropriate to manage the discount to NAV.
Operational risk	**Cyber security** 🔵	Loss of sensitive data and operational capabilities leading to reputational and / or economic damage.	A register of IT and data assets is maintained both within OCI and across service providers. The Company itself has limited IT/data assets. The Risk Committee monitors compliance and control activities of service providers to understand exposure, controls and occurrence of incidents.
	Outsourcing 🔵	Significant disruption of key service providers.	The Management Engagement Committee monitors and oversees the resilience and service levels of key service providers. The move of several services to Oakley in 2021 has improved operational resilience.
	Governance 🟢	Failure to maintain an effective Board, key person risk, failure to appropriately manage conflicts of interest.	The Board is committed to strong and robust governance. Through its respective Committees, the Board commits substantial time and resource on relevant topics. All Board and Committee meetings are opened with an assessment of any potential conflicts. An annual Board Effectiveness Review is undertaken.

Principal risks

Principal risks continued

Key to risk management:
- 🔵 Directly manage, control, mitigate and monitor
- 🟢 Monitor and engage investment adviser for mitigation

Risks categories	Risks and uncertainties	Potential impact	OCI mitigation and positioning
Regulatory risk	**Regulatory compliance** 🔵	Significant changes to regulatory landscape impacting the Company or its service providers. Breaches of regulatory requirements could adversely impact the Company's ability to operate.	The Governance, Regulatory and Compliance Committee commissioned an independent assessment of the Company's compliance controls and framework in 2021 which confirmed the robustness of arrangements currently in place. The Board receives regular, periodic briefings from consultants on upcoming regulatory developments impacting the Company.
	Tax 🔵	Changes to tax laws could have an adverse financial or operational impact on the Company.	The Board monitors compliance with tax laws directly impacting the Company. Further, regular updates are provided to the Board by Oakley's Head of Tax and external professional service providers.
Liquidity risk	**Fund commitments:** Inability to fund committed capital 🔵	Financial loss due to inability to fund commitments.	The Board receives cash flow estimates, including major investment commitments and realisation estimates on at least a quarterly basis. Minimum cash limits have been established to ensure ability to meet short-term cash demands. The Board also considers the need for credit facilities.
	Portfolio: Cash drag 🟢	Excess build-up of cash positions in the Company can result in slowdown of NAV growth.	The Company carefully considers the size of its commitments to Oakley Funds in order to maximise cash deployment while balancing the liquidity risk associated with over-commitment. The Company periodically considers the use of revolving credit facilities. Share buy-backs have been used to distribute excess cash where it has been attractive to do so.

Stakeholder reporting

Stakeholder reporting

The Board is committed to understanding our stakeholders' views and considering their interests in Board discussions, decision-making and reporting. 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 better understand stakeholders' views and consider these views in its discussions and decision-making.

Set out below are OCI's key stakeholder groups and how the Board engages with these stakeholders. Also set out below are examples of key topics of relevance to the stakeholder group and the how their interests have been considered in decision-making.

Stakeholder group	How the Board engages	Key topics during the year	Considering stakeholder interests
Shareholders			
The support of our current and future shareholders is critical to the continued success of the business and the achievement of our objectives. We believe our shareholders are interested in the strong financial performance of the Company, its ability to continue in operation for the long term 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.	Capital Markets Day: Each year the Board holds an event consisting of presentations to shareholders and analysts by senior members of Oakley. 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 stock exchange releases, are prepared in accordance with applicable regulatory requirements and published on the Company's website. They are designed to provide significant transparency and help inform investors.	Portfolio company performance including the impact of COVID-19, future fund investment opportunities and deal activity.	Board decision: Agreed from Q1 2022, OCI will issue quarterly NAV updates, with the first update being on 27 April 2022. This is expected to enhance shareholder communications and engagement. Board decision: Agreed that the 31 December 2021 Annual Report and Accounts will be presented for the first time in a digital format, enhancing usability and helping shareholders to more easily understand OCI's strategy, business model and results. Board decision: During 2021, OCI approved a redesign of its website to be launched in early 2022, alongside increased social media engagement during 2021. This helps inform stakeholders about OCI and the broader listed private equity opportunity.

Stakeholder reporting

Stakeholder group	How the Board engages	Key topics during the year	Considering stakeholder interests
Oakley Capital			
OCI invests in the Oakley Funds and Oakley acts as the Investment Adviser. Maintaining a strong, collaborative relationship is critical to the delivery of OCI's strategy.	Regular reporting: OCI receives regular reports from the Investment Adviser on matters such as the performance of the Funds, Investor Relations updates, as well as a range of other matters. Continuous dialogue: The Board maintains open and constructive dialogue with the Investment Adviser, engaging on key matters impacting both OCI and Oakley Capital. Face-to-face meetings: The Board and Investment Adviser meet face-to-face regularly, both for planned Board meetings as well as for ad-hoc matters.	Performance of investments, continued impact of COVID-19 on the portfolio, cyber security, commitments to future Oakley Funds, including Fund V, FX exposure and ESG.	Board decision: Oakley enhanced its Management Information ('MI') reporting capability during the year, implementing a new system, resulting in improved and more insightful MI. This improved MI has enhanced decision-making capabilities and enabled better 'what-if' analysis, including enabling an informed decision on the level of commitment to Fund V.
The community and environment			
Being a responsible investor, and taking into consideration ESG topics, is central to the way OCI operates. The Directors believe that ensuring appropriate and robust assessment of ESG-related risks and opportunities will lead to more sustainable business, creating long-term, ongoing value.	Regular updates: OCI invests solely in the Oakley Funds, with Oakley being committed to its engagement with ESG topics. The Board receives regular updates from Oakley's Head of Sustainability and has been fully engaged with Oakley in its progress during the year.	Diversity, equality and inclusion assessment, carbon footprint assessment and portfolio engagement. See the ESG section of this report, pages 66 to 70.	Board decision: During the year, as well as engaging with the Investment Adviser on ESG initiatives, the Board committed to implementing its own Social Responsibility programme which will focus on supporting local charities and youth programmes. This includes two financial commitments to date, with further charities under consideration.

Stakeholder reporting

Stakeholder group	How the Board engages	Key topics during the year	Considering stakeholder interests
Service providers OCI engages with a range of service providers. Ensuring effective working relationships with these service providers is key to the implementation of OCI's strategy and helps ensure the Company continues to operate effectively.	The Board as a whole, and the Management Engagement Committee specifically, ensures continued dialogue and engagement with service providers.	Appointment, remuneration and performance of the key service providers. Consolidation of service provision with Oakley for administration and operational services.	Board decision: During the year, the Board approved the consolidation of its administration and operational services to Oakley to enhance both efficiency and operational effectiveness. It is the opinion of the Board that the consolidation of service provision direct to Oakley as it relates to administration and operational services on the terms agreed is in the best interests of the Company.

Section 172 Statement

As set out in the AIC Code of Corporate Governance, OCI has complied with Section 172 of the UK Companies Act 2006 ('Section 172'). Under Section 172, a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to the following:

(a) the likely consequences of any decision in the long term,

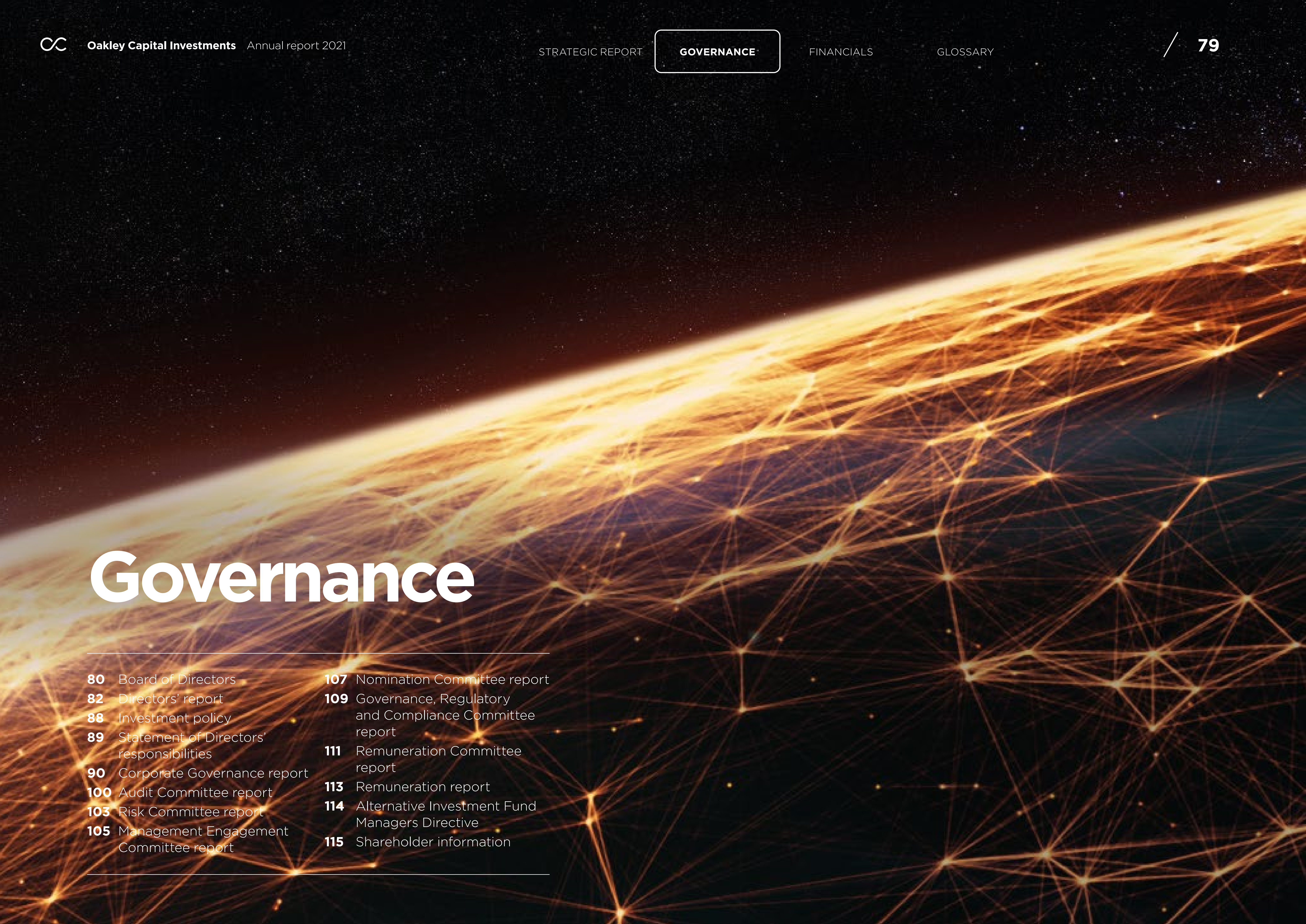
(b) the interests of the company's employees,

(c) the need to foster the company's business relationships with suppliers, customers and others,

(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly as between members of the company.



Governance

Board of Directors

An independent Board with broad relevant experience 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 and 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 retiring from 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 brings with him a wealth of knowledge in financial services, expertise in best practice corporate governance risk management and significant transactional and regulatory experience. Richard is a resident of Bermuda and is a Chartered Accountant in England and Wales.

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
- Ibex Limited

Board of Directors

An independent Board with broad relevant experience to support OCI as it grows.

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 €5 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

Directors' report

Frequent and consistent engagement with key service providers – essential, and deliberate.

The Board of Directors

The Board currently comprises the Chair and three additional Non-Executive Directors. There were no changes to Board composition during 2021.

All Directors, other than Peter Dubens, are considered to be independent. Peter Dubens and David Till (as alternate Director), with a team of investment and operational professionals, are together primarily responsible for performing investment advisory and operational services with respect to the Company.

The Board met formally eight times during 2021, with a majority of voting directors physically present in Bermuda for the majority of the meetings. This increased frequency is expected to continue in 2022 due to an increase in the regularity of trading updates, moving from semi-annually to quarterly, with eight Board meetings scheduled for the 2022 calendar.

Frequent engagement between Directors and Oakley continued throughout the year as required for the purpose of considering key decisions of the Company, and establishing key relationships.

The Directors are kept fully informed of investment performance and other matters. The Board receives periodic reporting and ad hoc additional information from key service providers.

The Directors may seek independent professional advice at the expense of the Company to aid their duties. During 2021, this included an independent review of the OCI Bermuda governance and compliance arrangements, in addition to legal review of Fund V fund documentation, and an independent valuation of the direct debt investments held by the Company.

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

Conflict management

The Directors declare on an ongoing basis all conflicts and potential conflicts of interest to the Board, a register of which is considered at all 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 Remuneration report, and is considered for fair dealing purposes as a declared interest at the time of, for example, share buy-backs.

The Company's registered office and principal place of business is:

Rosebank Centre
5th Floor
11 Bermudiana Road
Pembroke
HM 08

Directors' report

Focus on direct engagement to enhance long-term shareholder value.

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 Investment Adviser.

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.

During the course of 2021, the Company consolidated its administration and operational services providers to Oakley Capital Limited ('OCL') to enhance both efficiency and operational effectiveness. Both of these potentially perceived related party transactions were independently validated by the Company's Financial Adviser (Liberum Capital Limited), and appropriately disclosed at the time.

OCL serves as the Investment Adviser and Operational Services Provider 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. OCL is primarily responsible for making investment recommendations to the Company along with structuring and negotiating deals for the Oakley Funds.

The Directors of the Company believe these disintermediated arrangements will continue to 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. The Management Engagement Committee formally reviews the performance of Oakley, driving out improvements to cost and performance outcomes.

Operational services fees

The Administrative Agent had 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.

With effect from 1 January 2022, these operational services have been provided by OCL directly.

No operational services fees were incurred during the year ended 31 December 2021.

Stewardship and delegation of responsibilities

Under the Operational Services Agreement, the Board has delegated to OCL 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.

£0

Operational services fees and performance fees incurred in 2021.

Directors' report

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 in May consisting of presentations to shareholders and analysts by senior members of Oakley and management teams from a selection of the Oakley Funds' portfolio companies.

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:

178,599,936

ordinary shares, voting rights in issue and issued share capital

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 2021 thanks to the resilient nature of the Oakley Funds' portfolio companies' business models and value creation strategies focused on earnings growth rather than valuation multiple expansion.

The Company declared a final dividend of 2.25 pence per share in respect of the year ended 31 December 2020, which was paid in April 2021. An interim dividend of 2.25 pence per share was paid by the Company in respect of the six months to 30 June 2021, in October 2021.

Share issuance and buy-backs

By a special resolution passed at the July 2021 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-preemptive 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 NAV 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 2021, the Company did not issue any shares. One share buy-back was completed during the year, pursuant to which 2 million shares, or 1.9% of the total shares in issue as at the beginning of 2021, were cancelled at a price of 354.0 pence, with an estimated positive impact on NAV per share of one pence.

Share buy-backs during the year

Execution date/status	Number of shares	Buy-back price (pence)	Buy-back price discount to NAV (%)	NAV per share impact estimate (pence)
29 July 2021	2,000,000	354	20	1.0

Directors' report

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.

Refer to pages 66-70 for further details.

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.

Service providers and significant agreements

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

- Oakley Capital Limited ('Oakley') as Investment Adviser, Operational Services Provider and Administrative Agent under the terms of such relevant respective agreements.
- KPMG Audit Limited as appointed external Auditor.
- Liberum Capital Limited as Broker and Financial Adviser.

The Board maintains ongoing engagement 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 Oakley.

The Board collectively and collaboratively promotes open and direct dialogue with service providers.

Shareholder understanding of the Company and buy-in to its strategy is key to the long-term success of the business.

Substantial shareholdings

As at 31 December 2021, 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 2021	% voting rights 31 December 2020
OCI Directors	10.8	10.2
Asset Value Investors	9.1	13.7
Lombard Odier Investment Managers	7.8	5.3
City of London Investment Management Company	6.3	6.7
Hargreaves Lansdown Stockbrokers (Retail)	5.9	4.1
Sarasin & Partners	5.4	7.3
Jon Wood and Family (Retail)	4.5	4.4
Fidelity International	4.3	5.4
Interactive Investor (Retail)	3.8	1.9
Hawksmoor Investment Management (Retail)	3.3	3.4
Barwon Investment Partners	1.0	5.8

Most notably, the aggregate voting rights of the top ten shareholders have also fallen from 70% in 2019 to 66% in 2020 and 61.5% in 2021.

Directors' report

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.

The Board has considered the sustainability and resilience of the Company's business model over the long term, including consideration of the lasting impacts of COVID-19 and rapidly evolving uncertainty in Eastern Europe, and has based its 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 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 judgements on an ongoing basis as to the principal risks, financial position and prospects of the Company. Regular reporting to the Risk Committee of the Board provides for ongoing analysis and monitoring against risk appetite.

3 years

The most appropriate time period over which to assess the long-term viability of the Company.

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 has not to date hedged 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 ensuring the Company can meet ongoing commitments to the Funds.
- Commitment to future Oakley Funds. Contributions based on analyses of liquidity forecasts and investment opportunities.
- Share buy-backs. Periodically utilising 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 the Consolidated Financial Statements.

Directors' report

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 financial 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 financial 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, Carey Olsen Bermuda, 5th Floor, 11 Bermudiana Road, Pembroke HM08, Bermuda.

In compliance with the bye-laws of the Company, the AGM will be conducted prior to 26 October 2022. Details of the AGM will be notified to shareholders separately to this report.

Events after balance sheet date

At the time of writing, the conflict in Ukraine has the potential to impact global supply chains and short-term growth prospects for some economies. While these concerns have had minimal effect on the Company to date, they have led to some volatility to markets in the current quarter and the future impact on the company of disruption to the global economy arising from the conflict remains uncertain and not practicable to determine at this time.

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

Dividends – on 9 March 2022, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2021. This is due to be paid on 14 April 2022 to shareholders registered on or before 25 March 2022. The ex-dividend date is 24 March 2022.

2.25p

Final dividend in respect of the financial year ended 31 December 2021

Commitment - on 26 January 2022, OCI announced an initial commitment of €400 million (£336 million) to Oakley Capital's Fund V, with the initial fund close being on 11 February 2022.

Full realisation - on 2 February 2022, Oakley Fund III exited its investment in TechInsights. OCI's look-through share of proceeds was £59.5 million.

Acquisition - on 2 February 2022, Oakley Fund IV acquired the exited Fund III portfolio company, TechInsights, alongside a co-investor. OCI's share of the look-through investment was £34.5 million. Fund IV funded the acquisition with a capital call from investors, of which OCI's share was £36.6 million.

On behalf of the Board.

Caroline Foulger
Chair

9 March 2022

Investment policy

The Company invests in the Oakley Funds, focused on Technology, Consumer and Education, with a digitally enabled portfolio.

The following summary of OCI's investment policy has been abbreviated for convenience and is qualified in its entirety by reference to the complete investment policy detailed in OCI's prospectus.

The Company seeks to meet its investment objective by investing primarily in the Oakley Funds.

Surplus cash resources held by the Company that are not called upon by the Oakley Funds 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.

From time to time, Oakley may invite one or more Limited Partners in the Oakley Funds to directly invest alongside the Oakley Funds on substantially the same terms as such Limited Partnerships. In such event, Oakley would make available to the Company copies of the due diligence and analysis prepared by Oakley 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.

It is, however, the Board's stated ambition to focus on investing in the Oakley Funds moving forward.

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; or
- in cash deposits and cash equivalents.

Borrowing powers of the Company

As at 31 December 2021, the Company had no outstanding borrowings, nor encumbrance on any of its assets.

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 in the future 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.

Changes to the investment policy

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

Statement of Directors' responsibilities

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 produce financial statements for each financial year for the benefit of shareholders. 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, the Directors will not approve the Consolidated Financial Statements unless they are satisfied that it presents 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 the Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Operational Services Provider. 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 the financial position of the Company; and

(ii) the Consolidated Financial Statements comply with the Bermuda Companies Act 1981 (as amended).

The Directors 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.

Affirmed independently and collectively by:

Caroline Foulger
Richard Lightowler
Fiona Beck
Stewart Porter
Peter Dubens

Corporate Governance report

The Board highly values the importance of its sound corporate governance and its impact on shareholder value creation and protection.

Chair's introduction to corporate governance

Good corporate governance is a fundamental ingredient to the Company's business.

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.

Through strong governance and active ongoing engagement of its key service providers, the Board delivers long-term sustainable value 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 Administration Agreement, Operational Services Agreement and Investment Adviser Agreement with Oakley Capital Limited, which is majority owned 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, Richard Lightowler and Stewart Porter remain independent, as they are free from any business or other relationship that could materially interfere with their exercise of judgement.

Peter Dubens nor his alternate director David Till vote on matters in respect of which they are deemed to have a potential conflict of interest.

In particular, the Board is responsible for making investment decisions into Oakley Funds, service provider selection and engagement, monitoring financial performance, ensuring an adequate system of internal controls, 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 sound governance.

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.

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 tenure of the current Chair, Caroline Foulger, 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 four independent Directors, which is renewable by mutual agreement. 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. Refer to the Nomination Committee report for more information.

Corporate Governance report

The Board actively oversees and challenges the effectiveness of all six of its Committees.

Board meetings

The principal matters reviewed and considered by the Board during 2021 included:

- Strategic discussions on investment strategy and market positioning
- Regular reports from the Investment Adviser on the performance of the Funds and any direct investments
- Decisions regarding changes to service providers
- Regular reports and updates from Oakley's Investor Relations and Oakley's Head of Sustainability on ESG matters
- Reporting and consideration of current and emerging risks
- Review and decisions on existing direct investments and exit opportunities
- Consideration of the Company's share price and Net Asset Value
- Regular reports from the Board's Committees
- The Annual Report, Half-yearly Report and decision to move to quarterly NAV reporting in 2022
- Reports and planning from the external auditor
- Corporate matters, including dividend policy and share buy-backs

Corporate Governance report

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 annual Board training plan considers the training needs of both the Board as a whole and individual Directors.

Board 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 here: https://oakleycapitalinvestments.com/about-us/governance/.

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

The Board annually assesses each Committee's performance by scrutinising output against its terms of reference and gauging Directors' views of its effectiveness. Additionally, a Board Effectiveness Review is completed annually considering the Board as a whole.

AIC Code compliance

The Board 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 Association of Investment Companies ('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 considers on an ongoing basis the Principles and Provisions of the AIC Code of Corporate Governance. 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 shareholders with a market-comparable assessment of its governance programme.

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 Audit Committee and Board continue to consider the need for a dedicated internal audit or assurance function as disproportionate to the business of the Company, given the robust, independent ongoing work conducted by the Management Engagement and Governance, Regulatory and Compliance Committees in reviewing service providers' performance, internal controls and quality.
- 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 senior executive employees, with remuneration of service providers being actively considered and reviewed for appropriateness by the Management Engagement Committee in an annual budget approval process.
- AIC Provision 24: The Board has chosen not to adopt a fixed policy on tenure of the Chair.

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.

Ongoing costs

For the period ended 31 December 2021, the Company's ongoing charges were calculated as 2.22% (2020: 2.46%) 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 AIC. They comprise recurring costs, including the operating expenses of the Company 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.

Corporate Governance report

Board leadership and purpose

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Audit, risk and internal control

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Principle 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.

Company position and update

Long-term sustainability, strategy development and the financial prospects of the Company's business model are considered regularly as part of actively engaged discussions by the Board.

This is premised upon the repeatedly proven value-creation success of the Oakley Funds, driven by earnings growth in underlying portfolio companies. The Board regularly engages the Investment Adviser's management, challenging process, cost and performance.

The Company's objective and investment policy is included as part of this Annual Report. Refer page 2 and page 88. In order to ensure there is continuous improvement in Board practices, the Nomination Committee performs an annual effectiveness assessment of the Board and each of its committees, with a focus on both risks and opportunities.

Principle 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.

Company position and update

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.

OCI invests in Oakley Capital funds, enabling investors to share in the growth and performance of high-quality, private European companies in attractive sectors.

The Board actively fosters and supports a culture that is open to new ideas, and is able to influence its service providers through effective challenge.

The Company is keenly focused on overseeing its Investment Adviser drive sustainability considerations throughout the investment cycle.

Corporate Governance report

Principle 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.

Company position and update

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. Refer to the various Board committees for the purpose and activities of the six committees.

Risk appetite is set at least annually, monitored regularly and maintained within Board-approved limits. The overall objective is to preserve value, create appetite for observed opportunities or inefficiencies, and monitor and manage current and emerging risks.

Principle 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.

Company position and update

The Board is committed to maintain the Company's reputation for high standards of conduct and engagement with its shareholders and stakeholders – refer to stakeholder engagement reporting on pages 76-78.

The Management Engagement Committee oversees the relationships with key service providers and ensures accountability and continuous value-add performance.

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.

Starting from Q1 2022, the Company will be providing quarterly trading updates (as opposed to semi-annually up to and including 2021), in order to keep shareholders more regularly updated on company performance.

Corporate Governance report

Principle 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.

Company position and update

Caroline Foulger, as Chair, leads the Board of Directors with a culture of demonstrative challenge, openness and accountability. She was independent at appointment, and is considered by the Board to remain so, 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: https://oakleycapitalinvestments.com/wp-content/uploads/2020/04/Bye-laws-of-Oakley-Capital-Investments-2020.pdf

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.

The effectiveness of the Chair is a component of the annual Board Effectiveness Review.

Principle 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.

Company position and update

Four of five Directors are considered independent (Caroline Foulger, Richard Lightowler, Fiona Beck and Stewart Porter).

Richard Lightowler serves as Senior Independent Director, securing an available path of intermediation for shareholders and other Directors, while 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.

Committees of the Board are open for other Board members to attend, which typically occurs, thus enhancing transparency.

Corporate Governance report

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Principle H

Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge and strategic guidance, offer specialist advice and hold third-party service providers to account.

Company position and update

All Directors' other commitments are monitored, reported and publicly disclosed by stock exchange announcement as appropriate. A regular Board calendar is established to enable relevant meeting materials to be provided in advance. Meeting timetables allow sufficient time for for agenda items and debate. Ad hoc meetings are arranged with advance materials for time-sensitive matters.

Directors have regular direct access to both senior and junior level service provider staff. The Management Engagement Committee promotes and supports continuous improvement from both a tactical service delivery and a high-level strategic engagement perspective.

During 2021, the Company consolidated its service provision for Operational Services and Administration with the existing Investment Adviser, Oakley Capital Limited. Clear separation is observed between the administration function, accounting and investment advisory services.

Principle 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.

Company position and update

At the end of 2021, the Board made the decision to appoint Carey Olsen Bermuda for corporate secretarial services, and also moved its registered address to the Carey Olsen offices.

The Risk Committee monitors that all policies and procedures are reviewed at a minimum annually.

Directors and committees of the Board have access to independent professional advice, at the Company's expense, if deemed necessary and appropriate.

The Governance, Regulatory and Compliance Committee commissioned an independent assessment of the Company's compliance and governance arrangements during the year, which confirmed the robustness of existing arrangements.

The Company appointed its first employee as 'Board Liaison Officer' to support the Board in its activities.

Corporate Governance report

Principle 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 and cognitive and personal strengths.

Company position and update

The Nomination Committee completes a formal due diligence process on all appointments, and reviews annually the continued suitability of Directors by means of self-declaration questionnaires.

Promotion of inclusiveness, diversity and variety of professional experience as well as personal strengths are thoroughly incorporated in decision-making for Director selection.

Principle 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.

Company position and update

The Board continues to consider its level of diversity of demographic, soft and hard skills, as well as a balance of appropriate experience and tenure. Each of the Directors retires and is 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, pages 80-81. There were no changes made to Board composition in 2021.

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.

Principle 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.

Company position and update

Board and committee effectiveness is formally assessed at least annually.

The objective of Board diversity, inclusion and collaboration is taken into account during the Board nomination and evaluation process.

Corporate Governance report

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Principle 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.

Company position and update

The Audit Committee considers the independence and effectiveness of the external auditors at least annually.

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 pages 100-102.

Principle N

The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.

Company position and update

The Company's financial position and prospects are reviewed on an ongoing basis; refer to the viability statement on page 86. This includes assessment and monitoring of emerging and principal risks relevant to the business model of the Company. The Annual and Half-year Reports in 2021 provided fair, balanced and understandable commentary on the Company's position and prospects.

Principle 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.

Company position and update

The Risk Committee of the Board proposes annually to the Board the level of risk tolerances, balancing risk and opportunity. Risk monitoring clearly distinguishes where the Board can control or set targets, or where it can monitor for early warning signals in order to trigger engagement with service providers for other potential actions.

Emerging risks are monitored and incorporated into the risk appetite framework as opportunities arise or new market or strategic objectives emerge on the horizon.

Corporate Governance report

Principle P

Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.

Company position and update

All independent Directors of the Company, excluding Peter Dubens, are paid a fixed Director's fee only.

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. As at 31 December 2021, all Directors met this requirement.

Principle Q

A formal and transparent procedure for developing remuneration policy should be established. No Director should be involved in deciding their own remuneration outcome.

Company position and update

The Remuneration Committee reviews market appropriateness and fairness of Director remuneration at least annually. During 2021, it was agreed to keep Directors' fees unchanged following the external market review conducted in 2020.

Principle R

Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.

Company position and update

Company performance, operating complexities, individual contribution and market circumstances are all considered by the Remuneration Committee in setting Directors' fees.

Audit Committee report

Underlying business performance of the Oakley portfolio companies and the methodologies and estimates used in their valuation is a key focus.

Richard Lightowler
Chair of the Committee

Other Committee members:

Fiona Beck
Committee member

Caroline Foulger
Committee member

Audit Committee report

The Audit Committee ensures fair, balanced and understandable reporting of Company results and valuations.

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 financial reporting internal control systems of the Company are adequate and effective.

The Audit Committee met four times during 2021. It formally reports to the Board on its proceedings after each meeting. 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 financial statements 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 by the Audit Committee.

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.

Valuations are produced by the Investment Adviser and are independently reviewed by a professional valuation firm. 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.

During 2021, the Board additionally engaged the external valuation firm to undertake an independent valuation of the direct debt investments on OCI's balance sheet.

Achievements in 2021

- Enhanced transparency and efficiency of financial reporting and audit process
- Concluded that the year-end valuations have been effectively carried out, and that investments are fairly valued
- Introduction of independent valuation of direct debt investments
- Considered the skills and competencies in selection of a new lead audit partner for 2022 audit

Objectives for 2022

- Continued oversight of the investment valuation process and methodology to ensure that NAV is reported fairly
- Improved assessment of NAV sensitivity to macro-economic climate
- Introduction of quarterly NAV reporting from Q1 2022
- Implement the transition plan for Audit Engagement Partner
- Continue to provide oversight of financial reporting, internal controls and audit process

Audit Committee report

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 is fair, balanced and understandable.

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.

The year ended 31 December 2021 is the fifth and final year of the current audit partner's involvement leading the audit of the Company. As a result of lead partner rotation requirements, a new lead audit partner will conduct the 2022 audit. The Audit Committee considered the skills, competencies, experience and commitments in its selection of the successor lead audit partner.

The Company concluded a comprehensive review and tender process of KPMG as external auditor in 2020 and continues to be satisfied with the strong team and quality of services provided by the external auditor during 2021.

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, and 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 and has to date concluded that adequate internal Oakley assurance processes exist to satisfy and validate the adequacy of internal controls.

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.

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 on internal controls, the identification of any weaknesses or significant changes in process.

On behalf of the Board.

Richard Lightowler
Chair of the Audit Committee

Risk Committee report

Effective identification, management and mitigation of risks is central to the Company achieving its strategic objectives.

Fiona Beck
Chair of the Committee

Other Committee members:

Richard Lightowler
Committee member

Caroline Foulger
Committee member

Risk Committee report

The Risk Committee ensures appropriate establishment of risk appetite, monitoring and management of existing and emerging risk factors relevant to the Company.

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 comprises 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.

The Risk Committee met three 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 in the Strategic Report on pages 71-75. Note 5 to the Consolidated Financial Statements provides detailed explanations of the risks associated with the Company's investments.

On behalf of the Board.

Fiona Beck
Chair of the Risk Committee

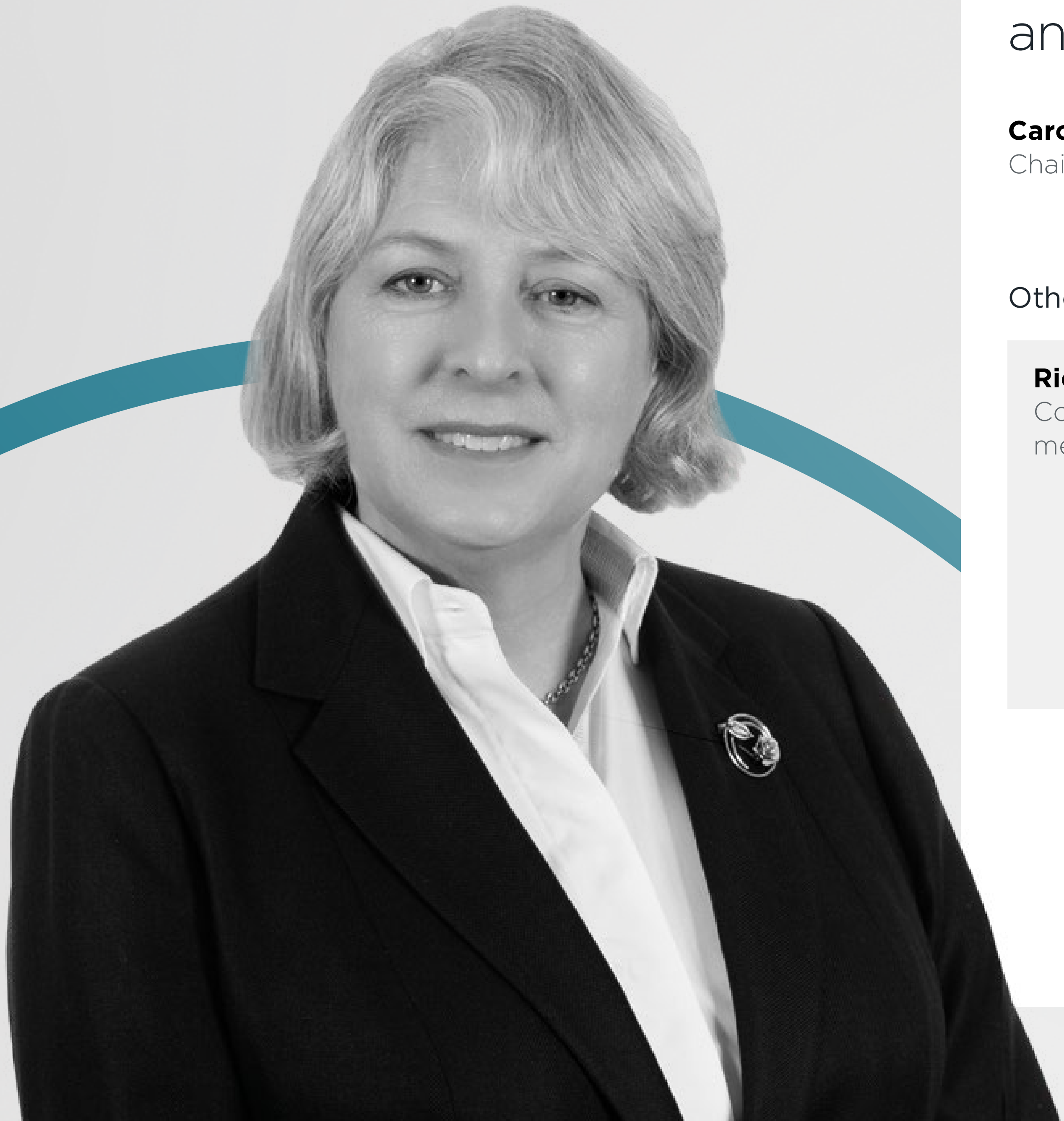
Achievements in 2021

- Cyber risk review undertaken and reported on during the year
- Risk incident report clear of any material risk events for the year
- Increased transparency into the Company's financial forecasts by means of enhanced financial reporting systems at the Investment Adviser level
- Expanded liquidity risk appetite in a manner commensurate with the fundraising ambitions and opportunities envisaged by Oakley

Objectives for 2022

- Ensure the risk incident report remains clear of any material risk events for the year
- Enhanced reporting of macro-economic and strategic risks faced by the Company
- Continue to robustly and effectively challenge the portfolio monitoring and reporting process
- Ensure any appropriate contingent funding is put in place to support future Fund commitments

Management Engagement Committee report



Comparative performance, benchmarking of fees and service quality were 2021 priorities, with ESG and diversity areas of focus in 2022.

Caroline Foulger
Chair of the Committee

Other Committee members:

Richard Lightowler
Committee member

Management Engagement Committee report

The Management Engagement Committee ensures accountability, continuous value-add and performance enhancement of key service providers.

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, who from 1 July 2021 was also the Administrator, and from 1 January 2022 has also been the Operational Services Provider.

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 twice during the year. The Committee formally reports to the Board on its proceedings.

Investment Adviser, Operational Service Provider and Administrator

The Management Engagement Committee reviewed the performance and compliance with agreements with Oakley in 2021. Other service providers were considered and it was assessed that no specific review in 2021 was required as they are less material, and they would be reviewed on rotation.

Factors assessed by the Committee during the year include:

- Performance: performance of Oakley was considered in light of Service Level Agreements in place for each type of service provided and overall performance during the year.
- The costs for services were considered and benchmarked to third-party comparators.
- Marketing and investor relations: ongoing oversight of investor relations. Noting enhanced shareholder engagement during the year despite limited ability to engage in person.
- Compliance with contractual arrangements and duties, including an assessment of the internal control environment.
- ESG and diversity considerations were flagged as high priorities of the Board in its review for future years.

It is the opinion of the Committee that the consolidation of service provision with Oakley is in the interests of its shareholders as a whole as it significantly improves efficiency and will provide cost synergies in the future.

Liberum Capital Limited conducted independent fairness opinions on both these appointments, and found the commercial terms appropriate and at arm's length. Through the work of the Management Engagement Committee, strong performance delivery for the services provided 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 on behalf of the Company.

Both the Committee and Board 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

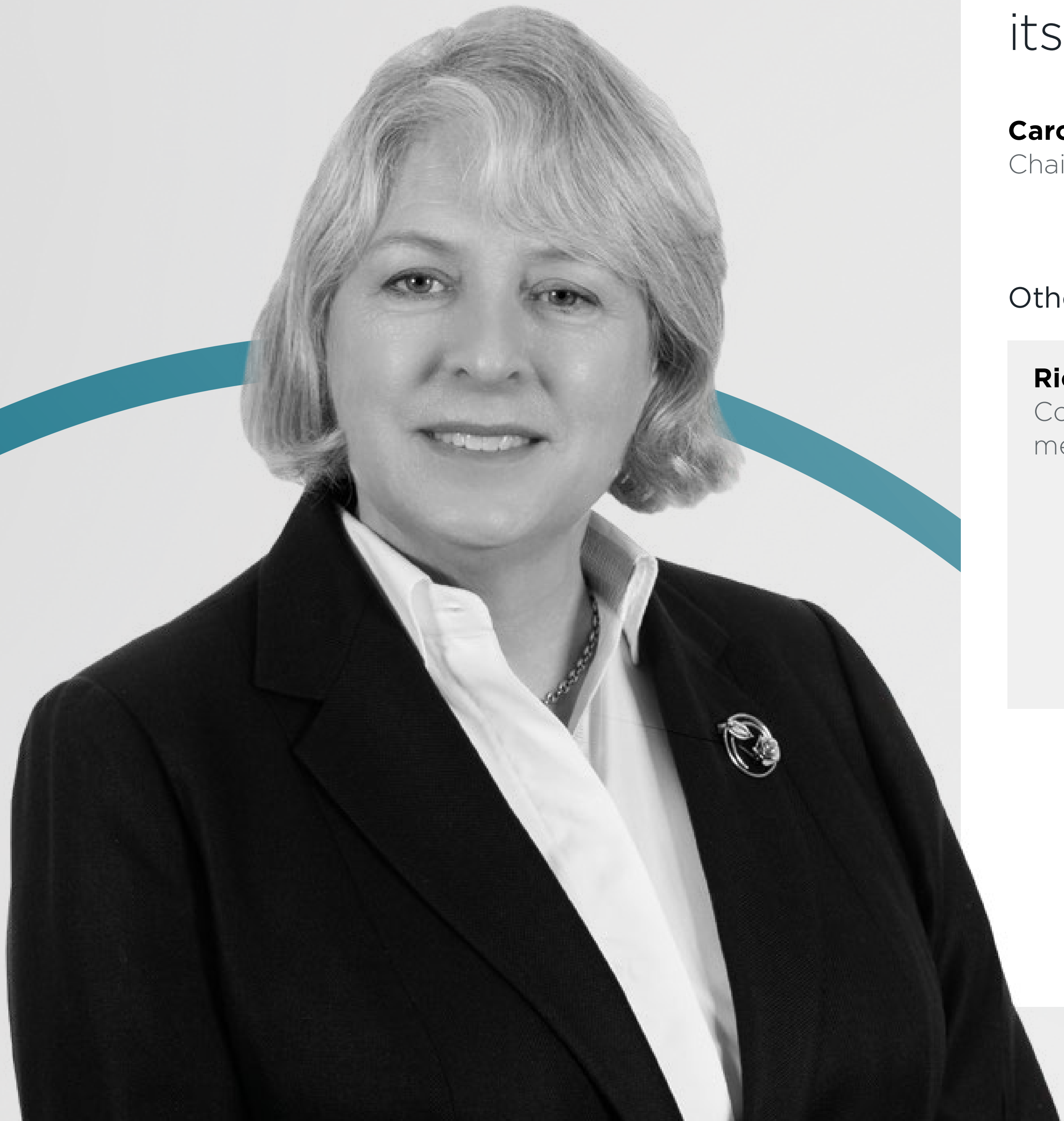
Achievements in 2021

- Oversight of the remediation of all material identified service provider development opportunities
- Solidified robust annual budget approval and challenge exercise
- Consolidated administration and operational services in a smooth transition to Oakley
- Oversaw the transition of Company Secretary

Objectives for 2022

- Materialise the benefits of consolidated service provision established in 2021 by means of focused and measured oversight
- Continue to monitor the remuneration, performance and compliance with respective agreements of other key service providers
- Establish enhanced terms on Fund management fees with Oakley

Nomination Committee report



Enhanced Board Effectiveness Review process and continued effective operation of the Board and its committees.

Caroline Foulger
Chair of the Committee

Other Committee members:

Richard Lightowler
Committee member

Nomination Committee report

The Nomination Committee ensures continued effective operation of the Board and its committees.

The purpose of the Committee is to facilitate the effective operation of the Board and its committees, 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, and subsequently for re-election at the AGM of shareholders.

The Board considers diversity when making a new appointment and seeks to get a unanimous vote on the appointment of the proposed candidate. 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.

There were no changes deemed appropriate or made in the composition of the Company Board during the course of 2021.

During the year, a formal Board Effectiveness Review was undertaken with the results fed back to the Committee and areas for development considered for 2022.

On behalf of the Board.

Caroline Foulger
Chair of the Nomination Committee

Achievements in 2021

- Enhanced the Board Effectiveness Review process
- Recommended and reappointed Board Directors
- Obtained shareholder support in all proposed re-elections at the AGM
- Review of Board skills matrix during the year

Objectives for 2022

- Recommend and (re-)appoint Board Directors on an annual basis
- Obtain shareholder support in all proposed re-elections at the AGM
- Continue to assess and improve Board effectiveness

Number of meetings attended/eligible to attend: 100% attendance across all meetings for 2021

Director	Board meetings	Audit Committee	Risk Committee	Management Engagement Committee	Governance, Regulatory and Compliance Committee	Nomination Committee	Remuneration Committee
Caroline Foulger	8/8	4/4	3/3	2/2	4/4	2/2	1/1
Stewart Porter	8/8	4/4	3/3	2/2	4/4	2/2	1/1
Fiona Beck	8/8	4/4	3/3	2/2	4/4	2/2	1/1
Peter Dubens (or David Till as alternate)	8/8	4/4	3/3	2/2	4/4	2/2	1/1
Richard Lightowler	8/8	4/4	3/3	2/2	4/4	2/2	1/1

Governance, Regulatory and Compliance Committee report

The Company welcomes and encourages the benefits that inclusion and diversity can bring to its key service providers and its Board.

Fiona Beck
Chair of the Committee

Other Committee members:

Richard Lightowler
Committee member

Stewart Porter
Committee member

Governance, Regulatory and Compliance Committee report

The Governance, Regulatory and Compliance Committee ensures continued improvement to governance practices, and compliant conduct of the Company's business.

The purpose of the Committee includes ensuring fulfilment of corporate governance and compliance responsibilities in relation to the relevant codes, laws, regulations and policies impacting the Company.

In addition, key focus areas include AIC mandated corporate governance best practice, implementation of regulatory change, board training, plus diversity and inclusion.

The Committee met four times during the year. The Committee formally reports to the Board. Attendance is encouraged for all Board members, as it serves as a forum for regulatory awareness and training.

Diversity and inclusion

The Company welcomes and encourages the benefits that inclusion and diversity can bring to its key service providers and its Board. The Board believes that a wide range of experience, perspectives, skills and personalities allows Directors to share varying perspectives and insights, helping to create an environment of balanced and inclusive decision-making.

The Committee actively engages with key service providers in relation to diversity and inclusion, advocating for change and further enhancement of the groundwork done over the past year.

The Committee further promotes the importance of leading by example on and encouraging inclusion, equity and diversity as it relates not only to Oakley, but also to the composition of Oakley portfolio company founders, boards and leadership teams.

Governance

The Committee considered the 42 provisions and 18 principles of the AIC Code of Corporate Governance (which is aligned to a significant extent with the UK Corporate Governance Code), including observed market best practice as it relates to the implementation thereof.

Compliance with and exceptions to the AIC Code were reported to the Board and are presented in summary as part of the Corporate Governance report, refer to pages 90-99.

Regulatory and compliance

The year saw continued development of the Company's economic substance in Bermuda, with the Company advancing with first steps towards local employment and dedicated premises.

The Committee further had an independent assessment conducted of the Company's Bermudan governance and compliance arrangements, which confirmed the robustness of its existing practices, and identified opportunities for marginal improvement.

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 obligations is monitored on an ongoing basis, and presented to the Committee quarterly.

Tax compliance

The Committee continued to ensure the Company's tax affairs are managed in line with relevant tax regulations and the Company's overall approach to governance and transparency. The Committee received presentations from advisers and the Investment Adviser on the tax environment, tax compliance and overall approach.

On behalf of the Board.

Fiona Beck
Chair of the Governance, Regulatory and Compliance Committee

Achievements in 2021

- Conducted bespoke training for Directors on industry governance themes
- Detailed monitoring of ongoing obligations and Director responsibilities
- Enhancement of OCI's economic substance in Bermuda

Objectives for 2022

- Promotion of diversity and inclusion agendas in key service providers and the business of the Company
- Continuous improvement of the governance and compliance control and reporting framework
- Ensuring the Board effectively implements changes in regulation, governance and compliance requirements

Remuneration Committee report

Fiscally prudent unchanged remuneration for 2021, with continued focus on talent retention and attraction of experienced, diverse skill-sets.

Richard Lightowler
Chair of the Committee

Other Committee members:

Caroline Foulger
Committee member

Remuneration Committee report

The Remuneration Committee ensures unbiased, fair and appropriate Director remuneration.

The purpose of the Committee is to determine and make recommendations regarding the remuneration of Directors of the Company, while ensuring no single Director determines their own remuneration.

Following a comprehensive independent external remuneration consultation in 2020 which assessed and benchmarked Directors' compensation, the Committee concluded after consideration that no amendments were deemed necessary during the course of 2021.

The Committee has identified and acknowledges the key nuance that the nature of the Company's business and long-term outturn of its investment cycle demands long-term continuity in Board membership. This could at times appear contrary to normal standards of Board 'refreshment' practices for listed firms.

The increasingly active engagement of Board Directors directly with key service providers, Committee responsibilities and particular challenges of attracting diverse high-calibre Bermuda-based Directors will continue being considered when determining appropriate remuneration practices.

The Chair and members of the Remuneration Committee are appointed by the Board of Directors

On behalf of the Board.

Richard Lightowler
Chair of the Remuneration Committee

Achievements in 2021

- Wholesome assessment and unchanged confirmation of existing fair remuneration
- Continued comprehensive assurance of conflict avoidance as it relates to the remuneration of Directors

Objectives for 2022

- Continue to actively assess and determine fair and appropriate Directors' remuneration
- Attract and retain diverse, relevantly experienced and engaged Board Directors
- Assess, promote and maintain market-relevant, fair and appropriate means remuneration practices

Remuneration Committee report

Directors are remunerated in the form of fixed fees and are subject to a minimum shareholding requirement.

Remuneration report

The Non-Executive Directors who served in the period from 1 January 2021 to 31 December 2021 received the same annual fees as in 2020. Directors are remunerated in the form of fixed fees payable to the Director personally. No fees are paid for attending meetings or chairing Board committees. Total fees paid to Non-Executive Directors for 2021 were £370,000 (2020: £375,000). Note, Peter Dubens serves without a fee.

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 annually by shareholders at the AGM.

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 9 March 2022, Directors who are beneficial owners of shares in the Company are:

Director	9 March 2022	8 March 2021
Caroline Foulger	132,000	122,000
Peter Dubens	18,083,631	18,083,631
Stewart Porter	45,216	45,216
Richard Lightowler	155,000	130,000
Fiona Beck[1]	40,000	22,000

1 Fiona Beck was appointed in September 2020.

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 continuously monitors liquidity to ensure it can fund its undrawn 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 of the London Stock Exchange's Main Market. The Company's registered office is: 5th Floor, 11 Bermudiana Road, Pembroke HM08, Bermuda.

Investment policy

For details of the investment policy, refer to page 88.

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 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 private equity fund cycle. Cash-flow modelling is performed on an ongoing basis to enable the Company to manage its liquid resources and to ensure it has the ability to pay commitments as they fall due, while 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 has 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 2021 was £370,000.

This consisted solely of fixed remuneration; no variable remuneration was paid. Fixed remuneration was composed of agreed fixed fees. There were four beneficiaries of this remuneration, with no changes to the Board directorship during the year.

Shareholder information

OCI shares can be purchased through a stockbroker, financial adviser, bank or share-dealing platform.

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
	Publication of first quarterly trading update for Q1
May	Capital Markets Day
July	Interim trading update announced
September	Interim results announced, Interim Report published
October	Payment of interim dividend
	Q3 trading update

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 should 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/2021/08/OCI-KID-Document-2021.pdf

OCI shares can be purchased through a range of broker platforms including: Selftrade, Transact Online, iDealing.com, Hargreaves Lansdown, Interactive Investor, Charles Stanley Direct, AJ Bell Youinvest and ComDirect.

Dividend

The final dividend proposed in respect of the year ended 31 December 2021 is 2.25 pence per share.

Ex-dividend date (date from which shares are transferred without dividend)	24 March 2022
Record date (last date for registering transfers to receive the dividend)	25 March 2022
Dividend payment date	14 April 2022

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.

Rights attaching to shares

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 2021, the Company did not hold any treasury shares.

Consolidated Financial Statements

Independent Auditor's Report

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

Report on the audit of the consolidated financial statements

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 2021 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 2021 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

The key audit matter

Valuation of the Funds

As discussed in the Audit Committee report on pages 100-102, the accounting policies on pages 127-130 and in Notes 6 and 8 to the consolidated financial statements on pages 133 and 135, the Company holds investments in private equity partnerships (the "Funds") at 31 December 2021 of £628.5 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.

How the matter was addressed in 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 2021;
- 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:

- Attended valuation meetings during the year where we received detailed updates on investments from the Investment Adviser;
- Obtained the Investment Adviser's models and the independent external valuation report used for valuing the unquoted equity investments;
- Conducted procedures to satisfy ourselves of the qualifications, independence and expertise of the valuation specialists engaged by the Funds;
- Independently sourced multiples for comparable companies and transactions used by the Investment Adviser, and considered whether those companies and/or transactions are comparable to the investee companies and compared them to multiples used by the Investment Adviser;
- KPMG valuation specialists challenged the Investment Adviser's methodologies followed, and key assumptions used in determining the fair value of unquoted equity investments in the context of the IPEV valuation guidelines;
- Obtained management information, including 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;
- Obtained an understanding of matters that may affect the fair value of the unquoted investments through discussions with the Investment Adviser and independent research into investee companies and industry trends;
- Obtained independent confirmations of the existence and accuracy of the unquoted equity investments from third parties.
- 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

The key audit matter

Valuation of the unquoted debt securities

In addition to investments in the Funds, the Company holds investments in unquoted debt securities at 31 December 2021 of £130.7 million.

The fair value of the unquoted debt securities is derived using 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;
- Judgment is required by the Investment Adviser in selection of an appropriate, market related, risk-adjusted discount rate; and
- Judgment is also required in determining the timing and amounts of prospective cash flows of the debt securities.

How the matter was addressed in our audit

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:

- Obtained independent loan confirmations from third parties to support the completeness, existence, and accuracy of the debt securities;
- Inspected loan agreements to support the loan terms and inputs to discounted cash flow calculation
- Obtained the Investment Adviser's models and the independent external valuation report used for valuing the debt securities at year end and checked their mathematical accuracy;
- Conducted procedures to satisfy ourselves of the qualifications, independence and expertise of the external valuation specialists engaged by the Company;
- 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;
- Challenged the reasonableness of the assumptions made by the Investment Adviser and their expert regarding the timing and amounts of expected future 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.

Independent Auditor's Report

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.

Independent Auditor's Report

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

9 March 2022

Consolidated Financial Statements

Consolidated statement of comprehensive income

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Income			
Interest income	13	10,073	10,466
Net realised gains on investments at fair value through profit and loss	6, 7	56,593	208,536
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	191,335	(133,086)
Net foreign currency gains/(losses)		(5,787)	13,700
Other income		271	390
Total income		252,485	100,006
Expenses	14	(3,751)	(7,620)
Profit attributable to equity shareholders/total comprehensive income		248,734	92,386
Earnings per share			
Basic and diluted earnings per share	18	£1.38	£0.48

The Notes on pages 126 to 143 are an integral part of these Consolidated Financial Statements.

Consolidated Financial Statements

Consolidated balance sheet

As at 31 December 2021

	Notes	2021 £'000	2020 £'000
Assets			
Non-current assets			
Investments	6, 8	798,658	505,124
		798,658	505,124
Current assets			
Trade and other receivables	11	123	33
Cash and cash equivalents	10	163,178	223,090
		163,301	223,123
Total assets		961,959	728,247
Liabilities			
Current liabilities			
Trade and other payables	12, 16	508	297
Total liabilities		508	297
Net assets attributable to shareholders		961,451	727,950
Equity			
Share capital	20	1,786	1,806
Share premium	20	181,013	188,144
Retained earnings		778,652	538,000
Total shareholders' equity		961,451	727,950
Net asset per ordinary share			
Basic and diluted net assets per share	19	£5.38	£4.03
Ordinary shares in issue at 31 December ('000)	20	178,600	180,600

The Notes on pages 126 to 143 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements of Oakley Capital Investments Limited (registration number: 40324) on pages 122 to 125 were approved by the Board of Directors and authorised for issue on 9 March 2022 and were signed on their behalf by:

Caroline Foulger
Director

Richard Lightowler
Director

Consolidated Financial Statements

Consolidated statement of changes in equity

For the year ended 31 December 2021

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2020		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
Profit for the year/total comprehensive income		–	–	248,734	248,734
Ordinary shares repurchased and cancelled	20	(20)	(7,131)	–	(7,151)
Dividends	21	–	–	(8,082)	(8,082)
Total transactions with equity shareholders		(20)	(7,131)	(8,082)	(15,233)
Balance at 31 December 2021		1,786	181,013	778,652	961,451

The Notes on pages 126 to 143 are an integral part of these Consolidated Financial Statements.

Consolidated Financial Statements

Consolidated statement of cash flows

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Purchases of investments		(120,227)	(95,983)
Sales of investments		80,949	332,595
Accrued interest repayments and other income		3,627	5,321
Expenses paid		(3,630)	(21,050)
Bank and other interest received		389	215
Net cash from (used in) operating activities		(38,892)	221,098
Cash flows from financing activities			
Purchase of ordinary shares	20	(7,151)	(51,894)
Dividends paid	21	(8,082)	(8,680)
Net cash from (used in) financing activities		(15,233)	(60,574)
Net increase (decrease) in cash and cash equivalents		(54,125)	160,524
Cash and cash equivalents at the beginning of the year		223,090	48,866
Net increase/(decrease) in cash and cash equivalents		(54,125)	160,524
Effect of foreign exchange rate changes		(5,787)	13,700
Cash and cash equivalents at the end of the year	10	163,178	223,090

The Notes on pages 126 to 143 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

Oakley Capital Investments Limited (the 'Company') is a closed-end 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

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

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.

COVID-19 continues to cause disruption to economies around the world, however the roll-out of the vaccination programme and adjustment to new ways of working has meant that uncertainty is gradually decreasing. As a result, private equity activity rebounded strongly during 2021 and consequently valuations have increased, particularly in the sectors that have remained resilient, such as technology and business software.

The Board of Directors has assessed if it is appropriate to adopt the going concern basis of accounting in preparing these Consolidated Financial Statements. As part of this assessment, the Board of Directors has considered a wide range of information relating to the present and future conditions, including the continued impact of COVID-19 on some of 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 2021, cash and cash equivalents of the Company amount to £163,177,622. The Company has total unfunded capital and unquoted debt security commitments of £405,551,000 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 £240,362,826 for the year ended 31 December 2021. As at 31 December 2021, the Company has had no 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 the prior period's approach. 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; and
- 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.

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 its investments and the assessment that the Company meets the definition of an investment entity and are detailed further in Notes 3.2 and 4.

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.

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 2021 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 and might be relevant for the Company.

A number of new amendments and interpretations are effective for annual periods beginning after 1 January 2021 and early application is admitted, however the Company has not early adopted the new or amended standards in preparing these Consolidated Financial Statements. These amendments and interpretations are not expected to have a material impact on the OCI Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

3. Significant accounting policies continued

3.2 Basis for consolidation

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 obtains funds from investors and 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 Company also has further typical characteristics of an investment entity as defined by IFRS:

- The performance of these investments is measured and evaluated on a fair value basis.
- The Company holds multiple investments and has multiple investors.
- It has investors that are not related parties of the Company.
- It has ownership interests in the form of equity or similar interests.

An investment entity is still required to consolidate a subsidiary where that subsidiary provides services that relate to the investment entity's investment activities. The Funds do not provide services that relate to the Company's investment activities.

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.

As at 31 December 2021, the Company's Limited Partner ownership in the Funds was:

- Fund I ownership of 70.4% (2020: 70.4%)
- Fund II ownership of 36.2% (2020: 36.2%)
- Fund III ownership of 40.7% (2020: 40.7%)
- Fund IV ownership of 27.4% (2020: 27.4%)
- Origin Fund ownership of 28.2% (2020: 27.0%)

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 Advisor, will determine the point within the bid-ask spread that is most representative of fair value.

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.

Notes to the Consolidated Financial Statements

3. Significant accounting policies continued

(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.

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

Notes to the Consolidated Financial Statements

3. Significant accounting policies continued

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 judgement

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 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.

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. The impact of COVID-19 on economic uncertainty has lessened in 2021 due in part to effective vaccination programmes, however a degree of additional uncertainty remains, particularly in relation to potential new variants such as the impact associated with Omicron. There is also added uncertainty over recent increases in inflation within economies the Funds invest in that have led to a higher likelihood of increases in interest rates which may in turn impact Fund valuations. 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. This conclusion is further detailed in Note 3.2.

5. Financial risk management

5.1 Introduction and overview

The Board of Directors, the Company's Risk Committee and 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.

During the period 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.

Notes to the Consolidated Financial Statements

5. Financial risk management continued

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 on pages 71-75. During 2021, regular consideration was given to the impact COVID-19 had in each of the five categories of risk.

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, with a minority also held with HSBC. Barclays and HSBC are rated A1 and Butterfield Bank is rated at A3 by Moody's (2020: Barclays and HSBC A1 and Butterfield A3).

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 2021, no debt securities held were overdue or impaired.

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 held within the Funds 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. The Board of Directors' assessment of liquidity risk is further detailed in Note 2.

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 approximate fair value. Financial liabilities exclude outstanding capital commitments at year-end.

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):

	2021				2020		
	Pound £'000	**Euro £'000**	**Dollar £'000**	**Total £'000**	Pound £'000	Euro £'000	Total £'000
Fixed and floating rate debt and cash	205,348	88,476	21	293,845	201,566	147,990	349,556
Non-interest-bearing Fund and equity investments	39,450	628,541	–	667,991	23,940	354,718	378,658
Total	244,798	717,017	21	961,836	225,506	502,708	728,214

(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 securities carry fixed rates of interest ranging from 6.5% to 10% (2020: 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 £1,646,952 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2020: £1,155,534).

Notes to the Consolidated Financial Statements

5. Financial risk management continued

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 £1,757,137 on the profit and loss in the consolidated statement of comprehensive income (2020: £2,053,734). 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. This 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.

	2021 Euro £'000	2020 Euro £'000
Assets:		
Financial assets at fair value through profit and loss	62,854	35,472
Cash and cash equivalents	7,436	14,799
Total assets	70,290	50,271
Impact on profit (loss)	70,290	50,271

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

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 £5,917,543 (2020: £3,590,988) 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 assets per ordinary share is £0.03 (2020: £0.02).

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 £94,281,218 (2020: £53,207,700) 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 assets per ordinary share is £0.53 (2020: £0.29).

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.

5.5 Capital management

The Company's capital comprises ordinary shares with £0.01 par value and carrying one vote each. The holders of the shares are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and re-purchase 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

6. Investments

Investments as at 31 December 2021:

	2020 Fair value £'000	Purchases/ capital calls £'000	Total sales/ distributions* £'000	Realised gains (losses)** £'000	Interest and other £'000	Net change in unrealised gains (losses)*** £'000	2021 Fair value £'000
Oakley Funds							
Fund I	16,149	–	–	(784)	–	13,532	28,897
Fund II	53,210	–	–	(76)	–	(7,130)	46,004
Fund III	217,866	15,948	(56,295)	65,851	–	80,701	324,071
Fund IV	66,360	76,076	(3,845)	(5,306)	–	82,711	215,996
Origin Fund	1,133	9,521	–	(3,092)	–	6,011	13,573
Total Oakley Funds	354,718	101,545	(60,140)	56,593	–	175,825	628,541
Quoted equity securities							
Time Out Group plc	23,940	–	–	–	–	15,510	39,450
Total quoted equity securities	23,940	–	–	–	–	15,510	39,450
Unquoted debt securities							
Ellisfield (Bermuda) Limited	17,264	–	(17,545)	–	281	–	–
Fund I	6,645	6,862	(6,891)	–	473	–	7,089
NSG Apparel BV	38,709	11,820	–	–	3,734	–	54,263
Oakley NS (Bermuda) LP	63,848	–	–	–	5,467	–	69,315
Total unquoted debt securities	126,466	18,682	(24,436)	–	9,955	–	130,667
Total investments	505,124	120,227	(84,576)	56,593	9,955	191,335	798,658

* Total sales include redemptions, loan repayments (including accrued interest and arrangement fees) and transfers.

** Realised gains/(losses) include realised gains/(losses) on underlying fund portfolio investments sold in the period, and income and expenses of the underlying fund during the period.

*** Unrealised gains/(losses) include FX on the conversion of period end fund holdings from the Fund's reporting currency (euros) to Pounds, plus inception to date unrealised gains/(losses) on the Fund's portfolio investments and any change in OCI's share of fund holdings. Changes in Provisional Profit Allocation ('carry') are apportioned across the realised and unrealised gains."

Notes to the Consolidated Financial Statements

6. Investments continued

Investments as at 31 December 2020:

	2019 Fair value £'000	Purchases/ capital calls £'000	Total sales/ 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	–	–
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

* Total sales include redemptions, loan repayments (including accrued interest and arrangement fees) and transfers

** Realised gains/(losses) include realised gains/(losses) on underlying fund portfolio investments sold in the period, and income and expenses of the underlying fund during the period.

*** Unrealised gains/(losses) include FX on the conversion of period end fund holdings from the Fund's reporting currency (euros) to Pounds, plus inception to date unrealised gains/(losses) on the Fund's portfolio investments and any change in OCI's share of fund holdings. Changes in Provisional Profit Allocation ('carry') are apportioned across the realised and unrealised gains."

The Fund I unquoted debt security is a direct investment into Fund I and the Time Out Group Plc quoted equity security is a direct investment into a portfolio company of Fund I. The NSG Apparel BV and Oakley NS (Bermuda) LP unquoted debt securities are investments into or related to a portfolio company of Fund II. The Total Sales/ Distributions on unquoted debt securities include accrued interest repayments of £3,627,000 (2020: £5,321,000).

Notes to the Consolidated Financial Statements

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

	2021 £'000	2020 £'000
Net change in unrealised gains (losses) on investments at fair value through profit and loss:		
Funds	175,825	(105,891)
Quoted equity securities	15,510	(27,195)
Total net change in unrealised gains (losses) on investments at fair value through profit and loss	191,335	(133,086)
Net realised gains (losses) on investments at fair value through profit and loss:		
Funds	56,593	208,536
Total net realised gains (losses) on investments at fair value through profit and loss	56,593	208,536

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.

The following table analyses the Company's investments measured at fair value as of 31 December 2021 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	–	628,541	628,541
Quoted equity securities	39,450	–	39,450
Unquoted debt securities	–	130,667	130,667
Total investments measured at fair value	39,450	759,208	798,658

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

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 2021 or 31 December 2020.

Notes to the Consolidated Financial Statements

8. Disclosure about fair value of financial instruments continued

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 2021 include Level III investments in the amount of £759,208,400, representing approximately 78.96% of shareholders' equity (2020: £481,183,852; 66.10%).

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 2021, 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**
Investments	39,367	51,125	486,070	381,603	40,541
Loans	–	–	(39,645)	(26,394)	(482)
Estimated performance fee payable	–	–	(69,333)	(104,340)	(33,136)
Other net assets	(4,986)	3,612	8,488	6,122	9,227
Total value of the Fund attributable to the Company (€'000)	34,381	54,737	385,580	256,991	16,150
Total value of the Fund attributable to the Company (£'000) at year-end exchange rate	28,897	46,004	324,071	215,996	13,573

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
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

8. Disclosure about fair value of financial instruments continued

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.

The underlying portfolio companies owned by the Funds may include both quoted and unquoted companies. Quoted portfolio companies are valued based on market prices 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 2021.

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 ended 31 December 2021, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 8.4% movement in net assets attributable to shareholders (2020: 6.1%). 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 6.5% and 10% 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 ended 31 December 2021, a 1% increase to the discount factor would result in a 0.2% movement in net assets attributable to shareholders (2020: 0.2%). 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 2021 (2020: 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 2021 and 2020, are as follows:

Level I investments: Quoted equity securities	**2021 £'000**	2020 £'000
Fair value at beginning of year	23,940	38,510
Purchases	–	12,625
Net change in unrealised gains (losses) on investments	15,510	(27,195)
Fair value of Level I investments at end of year	39,450	23,940

Notes to the Consolidated Financial Statements

8. Disclosure about fair value of financial instruments continued

Level III investments:	Funds £'000	Unquoted debt securities £'000	Total £'000
2021			
Fair value at beginning of year	354,718	126,466	481,184
Purchases	101,545	18,682	120,227
Proceeds on disposals (including interest)	(60,140)	(24,436)	(84,576)
Realised gain on sale	56,593	–	56,593
Interest income and other fee income	–	9,955	9,955
Net change in unrealised gains (losses) on investments	175,825	–	175,825
Fair value at end of year	628,541	130,667	759,208

Level III investments:	Funds £'000	Unquoted debt securities £'000	Total £'000
2020			
Fair value at beginning of 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 end of year	354,718	126,466	481,184

Other financial instruments

Financial instruments, other than financial instruments at fair value through profit and loss, where carrying values reasonably approximate fair value:

	2021 £'000	2020 £'000
Cash and cash equivalents	163,178	223,090
Trade and other receivables	123	33
Trade and other payables	508	297

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 2021 (2020: none).

Notes to the Consolidated Financial Statements

9. Segment information continued

The segment information for the year ended 31 December 2021 is as follows:

	Funds 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	56,593	–	56,593	–	56,593
Net change in unrealised gains (losses) on financial assets at fair value through profit and loss	175,825	15,510	191,335	–	191,335
Interest income	–	9,684	9,684	389	10,073
Net foreign currency gains (losses)	–	–	–	(5,787)	(5,787)
Other income	–	271	271	–	271
Expenses	–	–	–	(3,751)	(3,751)
Profit (loss) for the year	232,418	25,465	257,883	(9,149)	248,734
Total assets	628,541	170,117	798,658	163,301	961,959
Total liabilities	–	–	–	(508)	(508)
Net assets	628,541	170,117	798,658	162,793	961,451
Total assets include:					
Financial assets at fair value through profit and loss	628,541	170,117	798,658	–	798,658
Cash and others	–	–	–	163,301	163,301

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

	Funds 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

10. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash and demand balances at banks	117,622	172,892
Short-term deposits	45,556	50,198
	163,178	223,090

Notes to the Consolidated Financial Statements

11. Trade and other receivables

	2021 £'000	2020 £'000
Prepayments	123	33
	123	33

12. Trade and other payables

	2021 £'000	2020 £'000
Trade payables	165	87
Amounts due to related parties	240	150
Other payables	103	60
	508	297

13. Interest income

	2021 £'000	2020 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	389	215
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	9,684	10,251
	10,073	10,466

14. Expenses

	Notes	2021 £'000	2020 £'000
Investment related fees	15	–	4,266
Operating expenses	16	3,751	3,354
		3,751	7,620

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 provides operational assistance and services to the Board with respect to the Company's direct investments and its general administration as defined in the Operational Services Agreement. Following the year-end, Oakley Capital Limited was appointed as the Administrative Agent from 1 January 2022.

(a) Operational fees

For the period of 1 January 2020 to 30 June 2020, the Administrative Agent received an operational service fee of 2% per annum of the NAV of the Company's direct equity investments. Effective 1 July 2020, no further operational fees are payable.

No operational services fees were incurred during the year ended 31 December 2021 (2020: £620,874). There are no amounts outstanding as at 31 December 2021 (2020: none).

(b) Performance fees

For the period of 1 January 2020 to 30 June 2020, the Administrative Agent received 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.

There were no performance fees for the year ended 31 December 2021 (2020: £3,644,444). There are no amounts outstanding as at 31 December 2021 (2020: none).

(c) Advisory fees

No investment advisory fees were paid in either 2021 and 2020. The Administrative Agent may receive an advisory fee of up to a maximum of 2% on any transactions placed on behalf of the Company for any direct equity investment. Any advisory fee would be negotiated on a case-by-case basis between the Company and Administrative Agent and no such fees were negotiated in 2021 or 2020.

Notes to the Consolidated Financial Statements

16. Operating expenses

The following expenses are included in operating expenses:

(a) Administration Fees

Mayflower Management Services (Bermuda) Limited ('Mayflower') provided administration services until 30 June 2021. Oakley Capital Limited ('the Administrator') was appointed by the Company to provide administration services at prevailing commercial rates from 1 July 2021.

Administration fees for the year ended 31 December 2021 totalled £306,000 (2020: £344,584). There were no administration fees payable to the Administrator as at 31 December 2021 (2020: £nil).

(b) Directors' fees

For the year ended 31 December 2021, the Company paid Directors' fees of £100,000 (2020: £100,000) to the Chair of the Board and £270,000 (2020: £275,000) to other Board members. No fees were payable as at 31 December 2021 (2020: none).

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 (2020: one). No other fees were paid to the Directors (2020: £nil).

For the years ended 31 December 2021 and 2020, members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2021	2020
Shares at the beginning of the year	18,363	18,018
Shares acquired during the year	48	745
Shares held by a Director who resigned during the year	–	(400)
Shares at the end of the year	18,411	18,363
Dividends paid to Directors (£'000)	827	818

(c) Auditor's remuneration

The Company's auditor is KPMG Audit Limited ('KPMG'). During the year ended 31 December 2021, the Company paid KPMG audit fees of £142,958 (2020: £144,009) and other advisory services fees of £8,554 (2020: £6,666).

(d) Other expenses

The Company is recharged by the Administrative Agent (for the period 1 January 2021 to 30 June 2021) and by the Administrator (for the period 1 July 2021 to 31 December 2021) for certain services such as compliance, accounting and investor relations. These services are provided by the Administrative Agent's contracted advisers (which include the Investment Adviser) and the Administrator.

For the year ended 31 December 2021, the Administrative Agent and Administrator recharged £1,556,000 (2020: £947,000). The amount outstanding as at 31 December 2021 was £213,000 (2020: £90,000) and is included in 'Trade and other payables' in the consolidated balance sheet.

17. Withholding tax

Under current Bermuda law, the Company and its subsidiary is not required to pay tax in Bermuda on either income or capital gains. The Company and its subsidiary has received an undertaking from the Minister of Finance in Bermuda that, in the event of such taxes being imposed, the Company and its subsidiary is exempt from such taxation at least until 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 2021, the Company was not subject to foreign withholding taxes (2020: nil).

18. Earnings per share

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

	2021	2020
Basic and diluted earnings per share	£1.38	£0.48
Profit for the year ('000)	248,734	£92,386
Weighted average number of shares in issue ('000)	179,745	192,707

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

Notes to the Consolidated Financial Statements

19. Net asset value per share

The NAV per share calculation uses the number of shares in issue at the end of the year.

	2021	2020
Basic and diluted net asset value per share	£5.38	£4.03
Net assets attributable to shareholders ('000)	£961,451	£727,950
Number of shares in issue at year end ('000)	178,600	180,600

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 ended 31 December 2021, the Company purchased the following ordinary shares:

	Number of ordinary shares	**Purchase price (£'000)**
29 July 2021	2,000,000	7,151

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

	Number of ordinary shares	Purchase price (£'000)
3 December 2020	6,947,000	18,068
2 October 2020	3,053,000	7,786
29 July 2020	3,660,000	8,318
18 June 2020	1,340,000	2,775
18 March 2020	3,000,000	4,817

The ordinary shares purchased by the Company were cancelled and are available for re-issue.

As at 31 December 2021, the Company's issued and fully paid share capital was 178,599,936 ordinary shares (2020: 180,599,936).

	2021 £'000	2020 £'000
Ordinary shares outstanding at the beginning of the year	180,600	198,600
Ordinary shares purchased	(2,000)	(18,000)
Ordinary shares outstanding at the end of the year	178,600	180,600

(b) Share premium

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

Notes to the Consolidated Financial Statements

21. Dividends

On 11 March 2021, the Board of Directors declared a final dividend for 2020 of 2.25 pence per ordinary share resulting in a dividend of £4,063,499 paid on 15 April 2021 (2020: 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).

On 9 September 2021, the Board of Directors declared an interim dividend of 2.25 pence per ordinary share resulting in a dividend of £4,018,499 paid on 14 October 2021 (2020: 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 paid on 22 October 2020).

22. Commitments

The Company had the following outstanding capital commitments in euros as at period end:

	Original commitment €'000	**2021 €'000**	2020 €'000
Fund I	202,398	2,834	2,834
Fund II	190,000	13,300	13,300
Fund III	325,780	101,806	120,539
Fund IV	400,000	248,000	334,000
Origin Fund	129,300	115,077	101,850
Total outstanding commitments (€'000)	1,247,478	481,017	572,523
Total outstanding commitments (£'000)	1,048,505	404,295	512,351

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

	Original commitment £'000	**2021 £'000**	2020 £'000
Fund I	8,000	1,138	5,000
Oakley NS (Bermuda) LP*	54,700	118	128
Total outstanding commitments (£'000)	62,700	1,256	5,128

* As at 31 December 2020, the original commitment to Oakley NS (Bermuda) LP was £54,710,000.

23. Related parties

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

One Director of the Company, Peter Dubens, is also a director of the Investment Adviser and Administrator, an entity which provides services to, and receives compensation from, the Company and is also the sole shareholder of 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

At the time of writing, the conflict in Ukraine has the potential to impact global supply chains and short-term growth prospects for some economies. While these concerns have had minimal effect on the Company to date, they have led to some volatility to markets in the current quarter and the future impact on the company of disruption to the global economy arising from the conflict remains uncertain and not practicable to determine at this time.

The Board of Directors has evaluated subsequent events from the year-end through 9 March 2022, which is the date the Consolidated Financial Statements were available for issue. The following events have been identified for disclosure:

Dividends – on 9 March 2022, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2021. This is due to be paid on 14 April 2022 to shareholders registered on or before 25 March 2022. The ex-dividend date is 24 March 2022.

Commitment – on 26 January 2022, OCI announced an initial commitment of €400 million (£336 million) to Oakley Capital's Fund V, with the initial fund close being on 11 February 2022.

Full realisation – on 2 February 2022, Oakley Fund III exited its investment in TechInsights. OCI's look-through share of proceeds was £59.5 million.

Acquisition – on 2 February 2022, Oakley Fund IV acquired the exited Fund III portfolio company, TechInsights, alongside a co-investor. OCI's share of the look-through investment was £34.5 million. Fund IV funded the acquisition with a capital call from investors, of which OCI's share was £36.6 million.

Directors and Advisers

Directors

Caroline Foulger
Chair

Richard Lightowler
Senior Independent Director

Fiona Beck
Independent Director

Stewart Porter
Independent Director

Peter Dubens
Director

Registered office

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Pembroke
HM 08
Bermuda

* Until 30 June 2021, the Administrator was Mayflower Management Services (Bermuda) Limited. Until 31 December 2021, the Administrative Agent was Oakley Capital Manager Limited.

Advisers

Administrative Agent*

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United Kingdom

Investment Adviser to the Administrative Agent

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Legal Adviser

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CREST Depositary

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Auditor

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Branch Registrar

Computershare Investor
Services (Jersey) Limited
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St Helier
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Channel Islands

Glossary and Alternative Performance Measures

Administrative Agent	Oakley Capital Limited ('OCL'), in respect of the Company.
AIF	Alternative Investment Fund; as at 31 December 2021, Oakley Capital Investments Limited is a non-EU AIF.
Attribution analysis: movement in NAV and investments	1. Realised gains/(losses) represent the change in realised gains/(losses) during the year and is adjusted to remove the impact of reclassifications from unrealised gains/(losses) to realised gains/(losses) which occurred upon realisations during the year. Unrealised gains/(losses) have also been adjusted accordingly. 2. Realised gains/(losses) include realised gains/(losses) on underlying fund portfolio investments sold in the period, and income and expenses of the underlying fund during the period. 3. Unrealised gains/(losses) include FX on the conversion of period end fund holdings from the Funds' reporting currency (euros) to Pounds, plus unrealised gains/(losses) on the Funds' portfolio investments and any change in OCI's share of fund holdings. Changes in Provisional Profit Allocation ('Carry') are apportioned across the realised and unrealised gains. 4. Distributions include redemptions, loan repayments (including accrued interest and arrangement fees) and transfers.
Attribution analysis: movement in portfolio companies	Realised and unrealised gains/(losses) are presented for the portfolio companies and direct equity investments only. This chart, therefore, excludes realised and unrealised gains/(losses) on the other assets/(liabilities) of the Funds, including income and expenses of the underlying fund, FX on the conversion of period end fund holdings from the Fund's reporting currency (euros) to pounds and any change in OCI's share of fund holdings.
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 2021, 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 2021 was £1: €1.1898.
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.

Glossary and Alternative Performance Measures

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.
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 twelve months.
LTM EBITDA growth	Increase in EBTDA over the last 12 months of the year ended 31 December 2021.
MM	Money Multiple which is Total Value divided by Total Cost Invested, illustrating return on capital.
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 Funds	Fund I, Fund II, Fund III, Fund IV and Origin Fund, and (as applicable) any successor Funds.
Oakley Group	Oakley Capital Limited as Investment Adviser and 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.
OCI	Oakley Capital Investments Limited.

Glossary and Alternative Performance Measures

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, Oakley Capital Origin C 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	£921.6
Other Oakley Fund assets/(liabilities)	(£130.0)
Other direct investments	£7.1
Cash and other	£162.8
NAV	£961.5

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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