Oakley Capital Investments

INTERIM REPORT 2019

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Oakley Capital Investments

Oakley Capital Investments Limited ("OCI" or the "Company") provides its shareholders with access to a portfolio of high quality private equity assets through its investments in the Oakley Funds and co-investments

Why invest?

→ OCI investors gain access to a truly differentiated model of private equity investing

Market leading returns

16% 10 year NAV compound growth

High and dependable returns drive capital growth for shareholders. OCI's NAV grew 14% in the first half of 2019, whilst the share price rose 31% in the same period.

Access to a portfolio of high quality private companies

31% avg. EBITDA growth

Thirteen companies across three sectors that generate fast growing profits, as a result of being market leaders in industries enjoying structural growth.

Unique investment sourcing drives repeatable long-term performance

5 Investments signed in 2019

Proven model based on sector and regional expertise with an ability to tackle transaction complexity and access to a deal generating entrepreneur network.

Financial highlights

The Company's net asset value increased in the period by £76.1 million to £650.9 million

OCI year-on-year overview*

Net asset value

£650.9m +23%

2019	£650.9m
2018	£529.7m
2017	£472.6m

Market capitalisation

£468.1m +24%

2019	£468.1m
2018	£377.9m
2017	£353.3m

3 year NAV CAGR

17%

2019	17%
2018	14%
2017	26%

Net asset value per share

£3.18 +23%

2019	£3.18
2018	£2.59
2017	£2.31

Share price

£2.29 +24%

2019	£2.29
2018	£1.85
2017	£1.73

Annualised dividend

4.5p

2019	4.5p
2018	4.5p
2017	4.5p

* These metrics are calculated on a year-on-year basis, 30 June 2018 to 30 June 2019

2019 H1 OCI highlights

- 14% NAV total return
- 33% total shareholder return
- £52.9m capital deployed
- £61.9m proceeds received
- 25% portfolio growth (like-for-like)
- Interim dividend of 2.25 pence
- Continued focus on Board governance
- Buyback of 404,100 shares
- Move from AIM listing to Specialist Fund Segment of the Main Market, post period end

At a glance

Breakdown of OCI NAV by asset type

1. Oakley Fund investments

£319.5m › 49.1% of total NAV

Assets in the underlying Oakley Funds.

2. Co-investments

EQUITY

£110.6m › 17.0% of total NAV

DEBT

£124.9m › 19.2% of total NAV

Consists of the direct equity holdings in Time Out Group plc and Inspired.

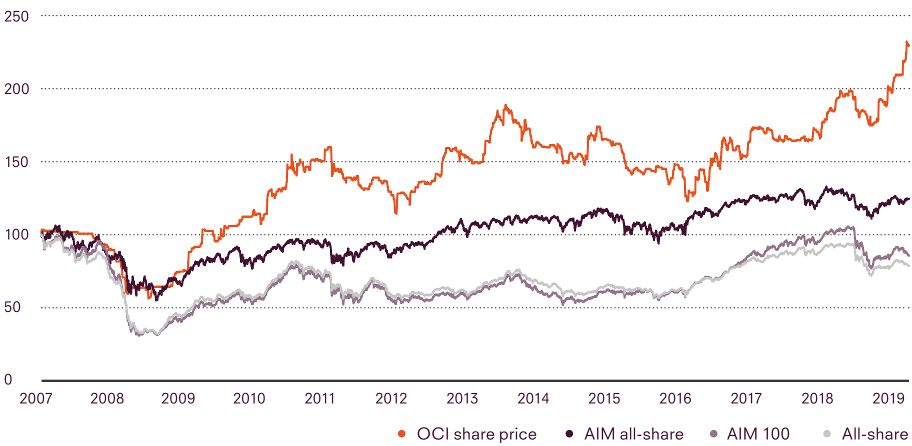
Debt investments relate to the unquoted debt securities issued by OCI to portfolio companies and to the Oakley Funds (Time Out, North Sails, Daisy).

3. Cash, other assets and liabilities

£95.9m › 14.7% of total NAV

Cash and cash equivalents of £109.2m offset by liabilities of £13.4m.

10 year track record of outperforming market indices

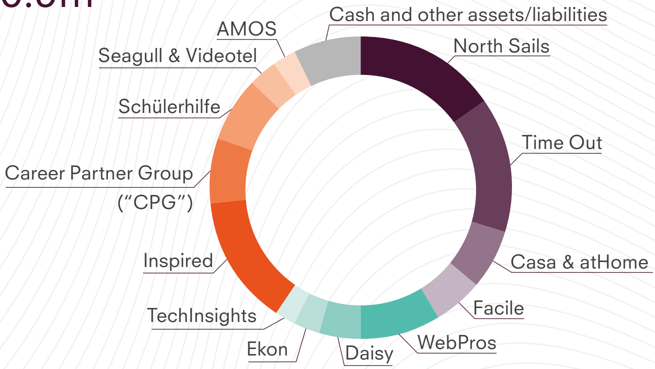


Portfolio

OCI invests in a diversified portfolio of private equity assets, indirectly through the Oakley Funds or directly through co-investments.

NAV breakdown(1)

£650.9m



Consumer	
North Sails	£101.0m
Time Out	£93.1m
Casa & atHome	£42.3m
Facile	£33.1m
Total	£269.5m(2)

TMT	
WebPros	£57.3m
Daisy	£28.8m
Ekon	£18.0m
TechInsights	£13.5m
Total	£117.6m(2)

Education	
Inspired	£91.2m
CPG	£45.8m
Schülerhilfe	£43.7m
Seagull & Videotel	£20.2m
AMOS	£16.5m
Total	£217.4m(2)

(1) Total NAV includes all investments of £555.0m and cash, other assets and liabilities of £95.9m.

(2) Total investments of £604.5m does not include OCI's proportion of net liabilities in the Oakley Funds of £75.4m and the fund facilities of £25.8m, which totals £555.0m. These sector values are calculated on a look-through basis for each individual portfolio company, as described on pages 14 and 15.

Chair's statement

Strong portfolio company performance and exits above book value once again drive double digit returns for shareholders

The Board is pleased to report another period of strong returns, with an increase in net asset value (NAV) of 13% in the first half of 2019. Our NAV reached a record high of £651 million (318 pence per share) at 30 June, driven by continued strong performance from the Funds' portfolio companies and realisations above book value.

We have also continued the enhancement of the Company's governance, which in combination with returns well ahead of the wider market, has had a positive impact on the share price, with a total shareholder return of 33% in the period.

Revaluations, realisations and investments

There have been positive revaluations across the Oakley Funds. The two notable contributors to NAV growth were Inspired, due to a partial sell-down at 80% premium to book value, and Time Out, where the share price increased 60% in the period. The impact to OCI of both Inspired and Time Out was enhanced by the equity co-investment stakes held in both companies. There has also been a £19m increase in the co-investment debt provided to North Sails.

The Oakley Funds returned £57 million in cash to OCI in the first half of 2019. Our share of proceeds from the Fund II partial sell-down of Inspired was £30 million and we also benefited from the refinancings of the Fund III holdings of Career Partner Group and WebPros, which together returned £27 million.

The Investment Adviser, Oakley Capital, continues to demonstrate its ability to source high quality investments at attractive valuations. In the period, Oakley completed the acquisitions of Ekon (TMT) and Seagull & Videotel (Education) at an investment cost of £38 million and signed Rastreator & Acierto (Consumer), Alessi (Consumer) and Seven Miles (Consumer), at a further estimated cost to OCI of £47 million. Each of these companies demonstrate characteristics typical of an Oakley investment, as they are leaders in industries enjoying structural growth, with recurring revenues across large and diversified customer bases.

Private Equity

There is concern around the abundance of dry powder within PE funds, increasing valuations and the dangers of high leverage. However, we believe that the industry's superior returns and ability to deploy capital are currently sustainable, thanks to the increasing pool of investable private companies, in contrast to continued public market consolidation.

The investment successes that have continued over this six-month period underline our confidence in the repeatability of Oakley's approach, which combines sector expertise with a strong network of operating partners who use their knowledge to uncover growth opportunities and ultimately deliver industry-leading returns.

Governance

The Board has continued to introduce changes to enhance and protect shareholder value. These include the buy-back of shares for cancellation; the move to the Specialist Fund Segment of the London Stock Exchange's Main Market; increased marketing; and the launch of new investor tools.

These changes are part of an ongoing process to ensure OCI achieves best-in-class transparency and governance. We are encouraged to see this contributing to the narrowing of the discount to NAV at which the shares currently trade.

Board changes

The Board is undergoing a period of measured refreshment, adding independent members with diverse perspectives and deep expertise to support the continuing development of an established, yet fast-growing investment company. I am, therefore, pleased to welcome Craig Bodenstab, a Chartered Financial Analyst and qualified accountant with over 25 years' investment management experience, to the Board and we look forward to benefiting from his considerable knowledge and expertise. We anticipate making further changes to the Board during the next year.

Prospects

The Board, the Company and our Investment Adviser remain acutely aware of the current uncertainty in the geopolitical landscape and global economic outlook. However, we remain confident that the composition of our assets is reflective of a prudent and dynamic investment strategy that will continue to create sustainable value. This confidence is underpinned by OCI's long-term, strong and consistent performance demonstrated by a ten-year NAV compound growth rate of 16%.

Caroline Foulger

Chair

Strategic report

Impressive portfolio company growth and successful realisations resulted in another excellent year for returns

Market overview

→ Private equity activity remains high with further growth expected as the asset class continues to outperform

What is the impact of record levels of cash within private equity and is it expected to grow even further?

Although private equity funds' available capital – or "dry powder" – stands at c.$2.2 trillion (source: Preqin), an all-time high, the number of investment opportunities has kept pace with fund growth. The time taken to deploy capital has remained at its ten-year average of 2.8 years. Private equity is expected to continue to attract significant inflows while it outperforms most other asset classes.

The competition for certain assets has increased, pushing valuations higher. The average EV/EBITDA multiple is set to exceed the record levels reached in 2018. Despite this backdrop, Oakley has continued to secure high-quality assets at attractive valuations. This year, Oakley has signed five deals at an average EV/EBITDA multiple of 11.2x versus peer group comparable ratings of 13.4x.

How important is low cost and easily accessible debt to private equity and are levels of leverage a concern?

Deal activity continues to be stimulated by the low interest rate environment. The value of global leveraged buyouts climbed to $256 billion in the first six months of 2019 (source: Refinitiv), whilst average levels of Private Equity portfolio leverage have exceeded 6x Net Debt/EBTIDA (Source: Bain and Company). This has led to concerns over whether such debt levels can continue to be serviced in a weaker economic environment.

Oakley takes a disciplined approach to debt, with the underlying portfolio currently levered at an average multiple of 4.1x at the half year. This degree of leverage is appropriate considering the projected earnings growth, low capex and cash generative profile of the Oakley portfolio.

Is the uncertain political and economic environment an opportunity or a threat?

In light of global economic uncertainty, Oakley has approached investing with caution. It has sought companies that offer growth through innovation and structural change and that demonstrate a resilience to broader economic weakness.

The successful launch of Oakley Fund IV this year is timely, in that it is well positioned to take advantage of investment opportunities that may result from economic or political dislocations.

Investment Adviser strategy

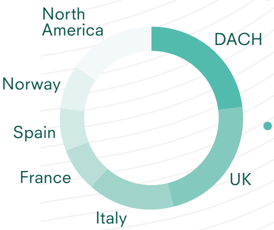
An established mid-cap investor with superior returns

Mid-market focus

€100m – €400m
Enterprise value

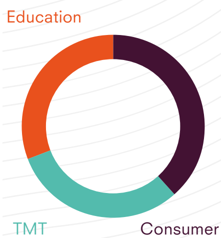
- Target attractive **sector champions** with hidden pockets of value
- **Primary opportunities** (more founder – and family owned businesses, corporate carve-outs, etc)
- **Upside from systematic value creation** (e.g. consolidation, international expansion, etc)
- **Strong fit with Oakley's entrepreneurial culture**, core strengths and experience

Primarily Western European focus



- Regions and countries with strong entrepreneurial landscapes, for example Germany's Mittelstand
- Fragmented markets presenting the opportunity to **consolidate via buy and build**
- **Regional variations** create opportunities for repeating strategies
- Beneficial **socio – economic characteristics** driving underlying growth in preferred sectors

Sector focus



- **Strong sector fundamentals**
  - **Education:** large and growing sector with proven characteristics, remains fragmented, still at an early stage of professionalisation
  - **Consumer:** focus on digitally led models in established sectors with strong growth dynamics
  - **TMT:** Focus on digital infrastructure companies with SaaS or a managed services business model and capex light. Backbone of wider economy

Note: Pie charts are graphed by number of investments in current portfolio as at 30 June 2019

OCI NAV overview

During the period, OCI's NAV increased by £76.1 million to £650.9 million, an increase of 13% since 31 December 2018.

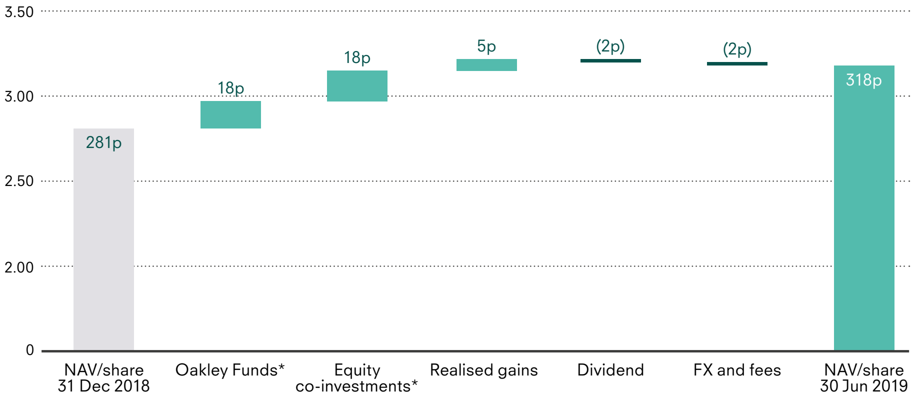
	6 months ended 30 Jun 2019 £m	12 months ended 31 Dec 2018 £m
Opening net asset value at the start of the period	574.8	502.0
Gross revenue	4.5	6.8
Net expenses	(12.6)	(6.4)
Net foreign currency (losses)/gains	(0.3)	3.2
Realised gains on investments	17.8	102.3
Net change in unrealised appreciation on investments	72.1	(23.9)
Shares purchased and cancelled	(0.8)	–
Dividend expense	(4.6)	(9.2)
Closing net asset value at the end of the period	**650.9**	**574.8**
Number of shares in issue	**204.4**	**204.8**
NAV per share	**£3.18**	**£2.81**

Net earnings were £81.5 million for the six months, comprising:

- Gross revenue of £4.5 million arising from interest income earned on the debt facilities provided by the Company.
- Net expenses of £13.2 million offset by £0.5 million of other income earned by the Company. Expenses includes fees paid to the Administrative Agent and the Investment Adviser.
- Realised gains of £17.8 million earned from the partial realisation of Inspired that occurred in Oakley Fund II in the period. Net change in unrealised gains of £72.1 million, driven predominantly by the uplift in the valuation in the Company's direct investment in Inspired and Time Out and of the uplift of those and other portfolio companies in the Oakley Funds.

A final dividend for the year ended 31 December 2018 of 2.25 pence per share, totalling £4.6 million, was paid to shareholders in April 2019.

NAV growth for the six month period



* Represents unrealised gains

OCI investment activity

The transactional activity for the Company's investment portfolio for the period is summarised below:

Investment	30 Jun 2019 Fair value £m	31 Dec 2018 Fair value £m
Investment in Oakley Funds	319.5	298.6
	319.5	**298.6**
Co-investments		
Equity securities – quoted	35.8	22.3
Equity securities – unquoted	74.8	41.8
Debt securities – unquoted	124.9	107.1
	235.5	**171.2**
Total investments	**555.0**	**469.8**

The following pages explain movements in the underlying Oakley Funds' portfolios and their respective investments.

Overview of OCI's underlying investments

Investments	Sector	Location	Year of investment	Open cost £m	Fair value £m
Fund I					
Time Out	Consumer	Global	2010	48.3	35.2
OCI's proportionate allocation of Fund I investments (on a look-through basis)					**35.2**
Other assets and liabilities					(3.2)
OCI's investment in Oakley Fund I					**32.0**
Fund II					
North Sails	Consumer	Global	2014	37.6	39.3
Inspired	Education	Global	2014	5.3	16.4
Daisy	TMT	UK	2015	10.4	13.6
OCI's proportionate allocation of Fund II investments (on a look-through basis)					**69.3**
Other assets and liabilities					(3.2)
OCI's investment in Oakley Fund II					**66.1**
Fund III					
Casa & atHome	Consumer	Italy/Luxembourg	2017	26.3	42.3
Schülerhilfe	Education	Germany	2017	30.8	43.7
WebPros	TMT	USA/Switzerland	2017	7.6	57.3
TechInsights	TMT	Canada	2017	0.4	13.5
AMOS	Education	France	2017	10.0	16.5
CPG	Education	Germany	2018	20.6	45.8
Facile	Consumer	Italy	2018	28.8	33.1
Ekon	TMT	Spain	2019	18.0	18.0
OCI's proportionate allocation of Fund III investments (on a look-through basis)					**270.2**
Other assets and liabilities					(55.0)
OCI's investment in Oakley Fund III					**215.3**
Fund IV					
Seagull & Videotel	Education	Norway/UK	2019	20.2	20.2
OCI's proportionate allocation of Fund IV investments (on a look-through basis)					**20.2**
Other assets and liabilities					(14.1)
OCI's investment in Oakley Fund IV					**6.1**

Investments	Sector	Location	Year of investment	Open cost £m	Fair value £m
Co-investments					
Equity					
Inspired	Education	Global	2017	19.2	74.8
Time Out	Consumer	Global	2010	47.2	35.8
Debt					
Time Out	Consumer	Global	2018	20.0	22.1
Daisy	TMT	UK	2015	14.2	15.3
North Sails	Consumer	Global	2014	52.1	61.7
Fund Facilities	n/a	n/a		n/a	25.8
Total co-investments					**235.5**
Total OCI investments					**555.0**
Cash, other assets and liabilities					95.9
OCI NAV at 30 June 2019					**650.9**

The OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio which OCI's commitments to the respective Fund bear 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 period end EUR:GBP exchange rate.

The "Other assets and liabilities" noted in the tables above include OCI's proportion of the Investec debt facilities that are used by Oakley Fund II, Fund III and Fund IV. As at 30 June 2019, the balances were €21.6 million, €143.4 million and €80.3 million in Oakley Fund II, Fund III and Fund IV respectively, including interest.

The Oakley Funds also hold revolver loans with OCI. As at 30 June 2019, the balances drawn on these facilities were; €1.9 million in Oakley Fund I, nil in Oakley Fund II and €18.1 million in Oakley Fund III, including interest.

Transactions

A busy period that has included a disposal, investments and refinancings

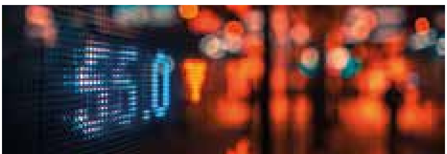
Inspired

Partial disposal – Fund II

OCI's open cost	£24.5m
OCI's valuation	£91.2m
% of OCI NAV	14%

In June, Inspired raised capital to provide further funds to continue its M&A strategy, and to provide liquidity for certain shareholders. Following a competitive process, Warburg Pincus joined the investor group alongside TA Associates. Fund II sold part of its stake in Inspired, at an 80% premium to book value and, as a result, OCI received €33.9 million (£30.2 million) from this transaction. Through its indirect holding via Fund II and its direct holding, OCI's investment in Inspired represents 14% of OCI's NAV at 30 June 2019.

Ekon



New investment – Fund III

OCI's open cost	£18.0m
OCI's valuation	£18.0m
% of OCI NAV	3%

In June, Fund III acquired Ekon, a leading Spanish ERP software provider, in a carve-out from the Iberian operations of Unit4. This represents Oakley's first investment in Spain and Fund III's third investment in TMT, one of Oakley's key target sectors.

Oakley will use its expertise in software and complex carve-outs to support management as they accelerate Ekon's growth as an independent business.

Seagull & Videotel

New investment – Fund IV

OCI's open cost	£20.2m
OCI's valuation	£20.2m
% of OCI NAV	3%

In June, Fund IV completed its first deal by acquiring controlling stakes in two leading maritime e-learning providers, Seagull & Videotel, based in Norway and the UK, respectively.

This is Oakley's first investment in the Nordics and represents a continuation of Oakley's successful track record in the education and maritime sectors. The integration of the two businesses will allow them to collaborate and share knowledge and resources as well as building a platform for further M&A in existing and adjacent markets.

Rastreator & Acierto

Signed investment – Fund III

OCI's open cost	c.£16.5m
OCI's valuation	c.£16.5m

In April, Fund III agreed to form a joint venture with Admiral Group plc to acquire two of Spain's leading price comparison websites for insurance and other financial products.

This is Oakley's third investment in online price comparison following Verivox and Facile in Fund II. Internet usage in Spain is behind that in other developed countries, suggesting there is further growth to come in the market.

Transactions continued

Alessi

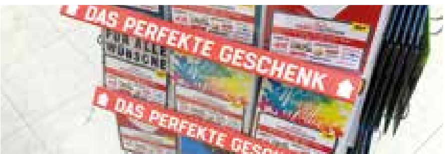
Post period end investment - Fund III

OCI's open cost	c.£5.9m
OCI's valuation	c.£5.9m

In August, Fund III signed an agreement to invest in Alessi, the Italian high-end design business focused on homeware products. Alessi is an iconic brand with 100 years of heritage and has captured a global audience and a well-established premium position in the market.

Prior to Oakley's investment, the business was still fully-owned by the Alessi family. Oakley will use its expertise and experience in the consumer sector to assist with developing the company to adapt to the changing retail landscape and consumer preferences.

Seven Miles



Signed investment – Fund IV

OCI's open cost	c.£25.0m
OCI's valuation	c.£25.0m

In August, Fund IV agreed to acquire a majority stake in Seven Miles, partnering with its founders, Tom Schröder and Valentin Schütt. Seven Miles is a leading German consumer technology company in the gift voucher and B2B gift card sector. The market for multi-brand gift cards is expected to grow at c.15% in Germany in the coming years. This acquisition continues Oakley's successful track record of backing founder managers in consumer technology platforms in the DACH region.

WebPros

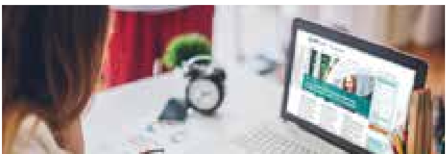
Refinancing – Fund III

OCI's open cost	£7.6m
OCI's valuation	£57.3m
% of OCI NAV	9%

In May, WebPros completed a partial refinancing and the acquisition of WHMCS, a leading web hosting management and billing SaaS platform.

As part of this refinancing, the Oakley loan notes were repaid, returning $50.1 million to Oakley Fund III. The proceeds were used to repay debt at the Fund level.

Career Partner Group



Refinancing - Fund III

OCI's open cost	£20.6m
OCI's valuation	£45.8m
% of OCI NAV	7%

CPG continues to perform ahead of expectations, driven by strong intake growth (+70% year-on-year) across online and dual studies. On the back of this strong performance, CPG secured a committed debt facility with existing lender Bluebay, allowing the return of the full investment cost over the next 15 months in several tranches, subject to continued performance.

The first tranche was drawn in February, returning €12.5 million (£10.9 million) to OCI.

Transactions continued

North Sails

Co-investment debt

	Equity	Debt
OCI's open cost	£37.6m	£52.1m
OCI's valuation	£39.3m	£61.7m
% of OCI NAV	16%	

North Technology Group ("NTG") provides market-leading, innovative and high-performance products and solutions for the world's sailors and yachtsmen. NTG's EBITDA is 5% ahead of the prior year with a much improved performance in the sails and masts/booms divisions.

OCI provided £18.8 million to North Sails in co-investment debt in the period. This funded both the relaunch of North Kiteboarding, including the acquisition of kiteboarding accessories brand, Mystic, and the continued recovery of North Sails Apparel as it accelerates its marketing campaign. Apparel revenue is set to grow by c.20% this year, driven by online sales, up 73% in H1.

Portfolio review

Strong progress and growth in the underlying Funds' portfolios

Consumer

Casa & atHome

OCI's open cost	£26.3m
OCI's valuation	£42.3m
% of OCI NAV	6%

An online group comprising a portfolio of real estate and automotive classifieds websites and mobile applications. Casa & atHome grew revenues by 13% in the year ending 30 June 2019. Individually, Casa delivered revenue growth of 8%, driven primarily by new customer acquisition. atHome Group grew revenue by 23% driven by yield expansion in the core property listings vertical, supplemented by the acquisitions of Luxauto and atHomeFinance.

Time Out

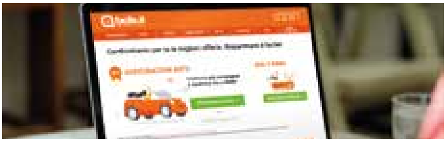
	Equity	Debt
OCI's open cost	£95.5m	£20.0m
OCI's valuation	£71.0m	£22.1m
% of OCI NAV	14%	

A leading multi-platform media and e-commerce brand with a global content distribution network comprising websites, mobile apps, magazines and a physical presence via live events and Time Out Market. Strong momentum has continued in 2019 with the opening of three markets in Miami, New York and Boston. This builds upon the continued success of Time Out Market Lisbon, which reached a record 3.9 million visitors in 2018. This strong start to the year is reflected in a 60% uplift in the value of Time Out's shares.

Portfolio review continued

Consumer

Facile

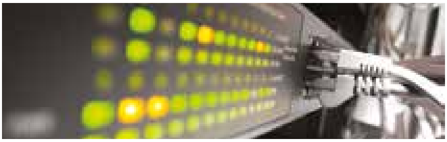


OCI's open cost	£28.8m
OCI's valuation	£33.1m
% of OCI NAV	5%

Italy's leading online price comparison site for motor insurance, energy, telecoms and personal finance. Facile achieved strong growth in 2019 with both revenue and EBITDA up 29% versus the prior year. The core motor insurance vertical continued its solid performance, driven by increased website quotes which resulted in strong new business switching volumes. Facile's non-insurance verticals have also continued to achieve significant growth, particularly in the gas & power and broadband product verticals.

TMT

Daisy



	Equity	Debt
OCI's open cost	£10.4m	£14.2m
OCI's valuation	£13.6m	£15.3m
% of OCI NAV	4%	

A leading UK supplier of business communications and managed services. During its FY19, Daisy underwent a reorganisation and is now structured into four autonomous divisions. The strategic positioning of the group is now based on the growth dynamics of each segment and potential exit opportunities. Daisy's performance in the year to 31 March 2019 was in line with the previous financial year. The Small Medium Business and Digital Wholesale Solutions divisions grew organically, but this was offset by some underperformance in the Corporate and Partner divisions.

TechInsights

OCI's open cost	£0.4m
OCI's valuation	£13.5m
% of OCI NAV	2%

A global leader in the intellectual property and technology services market, TechInsights felt the effects of a softer semiconductor market in the first half of 2019. This was partially offset by strong growth in the subscriptions segment of the business, which saw revenues up 32% on the prior year. TechInsights has invested significant engineering hours in subscription content development, and new product verticals have been performing strongly. The ongoing growth of the subscriptions segment remains the key strategic objective of management.

Portfolio review continued

Education

Schülerhilfe

OCI's open cost	£30.8m
OCI's valuation	£43.7m
% of OCI NAV	7%

Germany's leading provider of after-school tutoring, Schülerhilfe continues to deliver highly consistent and predictable growth. In the six months to 30 June 2019, revenues have increased by 12% compared to the same period in 2018 and EBITDA has grown by 15%. Schülerhilfe's enrolment growth over the same period is currently 13% higher than 2018. Strong cashflow generation has allowed for a further €6m repayment of debt during 2019, on top of the €11m repaid in 2018.

AMOS

OCI's open cost	£10.0m
OCI's valuation	£16.5m
% of OCI NAV	3%

France's leading business school focused entirely on sport management and sport business. AMOS has enrolled over 2,000 students for the forthcoming academic year, which will drive enrolment growth above 20%. There are now eight campuses in France (five at acquisition) and a further one is expected to open in September. After the period end, AMOS completed the acquisition of ESDAC, a group of design and communication schools. This second bolt-on acquisition adds further scale to the group.

Outstanding commitments of OCI

OCI's outstanding commitments to the Oakley Funds as at 30 June 2019 were £501.6 million, a 230% increase since 31 December 2018 due to the additional commitment of €400.0 million that was made to Fund IV in early January.

The Board has concluded that as Oakley Fund II and Oakley Fund III are within their realisation phase, and in the light of the expected distributions to be received over the next 12 to 18 months in both Fund II and Fund III, it is satisfied that OCI will be able to meet its unfunded commitments in the normal course.

The table below illustrates the Company's outstanding commitments to the Oakley Funds, and their respective percentage of the NAV of the Company at 30 June 2019.

Fund	Fund vintage	Current commitment (€m)	Outstanding at 30 Jun 2019 (€m)	Outstanding at 30 Jun 2019 (£m)	% of NAV
Oakley Fund I	2007	202.4	2.8	2.5	0%
Oakley Fund II	2013	190.0	13.3	11.9	2%
Oakley Fund III	2016	325.8	153.1	137.1	21%
Oakley Fund IV	2019	400.0	391.0	350.1	54%
				501.6	77%
Cash and cash equivalents				**(109.2)**	
Net outstanding commitments unfunded by cash resources				**392.4**	**60%**

Overview of Fund portfolio

Fund I

Oakley Capital Private Equity L.P.

Vintage: 2007
Fund size: €288m
OCI commitment: €202m

In 2007 Oakley raised its first €288 million private equity fund with the aim of creating an investment platform that would support entrepreneurial founders and managers. The profile of deals was typically complex, and so deals were often sourced outside of competitive auctions and private equity secondary processes. The model was focused on building long-term partnerships with entrepreneurs and management to develop differentiated industry networks and position the business as a partner of choice to entrepreneurs.

Fund I has only one portfolio company remaining, Time Out Group plc, which is listed on AIM of the London Stock Exchange. The remainder of the portfolio is fully exited and has generated gross returns on realised investments of 2.9x money multiple and 44% IRR.

Open investments

Fund II

Oakley Capital Private Equity II L.P.

Vintage: 2013
Fund size: €524m
OCI commitment: €190m

Oakley's second Fund launched in 2013, with total commitments of €524 million. Since Fund I, the Oakley team refined the investment strategy, having developed expertise in three core sectors - Consumer, TMT and Education - while continuing to leverage Oakley's entrepreneurial network.

Today, Fund II is now well into its realisation phase, having exited six of its nine portfolio companies. The Fund has generated gross returns of 3.3x money multiple and 63% IRR on its realised investments and has just three companies remaining – Inspired, North Sails and Daisy. The Oakley team remains focused on maximising value in the remaining portfolio and evaluating the potential routes to exit to achieve meaningful returns for investors.

Open investments

Fund III

Oakley Capital Private Equity III L.P.

Vintage: 2016
Fund size: €800m
OCI commitment: €326m

Fund III closed with €800 million of commitments and is a 2016 vintage fund. The Fund portfolio is relatively nascent, with the oldest investment still under two and a half years old and no investments realised to date.

Fund III has now made ten platform investments, one of which will complete following the period end (Rastreator and Acierto). For all completed deals the Fund's unrealised gross returns at 30 June 2019 are 1.8x money multiple and 45% IRR and OCI has already received £36.5 million of distributions from the Fund, since inception.

Open investments

Fund IV

Oakley Capital IV Master SCSp

Vintage: 2019
Fund size: €1.5bn
OCI commitment: €400m

Oakley's newest Fund, which held its final close in June 2019, closed above its target size of €1.2 billion, with total committed capital of €1.5 billion. OCI has made a €400 million commitment to Fund IV, which follows the same proven strategy as Oakley's previous Funds.

Fund IV has already made its first acquisition, combining two leading players in the marine education sector – Seagull & Videotel. Following the period end, the Fund has also agreed to acquire Seven Miles, a leading consumer technology company in the gift solutions space. The Oakley team continues to see a healthy pipeline of exciting opportunities and is focused on sourcing and delivering deals that will generate sustainable value and meaningful returns to the Funds' investors and, in turn, OCI's shareholders.

Open investments

OCI co-investment review

The co-investment portfolio as at 30 June 2019 is summarised in the table below:

Co-investments	30 Jun 2019 Fair value £m	31 Dec 2018 Fair value £m
Equity securities		
Inspired	74.8	41.8
Time Out	35.8	22.3
Debt securities		
Time Out	22.1	20.9
Daisy	15.3	14.9
North Sails	61.7	40.6
Fund Facilities	25.8	30.6
Total co-investments	**235.5**	**171.2**

Equity securities

Inspired's recent capital raise prompted a full revaluation of the Inspired group that resulted in an 80% premium to the prevailing book value. OCI's direct holding in Inspired, (through the entity OCPEE Feeder L.P.), did not participate in the sell-down in June 2019, but was able to benefit from the re-valuation.

Inspired continues to prosper with further acquisitions being pursued in the Asian markets.

The success of the Time Out Markets has become apparent in the market place since the opening of the Miami, New York and Boston markets. The share price has increased from £0.71 at 31 December 2018 to £1.14 at 30 June 2019. Time Out is focused on the continued global roll-out of this format. Time Out Markets will open this year in Chicago and Montréal, followed by Dubai, London-Waterloo and Prague over the coming years. At the end of 2019 there will be six Time Out Markets in operation, with a total of 185,000 square feet, almost 4,000 covers and food from 120 of the world's best chefs.

Debt securities

OCI provides debt facilities to portfolio companies. The interest income generated by these facilities exceeds the interest earned on OCI's bank deposits, allowing OCI to earn higher returns on part of its cash reserves. During the period, OCI earned £4.5 million interest from its debt facilities. OCI provided a further £18.8 million to North Sails in co-investment debt to fund both the relaunch of North Kiteboarding, including the acquisition of kiteboarding accessories brand, Mystic, and the continued recovery of North Sails Apparel as it accelerates its marketing campaign.

OCI also provides revolving credit facilities to each of the Oakley Funds. Each drawing under these facilities is for no more than one year. The loans are used to fund short-term cash requirements of the Oakley Funds. As at 30 June 2019, OCI had outstanding debt facilities of £25.7 million to the Oakley Funds, including accrued interest, a decrease of £4.9 million from 31 December 2018, primarily due to repayments of the Oakley Fund II facilities.

Statement of Directors' responsibilities

Statement of principal risks and uncertainties

As an investment company, with an investment portfolio comprising financial assets, the principal risks associated with the Company's business largely relate to financial risks, strategic and business risks, and operating risks. A detailed analysis of the Company's principal risks and uncertainties are set out on pages 40 and 41 of the annual report and accounts 2018 and have not changed materially since the date of the report. The Company has not identified any new risks that will impact the remaining six months of the financial year.

Statement of Directors' responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed interim report includes a fair review of the development and performance of the business and the position of the Company;
- the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 interim financial reporting and give a true and fair view of the assets, liabilities, financial position and results of the Company, and are in compliance with the requirements set out in the Bermuda Companies Act 1981 (as amended);
- the condensed interim report includes a fair review of the information required by:

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

  b) 4.2.8R of the Disclosure Guidance and Transparency Rules, being all related party transactions that have taken place in the first six months of the current financial year which have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the annual report and accounts that could materially affect the financial position or performance of the Company during the first six months of the current financial year; and

- the condensed consolidated interim financial statements should be read in conjunction with the latest annual report and financial statements which were prepared in accordance with IFRS. These financial statements provide the information necessary to assess the Company's position and performance, business model and strategy, and is fair, balanced and understandable.

Financial statements

Appendix

Consolidated statement of comprehensive income (unaudited)

for the six months ended 30 June 2019

	Notes	6 months ended 30 Jun 2019 £'000	6 months ended 30 Jun 2018 £'000
Income			
Interest income		4,543	3,511
Net realised gains on investments at fair value through profit and loss	6, 7	17,840	92,667
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	72,054	(63,408)
Net foreign currency gains/(losses)		(286)	1,750
Other income		520	187
Total income		94,671	34,707
Expenses	9	(13,211)	(2,407)
Profit attributable to equity shareholders/total comprehensive income		81,460	32,300
Earnings per share			
Basic and diluted earnings per share	10	£0.40	£0.16

The Notes on pages 38 to 60 are an integral part of these financial statements.

Consolidated balance sheet (unaudited)

as at 31 December 2018

	Notes	As at 30 Jun 2019 £'000	(Audited) As at 31 Dec 2018 £'000	As at 30 Jun 2018 £'000
Assets				
Non-current assets				
Investments	6, 7	555,023	469,749	381,526
		555,023	469,749	381,526
Current assets				
Trade and other receivables		106	11	117
Cash and cash equivalents		109,194	107,888	149,760
		109,300	107,899	149,877
Total assets		664,323	577,648	531,403
Liabilities				
Current liabilities				
Trade and other payables		13,416	2,826	1,671
Total liabilities		13,416	2,826	1,671
Net assets attributable to shareholders		650,907	574,822	529,732
Equity				
Share capital	12	2,044	2,048	2,048
Share premium	12	243,770	244,533	244,533
Retained earnings		405,093	328,241	283,151
Total shareholders' equity		650,907	574,822	529,732
Net asset per ordinary share				
Basic and diluted net assets per share	11	£3.18	£2.81	£2.59
Ordinary shares in issue		204,400	204,804	204,804

The Notes on pages 38 to 60 are an integral part of these financial statements.

Consolidated statement of changes in equity (unaudited)

for the six months ended 30 June 2019

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
For the six months ended 30 June 2019				
Balance at 1 January 2019	2,048	244,533	328,241	574,822
Profit for the period/ total comprehensive income	–	–	81,460	81,460
Ordinary shares repurchased and cancelled	(4)	(763)	–	(767)
Dividends	–	–	(4,608)	(4,608)
Total transactions with equity shareholders	(4)	(763)	(4,608)	(5,375)
Balance at 30 June 2019	2,044	243,770	405,093	650,907
For the six months ended 30 June 2018				
Balance at 1 January 2018	2,048	244,533	255,459	502,040
Profit for the period/ total comprehensive income	–	–	32,300	32,300
Dividends	–	–	(4,608)	(4,608)
Total transactions with equity shareholders	–	–	(4,608)	(4,608)
Balance at 30 June 2018	2,048	244,533	283,151	529,732

The Notes on pages 38 to 60 are an integral part of these financial statements.

Consolidated statement of cash flows (unaudited)

for the six months ended 30 June 2019

	Notes	6 months ended 30 Jun 2019 £'000	6 months ended 30 Jun 2018 £'000
Cash flows from operating activities			
Purchases of investments	6	(52,898)	(90,125)
Proceeds from investments	6	61,880	126,106
Interest income received		181	433
Expenses paid		(2,716)	(1,819)
Other income received		520	187
Net cash provided by/(used in) operating activities		6,967	34,782
Cash flows from financing activities			
Purchase of ordinary shares	12	(767)	–
Dividends paid		(4,608)	(4,608)
Net cash provided by/(used in) financing activities		(5,375)	(4,608)
Net increase in cash and cash equivalents		1,592	30,174
Cash and cash equivalents at the beginning of the period		107,888	117,836
Effect of foreign exchange rate changes		(286)	1,750
Cash and cash equivalents at the end of the period		109,194	149,760

The Notes on pages 38 to 60 are an integral part of these financial statements.

Notes to the consolidated interim financial statements

for the six months ended 30 June 2019

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 principal objective of the Company is to achieve capital appreciation through investments in a diversified portfolio of high-growth, medium-sized companies, mainly in the UK and Europe. The Company currently achieves its investment objective primarily through its investments in the following five private equity funds (the "Funds"):

- Oakley Capital Private Equity L.P. ("Fund I");
- Oakley Capital Private Equity II-A L.P., which together with Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. (collectively the "Fund II Feeder Funds") and OCPE II Master L.P. (the "Fund II Master") collectively comprise "Fund II";
- Oakley Capital Private Equity III-A L.P., which together with Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. (collectively the "Fund III Feeder Funds") and OCPE III Master L.P. (the "Fund III Master") collectively comprise "Fund III";
- Oakley Capital Private Equity IV-A SCSp, which together with Oakley Capital Private Equity IV-B SCSp, Oakley Capital Private Equity IV-C SCSp (collectively the "Fund IV Feeder Funds") and Oakley Capital IV Master SCSp (the "Fund IV Master") collectively comprise "Fund IV"; and
- OCPE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education".

Fund I, Fund II, Fund III and OCPE Education are all constituent limited partnerships and are exempted limited partnerships established in Bermuda. Fund IV constitutes a group of limited partnerships established in Luxembourg.

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") (prior to a name change made on 23 May 2019, OCI Financing was previously known as OCIL Financing (Bermuda) Limited).

The Company was listed on the Alternative Investments Market ("AIM") of the London Stock Exchange Limited on 3 August 2007, with "OCI" as its listed ticker.

2. Basis of preparation

The condensed consolidated interim 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.

The Board of Directors consider that it is appropriate to adopt the going concern basis of accounting in preparing these condensed interim financial statements. In reaching this assessment, the Board of Directors have considered a wide range of information relating to the present and future conditions, including the condensed statement of financial position, future projections, cash flows and the longer-term strategy of the Company.

2.1 Basis for compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim financial requirements and should be read in conjunction with the latest annual report and financial statements as at and for the year ended 31 December 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). These consolidated interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, the explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last annual consolidated financial statements.

The condensed consolidated interim financial statements were authorised for issue on 10 September 2019 by the Company's Board of Directors 2.2 Functional and presentation currency.

The condensed consolidated interim financial statements are presented in British pounds ("pounds"), which is the Company's functional currency.

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

3. Significant accounting policies

The accounting policies used are consistent with those applied in the latest annual consolidated financial statements, except for the adoption of new standards effective as of 1 January 2019.

Several amendments and interpretations apply for the first time effective 1 January 2019 but do not have a material effect on the Company's consolidated interim financial statements and did not require retrospective adjustments. The changes in accounting policies will be reflected in the Company's annual consolidated financial statements as at and for the year ending 31 December 2019.

A number of standards have been issued but are not yet effective as at period end. The Company is currently in the process of analysing the impact of these new standards, amendments to existing standards and annual improvements to IFRS in detail but these are not expected to have a material effect on the consolidated annual financial statements of the Company.

4. Critical accounting estimates, assumptions and judgment

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its consolidated interim financial statements. IFRS require the Board of Directors, in preparing the Company's consolidated interim financial statements, to select suitable accounting policies, apply them consistently and make judgments 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.

The judgments, 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.

In preparing the condensed consolidated interim financial statements, significant judgments were made in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the annual consolidated financial statements as at and for the year ended 31 December 2018.

(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. Judgment is required in order to determine the appropriate valuation methodology under these standards and subsequently in determining the inputs into the valuation models used. These judgments include making assessments of the future earnings potential of portfolio companies, appropriate earnings multiples to apply, estimating future cash flows and determining appropriate discount rates.

(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 portfolio investments on behalf of its investors for the purpose of generating returns in the form of investment income and capital appreciation.

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

5. Financial risk management

The Board of Directors, the Company's Risk Committee (the "Risk Committee") and Oakley Capital Limited (the "Investment Adviser") attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made. It is also key to structure the investment portfolio taking into account issues such as liquidity and tax. 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.

As at 30 June 2019, there have been no changes to the membership of the Risk Committee nor to any of the Company's risk policies since 31 December 2018 and as a result, the condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements. The condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements as at 31 December 2018.

6. Investments

As at 30 June 2019:

	31 Dec 2018 Fair value £'000	Purchases/ Capital calls £'000	Total sales*/ Distributions £'000	Realised gains/ (losses) £'000	Interest and other £'000	Change in unrealised gains/ (losses) £'000	30 Jun 2019 Fair value £'000
Oakley Funds							
Fund I	18,159	1,788	–	–	–	12,037	31,984
Fund II	71,794	7,386	(30,197)	19,067	–	(1,940)	66,110
Fund III	208,628	–	(9,712)	(1,227)	–	17,650	215,339
Fund IV	–	7,901	–	–	–	(1,810)	6,091
Total Oakley Funds	298,581	17,075	(39,909)	17,840	–	25,937	319,524
Co-investment Funds							
OCPE Education (Feeder) L.P.	41,789	374	–	–	–	32,599	74,762
Total co-investment Funds	41,789	374	–	–	–	32,599	74,762
Total Funds	340,370	17,449	(39,909)	17,840	–	58,536	394,286
Quoted equity securities							
Time Out Group plc	22,320	–	–	–	–	13,518	35,838
Total quoted equity securities	22,320	–	–	–	–	13,518	35,838
Unquoted debt securities							
Ellisfield (Bermuda) Limited	14,889	–	–	–	434	–	15,323
Fund I	7,035	800	–	–	245	–	8,080
Fund II	17,412	4,044	(21,846)	–	390	–	–
Fund III	4,033	11,791	–	–	410	–	16,234
NSG Apparel BV	26,569	–	–	–	496	–	27,065
Oakley Capital III Limited	2,169	–	(770)	–	47	–	1,446
Oakley NS (Bermuda) L.P.	14,038	18,814	–	–	1,795	–	34,647
Time Out Group plc	20,914	–	–	–	1,190	–	22,104
Total unquoted debt securities	107,059	35,449	(22,616)	–	5,007	–	124,899
Total investments	469,749	52,898	(62,525)	17,840	5,007	72,054	555,023

* Total sales include redemptions, loan repayments and transfers

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

6. Investments continued

As at 30 June 2018:

	31 Dec 2017 Fair value £'000	Purchases/ Capital calls £'000	Total sales*/ Distributions £'000	Realised gains/ (losses) £'000	Interest and other £'000	Change in unrealised gains/ (losses) £'000	30 Jun 2018 Fair value £'000
Oakley Funds							
Fund I	36,551	–	–	–	–	(11,795)	24,756
Fund II	137,054	15,732	(102,748)	94,476	–	(61,031)	83,483
Fund III	109,058	28,613	(10,644)	(1,809)	–	6,220	141,438
Total Oakley Funds	282,663	44,345	(113,392)	92,667	–	(56,606)	249,677
Co-investment Funds							
OCPE Education (Feeder) L.P.	26,280	32	–	–	–	5,773	32,085
Total co-investment Funds	26,280	32	–	–	–	5,773	32,085
Total Funds	308,943	44,377	(113,392)	92,667	–	(50,833)	281,762
Quoted equity securities							
Time Out Group plc	41,182	–	–	–	–	(12,575)	28,607
Total quoted equity securities	41,182	–	–	–	–	(12,575)	28,607
Unquoted debt securities							
Daisy Group Holdings Limited	12,701	–	–	–	830	–	13,531
Ellisfield (Bermuda) Limited	15,455	–	–	–	470	–	15,925
Fund I	6,351	918	(1,474)	–	198	–	5,993
Fund II	–	7,159	(7,224)	–	65	–	–
NSG Apparel BV	24,651	–	–	–	1,450	–	26,065
Oakley Capital III Limited	7,168	–	(4,452)	–	234	–	2,950
Oakley NS (Bermuda) L.P.	3,212	3,213	–	–	268	–	6,693
Total unquoted debt securities	69,502	11,290	(13,150)	–	3,515	–	71,157
Total investments	419,627	55,667	(126,542)	92,667	3,515	(63,408)	381,526

* Total sales include redemptions, loan repayments and transfers

Quoted equity securities and unquoted debt securities are additional direct investments in certain of the portfolio companies in one of the Oakley Funds.

7. 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, unquoted equity and 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 judgment, considering factors specific to the instrument. The determination of what constitutes "observable" requires significant judgment 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 30 June 2019 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	**Level III £'000**	**Total £'000**
Funds	–	394,286	394,286
Quoted equity securities	35,838	–	35,838
Unquoted debt securities	–	124,899	124,899
Total investments measured at fair value	35,838	519,185	555,023

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

7. Disclosure about fair value of financial instruments continued

The following table analyses the Company's investments measured at fair value as of 30 June 2018 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	–	281,762	281,762
Quoted equity securities	28,607	–	28,607
Unquoted debt securities	–	71,157	71,157
Total investments measured at fair value	28,607	352,919	381,526

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 30 June 2019 or 30 June 2018.

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 condensed consolidated interim financial statements as of 30 June 2019 include Level III investments in the amount of £519,185,368; representing approximately 79.76% of equity (2018: £352,918,501; 66.62%).

Funds

The Company primarily invests in portfolio companies via the Funds in which it is a Limited Partner. The Funds are unquoted equity securities that invest in unquoted 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 generally based on the latest available net asset value ("NAV") of the respective 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 a Fund's investment in any portfolio company. This value is generally obtained 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 comparator companies are correctly valued by the market. A discount is sometimes applied to market based multiples to adjust for points of difference between the comparators and the company being valued.

As at 30 June 2019, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	Fund IV €'000	OCPE Education €'000
Investments	39,688	82,106	329,073	22,649	83,259
Loans	(6,350)	(7,820)	(65,762)	(22,722)	–
Provisional profit allocation	–	(4,696)	(27,156)	–	–
Other net assets	2,386	4,251	4,367	6,877	246
Total value of the Fund attributable to the Company	35,724	73,841	240,522	6,804	83,505
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	31,984	66,110	215,339	6,091	74,762

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

7. Disclosure about fair value of financial instruments continued

As at 30 June 2018, 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	OCPE Education €'000
Investments	30,146	112,993	210,866	–	35,987
Loans	(4,437)	(12,623)	(48,401)	–	–
Provisional profit allocation	–	(7,358)	(6,940)	–	–
Other net assets	2,269	1,341	4,328	–	273
Total value of the Fund attributable to the Company	27,978	94,353	159,853	–	36,260
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	24,756	83,483	141,438	–	32,085

The Company does not utilise valuation models to calculate the fair value of its Fund investments. The NAV as reported by the Funds' general partner or administrator is considered to be the key unobservable input. In addition, the Company has the following control procedures in place to evaluate whether the NAV of the underlying fund investments is calculated in a manner consistent with IFRS 13:

- Thorough initial due diligence process and the Board of Directors performing ongoing monitoring procedures, primarily discussions with the Investment Adviser;
- Comparison of historical realisations to last reported fair values; and
- Review of the auditor's report 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. It is recognised by the Company that the NAVs of the Funds are 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 based on a market approach for which significant judgment is applied.

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 period ending 30 June 2019 a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 6.5% movement in net assets attributable to shareholders (2018: 5.4%). 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 considered to be an unobservable input and range between 6.5% and 15%.

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the period ending 30 June 2019 a 1% increase to the discount factor would result in a 0.4% movement in net assets attributable to shareholders (2018: 0.1%). A 1% decrease to the discount factor would have an equal and opposite effect.

Transfers between Levels

There were no transfers between the Levels during the period ended 30 June 2019 and 30 June 2018.

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

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 30 June 2019 and 30 June 2018, are as follows:

Level I Investments:

	As at 30 Jun 2019 £'000	As at 30 Jun 2018 £'000
Quoted equity securities		
Fair value at the beginning of the period	22,320	41,182
Net change in unrealised gains/(losses) on investments	13,518	(12,575)
Fair value of Level I investments at the end of the period	35,838	28,607

Level III Investments:

	Funds £'000	Unquoted debt securities £'000	Total £'000
For the six months ended 30 June 2019			
Fair value at the beginning of the period	340,370	107,059	447,429
Purchases	17,449	35,449	52,898
Proceeds on disposals (including interest)	(39,909)	(22,616)	(65,525)
Realised gain on sale	17,840	–	17,840
Interest income and other fee income	–	5,007	5,007
Net change in unrealised gains/(losses) on investments	58,536	–	58,536
Fair value at the end of the period	394,286	124,899	519,185

	Funds £'000	Unquoted debt securities £'000	Total £'000
For the six months ended 30 June 2018			
Fair value at the beginning of the period	308,943	69,502	378,445
Purchases	44,377	11,290	55,667
Proceeds on disposals (including interest)	(113,392)	(13,150)	(126,542)
Realised gain on sale	92,667	–	92,667
Interest income and other fee income	–	3,515	3,515
Net change in unrealised gains/(losses) on investments	(50,833)	–	(50,833)
Fair value at the end of the period	281,762	71,157	352,919

Financial instruments not carried at fair value

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

	As at 30 Jun 2019 £'000	As at 30 Jun 2018 £'000
Cash and cash equivalents	109,194	149,760
Trade and other receivables	106	117
Trade and other payables	13,416	1,671

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

8. 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: includes commitments/investments in five private equity funds.
- Direct investments and loans: includes direct equity investments, loans to the Funds' portfolio companies, loans to the Funds and other loans.

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

The reportable operating segments derive their revenue from investments by seeking 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 annual 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 period ended 30 June 2019 and 30 June 2018.

The segment information for the period ended 30 June 2019 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	17,840	–	17,840	–	17,840
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	58,536	13,518	72,054	–	72,054
Interest income	–	4,487	4,487	56	4,543
Net foreign currency gains/(losses)	–	–	–	(286)	(286)
Other income	–	520	520	–	520
Expenses	–	–	–	(13,211)	(13,211)
Profit/(loss) for the period	76,376	18,525	94,901	(13,441)	81,460
Total assets	394,286	160,737	555,023	109,300	664,323
Total liabilities	–	–	–	(13,416)	(13,416)
Net assets	394,286	160,737	555,023	95,884	650,907
Total assets include:					
Financial assets at fair value through profit and loss	394,286	160,737	555,023	–	555,023
Cash and others	–	–	–	109,300	109,300

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

8. Segment information continued

The segment information for the period ended 30 June 2018 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	92,667	–	92,667	–	92,667
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	(50,833)	(12,575)	(63,408)	–	(63,408)
Interest income	–	3,455	3,455	56	3,511
Net foreign currency gains/(losses)	–	–	–	1,750	1,750
Other income	–	60	60	127	187
Expenses	–	–	–	(2,407)	(2,407)
Profit/(loss) for the period	41,834	(9,060)	32,774	(474)	32,300
Total assets	281,762	99,764	381,526	149,877	531,403
Total liabilities	–	–	–	(1,671)	(1,671)
Net assets	281,762	99,764	381,526	148,206	529,732
Total assets include:					
Financial assets at fair value through profit and loss	281,762	99,764	381,526	–	381,526
Cash and others	–	–	–	149,877	49,877

9. Expenses

	6 months ended 30 Jun 2019 £'000	6 months ended 30 Jun 2018 £'000
Performance fees	10,116	198
Operational and advisory fees	1,719	1,234
Professional fees	714	378
Other expenses	662	597
	13,211	2,407

10. Earnings per share

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

	6 months ended 30 Jun 2019	6 months ended 30 Jun 2018
Basic and diluted earnings per share (pence)	40	16
Profit for the period (£'000)	81,460	32,300
Weighted average number of shares outstanding ('000)	204,572	204,804

11. Net asset value per share

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

	As at 30 Jun 2019	As at 30 Jun 2018
Basic and diluted net asset value per share (pence)	318	259
Net assets attributable to shareholders (£'000)	650,970	529,732
Number of shares in issue at the period end ('000)	204,400	204,804

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

12. Share 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 AIM market of the London Stock Exchange. Each share confers the right to one vote and shareholders have the right to receive dividends.

On 18 March 2019, the Company bought 404,100 Ordinary shares at the market price on that date for a total of £767,442. The Ordinary shares purchased by the Company were cancelled and are available for re-issue.

As at 30 June 2019, the Company's issued and fully paid share capital was 204,399,936 ordinary shares (2018: 204,804,036).

	As at 30 Jun 2019 '000	**As at 30 Jun 2018 '000**
Ordinary shares outstanding at the beginning of the period	204,804	204,804
Ordinary shares purchased	(404)	–
Ordinary shares outstanding at the end of the period	204,400	204,804

13. Commitments

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

	As at 30 Jun 2019 €'000	**As at 30 Jun 2018 €'000**
Fund I		
Total capital commitment 2019: £181,214 (2018: £166,694)	202,398	188,398
Called capital at the beginning of the period	185,760	185,760
Additional interest acquired during the period	13,804	–
Capital calls during the period 2019: 0% (2018: 0%)	–	–
Called capital at the end of the period 2019: £178,677 (2018: £164,360)	199,564	185,760
Unfunded capital commitment 2019: £2,537 (2018: £2,334)	2,834	2,638
Aggregate recycled commitment	13,966	13,000

	As at 30 Jun 2019 €'000	As at 30 Jun 2018 €'000
Fund II		
Total capital commitment 2019: £170,114 (2018: £168,112)	190,000	190,000
Called capital at the beginning of the period	176,700	158,650
Capital calls during the period 2019: 0% (2018: 9.5%)	–	18,050
Called capital at the end of the period 2019: £158,206 (2018: £156,344)	176,700	176,700
Unfunded capital commitment 2019: £11,908 (2018: £11,768)	13,300	13,300
Aggregate recycled commitment	8,550	–
Fund III		
Total capital commitment 2019: £291,682 (2018: £288,250)	325,780	325,780
Called capital at the beginning of the period	172,663	123,797
Capital calls during the period 2019: 0% (2018: 10%)	–	32,578
Called capital at the end of the period 2019: £154,591 (2018: £138,360)	172,663	156,375
Unfunded capital commitment 2019: £137,091 (2018: £149,889)	153,117	169,405
Fund IV		
Total capital commitment 2019: £358,134	400,000	–
Called capital at the beginning of the period	–	–
Capital calls during the period 2019: 2.3%	9,000	–
Called capital at the end of the period 2019: £8,058	9,000	–
Unfunded capital commitment 2019: £350,076	391,000	–
Total unfunded capital commitments 2019: £501,612 (2018: £163,991)	560,251	185,343

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

13. Commitments continued

The Company had the following loan commitments at the period end:

	As at 30 Jun 2019 £'000	As at 30 Jun 2018 £'000
Total revolving loan facility commitments:		
Fund I	5,000	5,000
Fund II	20,000	20,000
Fund III	20,000	20,000
Time Out Group plc	20,000	20,000
Oakley NS (Bermuda) L.P.	33,850	7,850
	98,850	72,850
Total unfunded loan commitments:		
Fund I	3,400	2,575
Fund II	20,000	20,000
Fund III	4,198	20,000
Time Out Group plc	–	20,000
Oakley NS (Bermuda) L.P.	1,403	1,637
	29,001	64,212

14. Related parties

Balances and transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Related parties as disclosed below are not part of the consolidation, and for this reason are not eliminated.

One Director of the Company, Peter Dubens, is also a Director of the Investment Adviser and Oakley Advisory Limited, entities which may provide services to, and may receive compensation from, the Company. These are considered related parties to the Company given the indirect control this Director has over these entities. Peter is the sole shareholder of Oakley Capital Manager Limited (the "Administrative Agent") and 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 were, and are based on normal commercial terms. Throughout the period ending 30 June 2019, no Director of the Company had a personal interest in any transaction of significance for the Company (2018: none).

Operational fees, advisory fees and performance fees paid to the Administrative Agent are disclosed in Note 9. The basis for calculating these fees remain unchanged from prior periods. The increase is a function of the change in net asset value of the underlying assets. Under the Operational Services Agreement, the Administrative Agent currently recharges costs incurred, either directly or indirectly by its contracted advisors, primarily the Investment Adviser, on behalf of the Company. For the period ending 30 June 2019, the Administrative Agent recharged such costs to the Company totalling £287,726 (2018: £367,793) which is included in other expenses (Note 9). The agreements between the Company and these service providers are based on normal commercial terms.

15. Events after balance sheet date

On 1 July 2019, the Company agreed to consolidate all of the outstanding balances, including accrued interest, of its loans to Fund I. The Company entered into a £8,110,071 loan facility agreement, repayable 30 June 2020.

On 18 July 2019, the Company announced its intention to apply for admission of its Ordinary shares to the Specialist Fund Segment (“SFS”) of the London Stock Exchange’s (“LSE”) Main Market. The Ordinary shares were admitted to the SFS, to commence trading on the Main Market and simultaneously cease trading on AIM on 23 August 2019. The Company’s ticker symbol continues to be “OCI”.

Notes to the consolidated interim financial statements continued

for the six months ended 30 June 2019

15. Events after balance sheet date continued

On 18 July 2019, the Company amended and restated the Operational Services Agreement. A number of administrative updates have been made to that agreement together with certain other amendments. The fees payable remain the same under the new agreement save that, from 1 January 2020, the operational and advisory fee of 2% will be charged only on equity co-investments (as opposed to all co-investments). The new Operational Services Agreement took effect with the Company's admission to the SFS of the LSE Main Market.

On 9 August 2019, the Company paid a capital call of €32,578,000 (£29,672,042) to Fund III.

On 10 September 2019, the Board of Directors declared and approved payment of an interim dividend of 2.25 pence per ordinary share which will result in a dividend payment of £4,608,091 payable on 24 October 2019.

Several minor amendments to terms and amounts of co-invest loans were made subsequent to the period end in the normal course of business.

Directors and advisers

Directors

Caroline Foulger
Chair and Independent Director

Laurence Blackall
Independent Director

Stewart Porter
Director

Peter Dubens
Director

James Keyes (retired 18 July 2019)
Independent Director

Craig Bodenstab (appointed 18 July 2019)
Independent Director

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Bermuda

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Legal Adviser
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Hamilton HM CX
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Auditor

KPMG Audit Limited
Crown House
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Hamilton HM08
Bermuda

Branch Registrar

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Glossary

Admission Document	The admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules. The admission document dated 30 July 2007 was prepared by the Company in respect to its admission to trading on AIM.
Administrative Agent	Oakley Capital Manager Limited, in respect of the Company.
AIM	The Alternative Investment Market of the London Stock Exchange.
AIFMD	Alternative Investment Fund Managers Directive became effective from 22 July 2013. As a result, at 30 June 2019, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 30 June 2019, Oakley Capital Investments Limited is a non-EU AIF.
AIM Rules	The AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time-to-time.
Auditor	KPMG Audit Limited or such other auditor as appointed from time-to-time.
Board / Directors	The Board of Directors of the Company.
Carried Interest	20% of the income and realisation proceeds from the sale of investment by the Funds payable to the carried interest holders after satisfying any expenses and liabilities of the Funds and subject to the payment of the General Partner Share as described in Section 11 of Part 1 of the Admission Document.
Co-investment Fund	OPCE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education".
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 with registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 30 June 2019, i.e. the investment cost net of amounts realised from partial exits and refinancings, where applicable.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.

Glossary continued

Exchange Rate	The GBP:EUR exchange rate at 30 June 2019 was £1: €1.1169.
Fund I / Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II / Oakley Fund II	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. and OCPE II Master L.P.
Fund III / Oakley Fund III	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. and OCPE III Master L.P.
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.
Fund Facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
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 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 Fund I, Fund II or Fund III.
NAV	Net asset value is the value of the assets less liabilities.
Oakley	The Investment Adviser being Oakley Capital Limited.
Oakley Funds	Fund I, Fund II, Fund III and Fund IV and (as applicable) any successor funds.
SFS	The Specialist Fund Segment is a segment of the London Stock Exchange's regulated Main Market.

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