Oakley Capital Investments

INTERIM REPORT 2020

Oakley Capital Investments

www.oakleycapitalinvestments.com

OUR OBJECTIVE

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

OUR STRATEGY

OCI provides liquid access to a portfolio of high-quality private companies and market-leading returns by investing in the funds managed by Oakley Capital ("Oakley"). Oakley focuses on investing in digitally focused businesses across Western Europe in three distinct sectors Technology, Education and Consumer.

See OCI 2020 highlights on page 03

WHY INVEST?

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

MARKET LEADING RETURNS

Market-leading and consistent returns drive capital growth for shareholders. 10-year total shareholder return of 108% versus FTSE All-Share of 34%.

HIGH-QUALITY PORTFOLIO COMPANIES

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

BALANCE SHEET STRENGTH

Realisations in the period have resulted in an OCI cash balance of £261 million, equivalent to 134 pence per share. A strong position ahead of a period of significant investment opportunity.

FINANCIAL HIGHLIGHTS

Six-month performance

SHARE PRICE
At 30 June 2020, the share price was £2.16, a total return in the period of:
-5.9%

MARKET CAPITALISATION
The market capitalisation of the Company at 30 June 2020 was:
£418.6m

TOTAL NAV RETURN
At 30 June 2020, NAV per share was £3.56, a total return in the period of:
+4%

NET ASSET VALUE
The total NAV of the Company at 30 June 2020 was:
£691.9m

Portfolio companies as at 30 June 2020

TOTAL
Portfolio companies
15

LTM EBITDA GROWTH
(31 Dec 2019: +30%)
+18%

EV/EBITDA MULTIPLE
(31 Dec 2019: 12.1x)
11.8x

NET DEBT/EBITDA RATIO
(31 Dec 2019: 3.7x)
3.7x*

Balance sheet analysis as at 30 June 2020

CASH
(37.8% of NAV)
£261.5m

OUTSTANDING COMMITMENTS
(76.1% of NAV)
£528.0m**

* Analysis excludes loss-making businesses.
** On 6 July 2020, OCI committed €75 million to the Oakley Capital Origin Fund.

PORTFOLIO ACTIVITY TIMELINE

OCI look-through capital deployment and proceeds.

Investments

Total amount invested: **£95m**

WEBPROS
OCI investment – £44m

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

GLOBE-TROTTER
OCI investment – £8m

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

January | **February** | **March** | **April**

Realisations

Total amount realised: **£291m**

WEBPROS
Exit – £116m OCI proceeds

Fund III sold its stake in WebPros, generating gross returns of 6.9x MM and 152% IRR.

CAREER PARTNER GROUP
Refinancing – £19m OCI proceeds

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

ATHOME
Partial exit – £15m OCI proceeds

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

View current portfolio company details on page 26

TIME OUT
OCI investment – £21m

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

OCEAN TECHNOLOGIES GROUP ("OTG")
OCI investment – £3m

OTG made two bolt-on acquisitions: MTS, a marine e-learning content and distribution business and V.Group's e-learning subsidiary, Marlins.

NORTH SAILS
OCI direct debt investment – £19m

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

May | June | July | August

INSPIRED
Exit – £114m OCI proceeds

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

TIME OUT
Debt repayment – £27m OCI proceeds

Following the Time Out fundraise, all outstanding OCI loans and interest owed to OCI were repaid and all loan facilities were subsequently cancelled.

FACILE
Refinancing – £9m OCI proceeds

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

SEVEN MILES
Refinancing – £7m OCI proceeds

Seven Miles completed a refinancing, resulting in a distribution to Fund IV.

Occurred post-period end

CHAIR'S STATEMENT

Robust performance and high cash levels underline OCI's strengths.

In the OCI 2019 Annual Report, written in the immediate wake of the COVID-19 outbreak, we advised shareholders that we "anticipated a trading impact across the portfolio, but remained confident that Oakley Capital's investment strategy and sector focus would provide resilience during this period of disruption". We are pleased to report that this has indeed been the case, demonstrated by a net asset value ("NAV") total return for OCI of 4% for the six months to 30 June 2020 and 13% for the last 12 months.

OCI's NAV per share increased from £3.45 to £3.56 over the period. Although a modest return relative to our track-record, we are pleased, given the circumstances, and encouraged by the overall performance of the portfolio. 12 of the 15 portfolio companies are forecast to remain in a position to meet, or be close to meeting, their full-year budgets, reflecting the focus of the portfolio on digital services and subscription-based revenues.

Realisations and investments

It was another active period for realisations, with Oakley Fund and direct investment exits contributing £291 million to OCI's closing cash balance. Most notable was the exit of Inspired at a 25% premium to the year-end valuation, demonstrating the continued conservatism of Oakley's valuation approach.

OCI invested £95 million in the first half as Oakley continued to deploy funds through a platform investment, as well as bolt-on acquisitions within Fund III and Fund IV, respectively. In addition, OCI made follow-on direct investments in two existing portfolio companies.

Cash and commitments

OCI had no leverage and holds cash of £261 million as at 30 June 2020, equivalent to 134 pence per share. At 38% of NAV, this is a significantly higher level of cash than normal; however, the timing is fortuitous and positions OCI very strongly ahead of what Oakley believes to be a period of significant potential for investments.

In July 2020, OCI committed €75 million to the Oakley Capital Origin Fund, which will follow the same investment strategy as the existing Oakley Funds, but target private companies in the lower mid-market. Total outstanding OCI commitments to the Oakley Funds stood at £528 million, which we expect to be deployed over a five-year period.

Direct investments

Following exits in the first half, OCI holds one remaining direct equity investment, Time Out, whose value fell in the period reflecting the material impact of COVID-19 on its operations. Outstanding direct debt investments are in Daisy and North Sails, as we continue to support the recovery and growth of the business through a period of disruption. The Board does not expect to

8.0 million
Shares bought back and cancelled as at July 2020

480,500
Average daily share volume

initiate any new direct investments as we focus on maximising OCI's returns through exposure to the growing family of Oakley-managed funds.

Governance

The Board maintains its commitment to a high standard of governance, particularly with regard to independence. During the period, Laurence Blackall retired from the Board after over 10 years and Craig Bodenstab also stepped down. We thank them both for their significant contributions to OCI and wish them all the very best for the future. The Company expects to announce the appointment of a new Independent Director shortly.

The Board is disappointed by the widening of the share price discount to NAV per share and remains focused on measures that will assist narrowing it and enhance shareholder value. In the seven months to July 2020, OCI repurchased for cancellation a total of 8 million shares at an average price of 197 pence. Further share buy-backs are anticipated. We also introduced a Director shareholding policy and OCI Board members and Oakley Partners now own a combined 10.3%. In April, a final dividend of 2.25 pence per share was paid for the period ended 31 December 2019 , and we are pleased to announce an interim dividend for 2020 of 2.25 pence per share, to be paid in October 2020.

Safety in the workplace has been critical during this pandemic. Whilst OCI does not have direct employees, we have received regular reports from Oakley, our portfolio company management teams and other service providers to confirm that appropriate staff protection and support measures are in place.

Prospects

It is clear that the pandemic and its wider economic and social impact will last long into 2021. Whilst the full extent of the impact is unknown, we take much reassurance from how the portfolio weathered the first half of the year, and the recovery in trading we have seen from most of the companies in the early months of the second half. OCI provides exposure to a robust and fast evolving set of portfolio companies which are well positioned given their digital focus. With a high level of cash to deploy, the Board looks forward to OCI's continued participation in the outperformance of the Oakley Funds.

Caroline Foulger

Chair

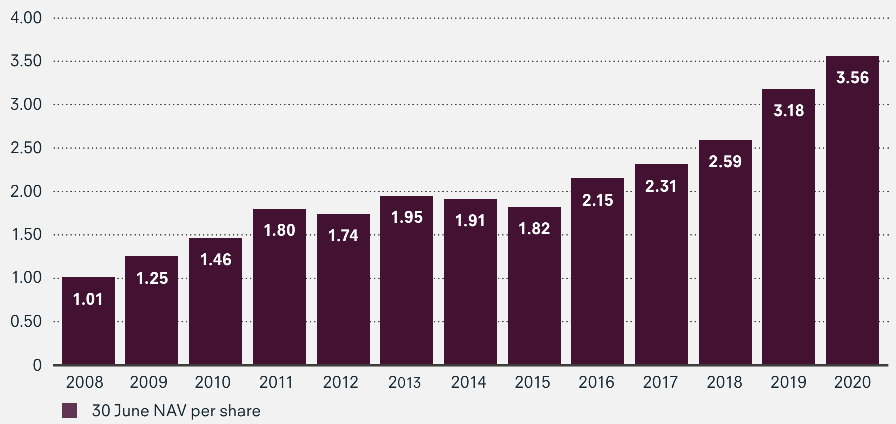
AT A GLANCE

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

NAV breakdown by investment type

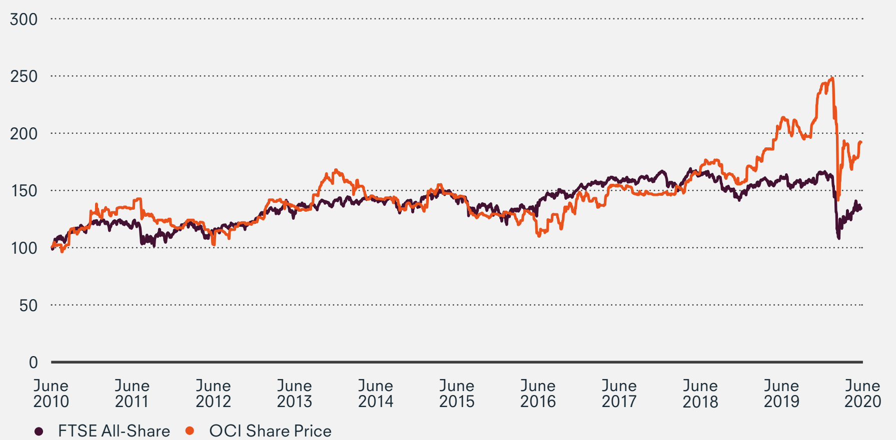
Investment type	Total invested	% of NAV	Commentary
Oakley Fund investments	**£279.6m**	**40.4%**	Represents a percentage reduction in share of NAV, reflecting realisations of WebPros and Inspired. Fair value of consistently held assets grew by 1% since 31 December 2019.
Direct investments	**£151.5m**	**21.9%**	Exposure to direct investments fell by 37% in the period, driven by £125.1 million of realisations. A modest level of follow-on investments (£37.4 million in H1) reflects the planned withdrawal from direct investments.
Cash and other	**£260.8m**	**37.7%**	Strong cash position with £291 million of realisations in the period. The five and 10-year average cash balance is 22% and 25% of NAV, respectively, and a return to these levels is expected. Total fund commitments of £528 million including €75 million in the newly launched Oakley Origin Fund.

NAV per share since inception (£)



10-year outperformance

OCI share price versus FTSE All-Share Index*



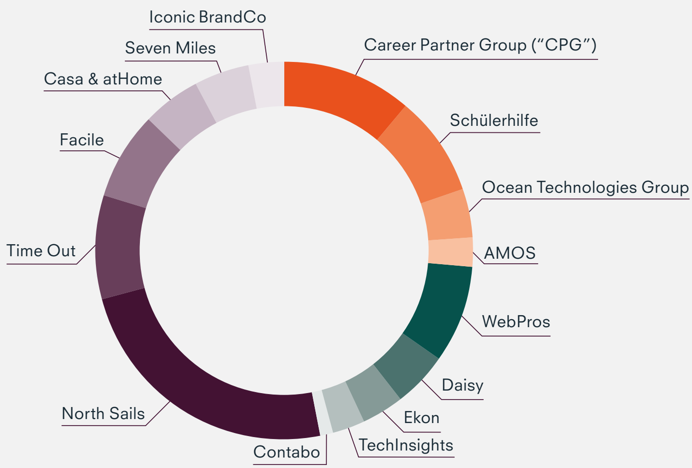
* Performance record rebased to 100 at 30 June 2010.

FUNDS OVERVIEW

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

NAV breakdown by portfolio company

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



Consumer	
North Sails	£131.4m
Time Out	£48.2m
Facile	£40.6m
Casa & atHome	£27.8m
Seven Miles	£25.1m
Iconic BrandCo	£16.2m
	£289.3m*

Technology	
WebPros	£46.3m
Daisy	£26.4m
Ekon	£18.4m
TechInsights	£15.9m
Contabo	£5.3m
	£112.3m*

Education	
CPG	£61.3m
Schülerhilfe	£46.8m
Ocean Technologies Group	£23.3m
AMOS	£12.5m
	£143.9m*

* OCI's NAV of £691.9 million is a combination of total investments (£545.5 million – see above) plus Fund Facilities (£12.6 million), plus cash, other assets and liabilities (£260.8 million), less OCI's share of Oakley Fund net liabilities (£127.0 million). See pages 24 and 25 for more detail.

Leading impactors of NAV

Inspired

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

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

+10 pence

H1 20 NAV per share uplift

Read more on page 37

Career Partner Group

Trading performance increased value by 31%

After a strong FY19, Career Partner Group continued to exhibit strong performance into H1 20 with June 2020 YTD intake growth of 75% versus the prior year. Total paying students for the group reached 37,000, representing a 59% increase year-on-year. As the market leader in online degree programmes, it is expected that CPG will further benefit from an acceleration in the shift to online education.

+9 pence

H1 20 NAV per share uplift

Read more on page 35

Time Out

68% share price drop, as a result of COVID-19

Time Out has been significantly impacted by the outbreak of COVID-19, with the temporary closure of its six markets and a reduction in advertising demand. In response, Time Out raised equity of £47 million to support the business and enable the continued rollout of the Time Out Markets, which successfully transformed the company in 2019. To date, five of the six markets have safely reopened with encouraging levels of footfall.

-26 pence

H1 20 NAV per share decline

Read more on page 27

Strategic report

INVESTMENT ADVISER'S REPORT

Oakley Capital's review of the impact of COVID-19 on its resilient portfolio and the attractive period of investment opportunity that lies ahead.

Overview

The COVID-19 pandemic continues to present a substantial risk to the global economy. The full duration and impact of the virus remain unknown; however, there has been a significant trading impact across public and private companies alike.

As a highly engaged investor, Oakley has strong lines of communication with its portfolio companies and is in continuous dialogue with management teams to understand the likely business impact of COVID-19, support bespoke contingency planning and ensure the safety of all stakeholders. Importantly, Oakley's portfolio companies have benefitted from sharing knowledge and experience from different geographies and industries across Oakley's network.

Oakley's selective approach, combined with its clear focus on software, tech-enabled services, online platforms and subscription-based revenues, has proved valuable, resulting in a portfolio that demonstrated resilience in H1 20. Five of the 15 companies, including business service software, web hosting and education technology businesses, experienced no negative trading impact. Seven companies, including the online consumer platforms, telecoms and education businesses, experienced some short-term disruption, but are expected to return to budgeted run-rates in H2 20. Lastly, as anticipated, the three consumer companies reliant on a physical footprint experienced a significant impact. The Oakley team, alongside all portfolio company management teams, has managed the crisis well during H1 20. This challenging period has demonstrated the strength of our teams, who have reacted swiftly, efficiently and with great care to implement appropriate responses.

Investment strategy

In the first half of 2020, global buyout activity was down 35% versus 2019 and Q2 witnessed the lowest level of deal activity since 2015 *(Source: Preqin)*. This was reflected in Oakley's investment rate, which was lower than usual – a function of material market uncertainty and the resulting asset pricing mismatch.

We are, however, confident that H2 20 will see more Oakley investments, as our deal pipeline continues to grow and we enter a highly attractive period for investment opportunities. Historical data suggests that some of the best fund vintages follow economic crises, as demonstrated by the 68% performance premium returned by post-crisis vintage funds when compared with the preceding late-cycle vintages *(Source: Morgan Stanley)*. Oakley is therefore well-positioned, having recently raised capital for Fund IV, which is currently only c.30% deployed.

Oakley's focus on market-leading companies with tech-enabled services and digital platforms remains important in this environment, alongside its unique approach to sourcing off-market deals through its network of business founders. The current dislocation also presents new origination opportunities in the form of:

- Stressed sector champions – companies that have experienced a short-term severe shock, but whose medium-term business model remains robust.
- Distressed corporate carve-outs – businesses that need to dispose of assets to improve their liquidity position may result in quality assets becoming available.
- Private Equity – funds that are most exposed to COVID-19, or at the end of their life cycles, may look to exit portfolio companies they can no longer support.

Origin Fund

The Origin Fund is a complementary and synergistic extension of Oakley's existing platform. As Oakley's previous funds have become progressively larger, the Origin Fund allows us to continue to invest in opportunities in the lower mid-market that have played a key role in Oakley's success story to date. Since 2008, 14 of the 32 investments made by Oakley have been in the lower mid-market segment – assets that achieved gross returns of 3.6x MM and 67% IRR to date. The 2020-vintage Origin Fund will make investments of €10–€50 million, in businesses with enterprise values of up to €100 million, compared to Oakley's Flagship Funds that concentrate on companies with enterprise values of €100–€400 million.

The Origin Fund will follow the same investment strategy, use the same sourcing model and benefit from the same entrepreneur network that is in place for the Flagship Funds. It will raise a separate pool of capital with a dedicated Oakley team to focus entirely on lower mid-market deals.

Outlook

Historically, Oakley's portfolio companies have been highly sought-after by larger buyout funds, that at the start of 2020 had a record $1.5 trillion of uninvested capital *(Source: Preqin)*. We expect to continue to benefit from this trend, particularly given the high-quality companies in the portfolio, many of which will emerge from this period of disruption in a stronger, more desirable position. We remain confident looking ahead, as we believe the long-term approach of private equity is beneficial in this environment, as it is enables firms to weather short-term volatility while continuing to create value for the long-term.

INVESTMENT ADVISER'S STRATEGY

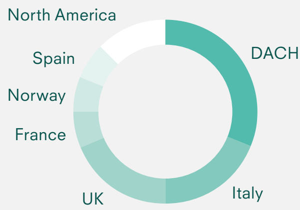
An established investor with superior returns.

Investment focus

Up to €400m Enterprise Value

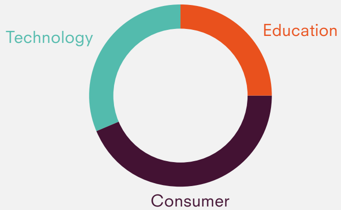
- Target attractive **sector champions** with hidden pockets of value
- **Primary opportunities** (Founder and family owned businesses, corporate carve-outs, etc)
- **Upside from systematic value creation** (e.g. consolidation, international expansion, etc)
- **Strong fit with Oakley's entrepreneurial 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
  - **Technology:** focus on digital infrastructure companies with SaaS or a managed services business model and capex light

Note: Pie charts represent the number of investments in current portfolio as at 30 June 2020.

Flagship Funds

A strong track-record has been built using these fundamentals in the mid-market segment across Oakley Funds I, II, III and IV.

A Fund IV typical investment:

- Equity ticket: >€50 million
- EV range: €100–€400 million
- Majority deals

Origin Fund

The Origin Fund will continue the same successful investment strategy of the Flagship Funds, but focused on the lower mid-market segments.

A typical investment:

- Equity ticket: €10–€50 million
- EV range: up to €100 million
- Majority and minority deals

OVERVIEW OF OAKLEY FUNDS

Oakley Funds: total realised gross returns of 3.5x MM and 48% IRR since inception.

Funds overview

Oakley Fund IV ("Fund IV")

Vintage: 2019

OCI commitment
€400m

Fund size
€1.5bn

Current investments
- **Ocean Technologies Group**
- **Seven Miles**
- **Contabo**
- **WebPros**

Outstanding commitments
£336.1m

Commitments as a % of NAV
48.6%

Oakley Fund III ("Fund III")

Vintage: 2016

OCI commitment
€326m

Fund size
€800m

Current investments
- **Casa & atHome**
- **TechInsights**
- **Schülerhilfe**
- **AMOS**
- **Iconic BrandCo**
- **CPG**
- **Facile**
- **Ekon**

6.9x
Realised gross MM

152%
Realised gross IRR

Outstanding commitments
£109.5m

Commitments as a % of NAV
15.8%

Oakley Capital Origin Fund ("Origin Fund")

Vintage: 2020

OCI commitment
€75m

Oakley Fund II ("Fund II")

Vintage: 2013

OCI commitment
€190m

Fund size
€524m

Current investments
Daisy
North Sails

3.1x
Realised gross MM

59%
Realised gross IRR

Outstanding commitments

£12.1m

Commitments as a % of NAV

1.7%

Oakley Fund I ("Fund I")

Vintage: 2007

OCI commitment
€202m

Fund size
€288m

Current investments
Time Out

2.9x
Realised gross MM

44%
Realised gross IRR

Outstanding commitments

£2.6m

Commitments as a % of NAV

0.4%

Read more on the Funds' on pages 40 to 44

OCI NAV OVERVIEW

OCI's NAV increased by £5.9 million to £691.9 million, an increase of 0.9% since 31 December 2019.

	Six months ended 30 Jun 2020 £m	12 months ended 31 Dec 2019 £m
Opening net asset value at the start of the period	686.0	574.8
Gross revenue	5.5	10.3
Net expenses	(5.5)	(17.9)
Net foreign currency gains/(losses)	15.7	(2.7)
Realised gains on investments	191.3	17.8
Net change in unrealised appreciation on investments	(189.1)	127.7
Shares purchased and cancelled	(7.6)	(14.9)
Dividend	(4.4)	(9.2)
Closing net asset value at the end of the period	**691.9**	**686.0**
Number of shares in issue	**194.3**	**198.6**
NAV per share	**£3.56**	**£3.45**

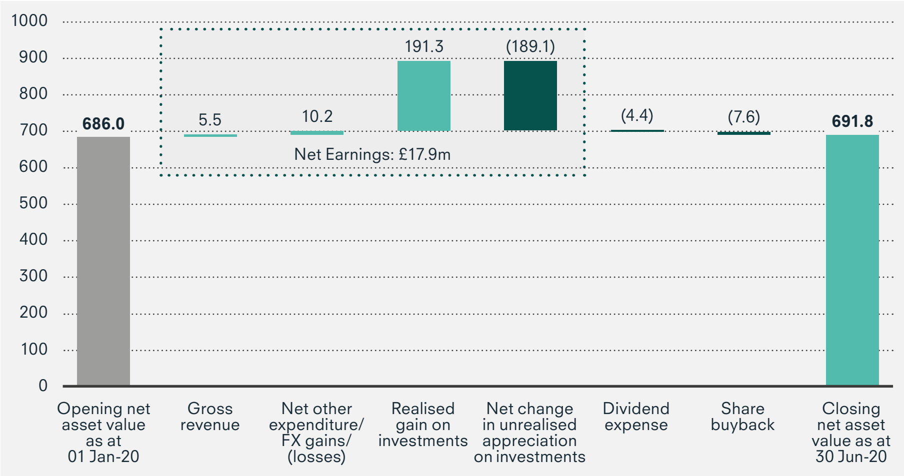
Net earnings were £17.9 million for the six months, comprising:

- Gross revenue of £5.5 million arising from interest income earned on the debt facilities provided by the Company. Expenses of £5.5 million were offset by £15.7 million of foreign exchange gains. Expenses include fees paid to the Administrative Agent and the Investment Adviser.
- Realised gains of £191.3 million earned from the realisations in the Oakley Funds during the period. Net change in unrealised losses of £189.1 million, driven predominantly by the realisations within the period and the decrease in fair value of Time Out. These amounts are net of fees paid to the Investment Adviser.

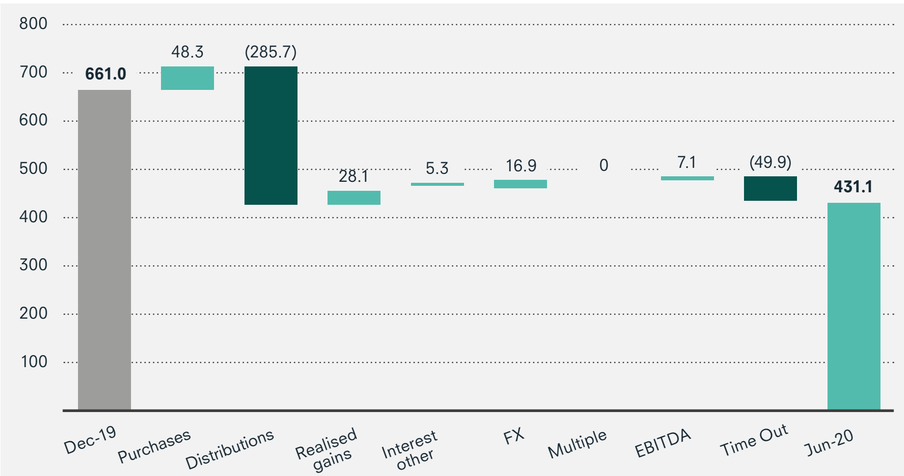
The Company bought back 4.3 million shares during the period at open market value, for a total of £7.6 million.

The year end dividend for December 2019 of 2.25 pence per share, totalling £4.4 million, was paid to shareholders in April 2020.

Movement in NAV (£m)



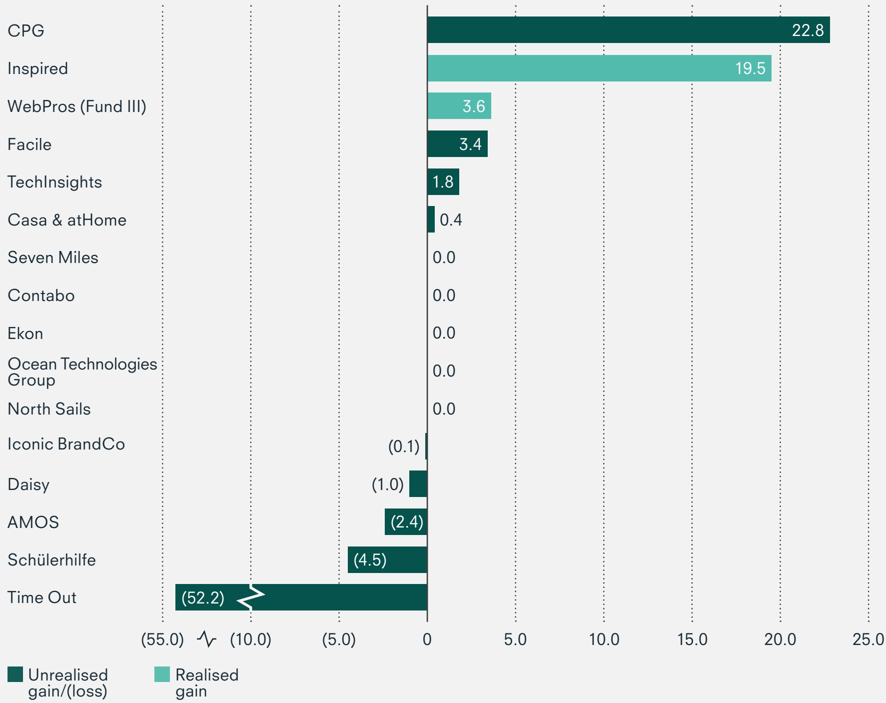
Attribution analysis of movements in the value of investments (£m)



During the period, there were realised gains from the distributions in the Oakley Funds. The movement in the unrealised gains was due to increases in EBITDA growth in the underlying portfolio companies across the Oakley Funds as well as a significant positive impact of FX of £16.9 million. These were offset by the large movement in unrealised losses mainly due to the decrease in the Time Out share price from 123 pence at 31 December 2019 to 40 pence at 30 June 2020.

OCI NAV OVERVIEW continued

Realised and unrealised movements in the value of investments in the six months to 2020 (£m)*



* The movements do not include the impact of foreign exchange during 2020.

Note: The nil values in the graph show the investments have not changed in value since December 2019.

OUTSTANDING COMMITMENTS OF OCI

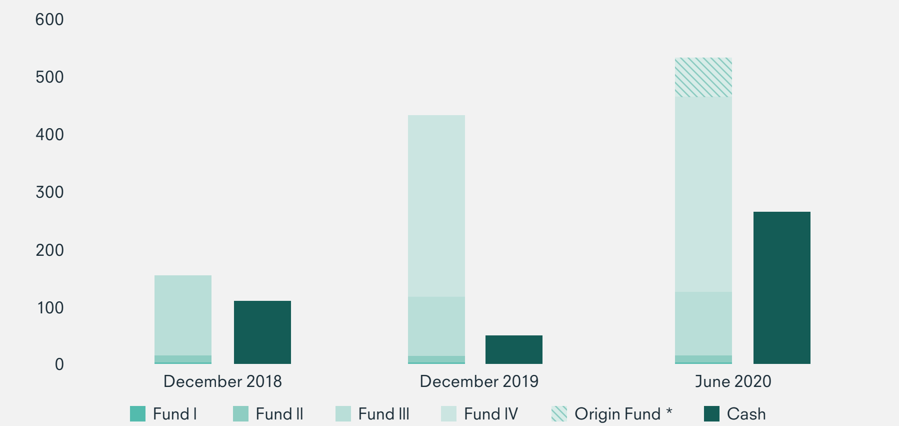
Outstanding commitments to the Oakley Funds as at 30 June 2020 were £460.2 million, of which £336.1 million was to Fund IV.

OCI had a strong cash position at 30 June 2020 leading into what is expected to be an attractive investment environment. The Board is comfortable with the level of commitments to the Funds, which increased post-period end by a €75 million commitment to the Origin Fund. Funds I and II are in the realisation phase, Fund III has reached the end of its investment period, and Fund IV is in the early stages of its investment period having made four investments to date. Origin Fund had a first close post-period end and has only just begun investing.

The table below illustrates OCI's outstanding commitments to the Oakley Funds, and their respective percentage of the OCI NAV as at 30 June 2020.

Fund	Fund vintage	Total commitment (€m)	Outstanding as at 30 June 2020 (€m)	Outstanding as at 30 June 2020 (£m)	% NAV
Fund IV	2018	400.0	370.0	336.1	48.6
Fund III	2016	325.8	120.5	109.5	15.8
Fund II	2013	190.0	13.3	12.1	1.7
Fund I	2007	202.4	2.8	2.6	0.4
			506.7	**460.2**	
Cash and cash equivalents				261.5	
Net outstanding commitments unfunded by cash resources				**198.7**	

Outstanding Fund commitments and cash held (£m)



* A commitment to the Origin Fund was made post-period end on 6 July 2020.

OVERVIEW OF OCI'S UNDERLYING INVESTMENTS

Investments	Sector	Location	Year of investment	Open cost	Fair value
Fund IV					
Ocean Technologies Group	Education	Norway/UK	2019	£22.9m	£23.3m
Seven Miles	Consumer	Germany	2019	£24.8m	£25.1m
Contabo	Technology	Germany	2019	£5.1m	£5.3m
WebPros	Technology	Switzerland/USA	2020	£44.4m	£46.3m
OCI's proportionate allocation of Fund IV investments (on a look-through basis)					**£100.0m**
Other assets and liabilities					(£83.0m)
OCI's investment in Fund IV					**£17.0m**
Fund III					
Casa & atHome	Consumer	Italy/Luxembourg	2017	£10.2m	£27.8m
Schülerhilfe	Education	Germany	2017	£30.8m	£46.8m
TechInsights	Technology	Canada	2017	£0.5m	£15.9m
AMOS	Education	France	2017	£7.1m	£12.5m
CPG	Education	Germany	2018	£1.5m	£61.3m
Facile	Consumer	Italy	2018	£28.8m	£40.6m
Ekon	Technology	Spain	2019	£18.0m	£18.4m
Iconic BrandCo	Consumer	Italy	2019	£15.9m	£16.2m
OCI's proportionate allocation of Fund III investments (on a look-through basis)					**£239.6m**
Other assets and liabilities					(£40.4m)
OCI's investment in Fund III					**£199.2m**
Fund II					
North Sails	Consumer	Global	2014	£37.6m	£35.4m
Daisy	Technology	UK	2015	£10.5m	£10.0m
OCI's proportionate allocation of Fund II investments (on a look-through basis)					**£45.5m**
Other assets and liabilities					(£0.8m)
OCI's investment in Fund II					**£44.7m**
Fund I					
Time Out	Consumer	Global	2010	£56.8m	£21.6m
OCI's proportionate allocation of Fund I investments (on a look-through basis)					**£21.6m**
Other assets and liabilities					(£2.8m)
OCI's investment in Fund I					**£18.8m**

Investments	Sector	Location	Year of investment	Open cost	Fair value
Direct investment:					
Equity					
Time Out	Consumer	Global	2010	£59.8m	£26.6m
Debt					
Daisy	Technology	UK	2015	£14.2m	£16.4m
North Sails	Consumer	Global	2014	£80.2m	£96.0m
Fund facilities	n/a	n/a		n/a	£12.6m
Total direct investments					**£151.6m**

Total OCI investments	**£431.1m**
Cash, other assets and liabilities	£260.8m
Total OCI NAV	**£691.9m**

The OCI look-through values above are calculated as the proportion of OCI's investment in the Fund in which the respective investment is held and are shown net of any performance fees.

"Other assets and liabilities" include the external debt and accrued interest in each of Fund II, III and IV which are €10.1 million, €119.2 million and €345.6 million, respectively. OCI has provided an additional short-term loan to Fund II of €4.3 million.

CONSUMER SECTOR

Sector investments*

Investment	Oakley Fund	OCI 31 Dec-19 Open cost (£m)	OCI 31 Dec-19 Valuation (£m)	OCI 31 Dec-19 % of NAV	OCI 30 Jun-20 Open cost (£m)	OCI 30 Jun-20 Valuation (£m)	OCI 30 Jun-20 % of NAV
North Sails ●	Fund II/Direct	98.5	106.5	16	117.7	131.4	19
Time Out ●	Fund I/Direct	115.5	99.5	15	116.6	48.2	7
Facile ●	Fund III	28.8	35.3	5	28.8	40.6	6
Casa & atHome ●	Fund III	26.3	40.0	6	10.2	27.8	4
Seven Miles ●	Fund IV	23.4	23.3	3	24.8	25.1	4
Iconic BrandCo ●	Fund III	7.9	7.5	1	15.9	16.2	2

COVID-19 related impact to 30 June 2020

● Trading unimpacted or benefitting

● Some short-term disruption

● Significantly impacted by lockdown

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on pages 24 and 25. These values include both direct and indirect equity and debt securities in the relevant portfolio companies.

CONSUMER PORTFOLIO COMPANIES

North Sails

£117.7m
OCI'S OPEN COST

£131.4m
OCI'S VALUATION

19%
OF OCI NAV

North Sails comprises a portfolio of market-leading marine brands.

North Sails' core businesses had been performing well through 2019 and into Q1 20, partly boosted by the relaunch of North Kiteboarding which has regained its position as one of the leading kiteboarding brands. However, the Group has been significantly impacted by COVID-19, due to a reduction in production capacity during the peak delivery season, the closure of marinas and cancellation of major regattas. Since the easing of restrictions, the business has experienced a positive rebound and the latest order book is more in line with the prior year.

Significantly impacted by lockdown

Time Out

£116.6m
OCI'S OPEN COST

£48.2m
OCI'S VALUATION

7%
OF OCI NAV

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

Time Out has been significantly impacted by the COVID-19 outbreak, which resulted in the temporary closure of all six Time Out Markets and a slowing of advertising revenues. In response to the pandemic, Time Out raised equity of £47.1 million to support working capital requirements and strengthen the balance sheet. As lockdowns have now eased, Lisbon and Boston markets re-opened in July, followed by New York, Montréal and Chicago in August. The remaining Miami market will open when deemed safe to do so.

Significantly impacted by lockdown

CONSUMER PORTFOLIO COMPANIES continued

Facile

£28.8m
OCI'S OPEN COST

£40.6m
OCI'S VALUATION

6%
OF OCI NAV

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

Facile has continued to achieve healthy growth, despite COVID-19. In the six months to 30 June 2020, the business has reported YTD revenue and EBITDA growth of 9% and 19% versus the prior year. Facile's core insurance vertical has continued its strong performance through both its online and field sales force channels, while Facile's non-insurance verticals have also performed well despite the impact of lockdown in Italy.

Some short-term disruption

Casa & atHome

£10.2m
OCI'S OPEN COST

£27.8m
OCI'S VALUATION

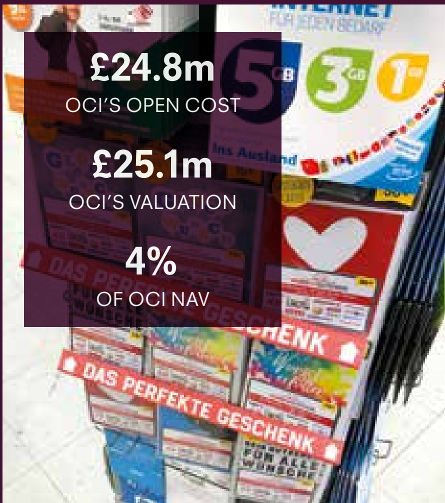
4%
OF OCI NAV

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

For the financial year ending 30 June 2020, Casa and atHome both reported 3% revenue growth. Underlying growth was significantly higher, but impacted by one-off discounting in April and May due to COVID-19. Most commercial KPIs are now at or above pre-COVID-19 levels (listings, traffic, renewal rates). In March 2020, Fund III sold a majority stake in atHome, following EBITDA growth of over 20% p.a. under Oakley's ownership. A minority stake of 21% has been retained in atHome, as well as the majority stake in Casa.

Some short-term disruption

Seven Miles



£24.8m
OCI'S OPEN COST

£25.1m
OCI'S VALUATION

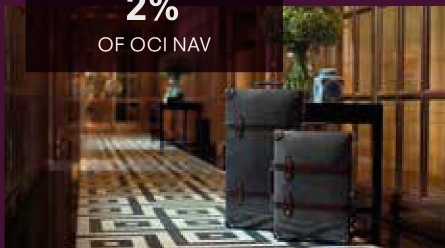
4%
OF OCI NAV

A leading consumer technology company in the gift voucher and B2B gift card sector.

Seven Miles has exhibited strong growth in the current financial year. Total YTD voucher sales have doubled versus the prior year, with sales of higher-margin own products, up 123% versus the prior year. The majority of growth is driven by like-for-like store growth, increased distribution to new retailers and B2B and online sales. Despite the COVID-19 lockdowns, Seven Miles continues to trade in line with its business case as its products are sold in grocery stores, petrol stations and supermarkets, which remained open.

Trading unimpacted or benefitting

Iconic BrandCo



£15.9m
OCI'S OPEN COST

£16.2m
OCI'S VALUATION

2%
OF OCI NAV

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

Strong performance at the beginning of the year was offset by the impact of COVID-19 for both businesses. For Alessi, European lockdowns closed all operations and as a result, revenues were down 27% on the prior year. Online sales are up 62% YTD, versus the prior year. Globe-Trotter's sales were also down due to the closure of the UK factory and stores in both the UK and Japan. As at 30 June, retail sales in Japan have begun to recover towards pre-lockdown trading levels, benefitting from store re-openings and e-commerce growth.

Significantly impacted by lockdown

TECHNOLOGY SECTOR

Sector investments*

Investment	Oakley Fund	OCI 31 Dec-19			OCI 30 Jun-20		
		Open cost (£m)	Valuation (£m)	% of NAV	Open cost (£m)	Valuation (£m)	% of NAV
WebPros ●	Fund IV	–	–	–	44.4	46.3	7
Daisy ●	Fund II/Direct	24.7	26.8	4	24.6	26.4	4
Ekon ●	Fund III	18.0	17.1	2	18.0	18.4	3
TechInsights ●	Fund III	0.4	13.5	2	0.5	15.9	2
Contabo ●	Fund IV	5.0	4.9	1	5.1	5.3	1

COVID-19 related impact to 30 June 2020

● Trading unimpacted or benefitting

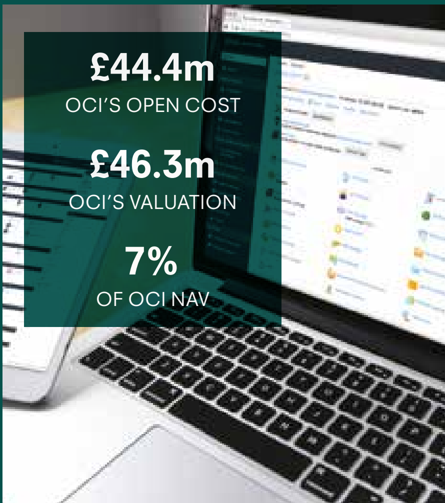
● Some short-term disruption

● Significantly impacted by lockdown

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on pages 24 and 25. These values include both direct and indirect equity and debt securities in the relevant portfolio companies.

TECHNOLOGY PORTFOLIO COMPANIES

WebPros



£44.4m
OCI'S OPEN COST

£46.3m
OCI'S VALUATION

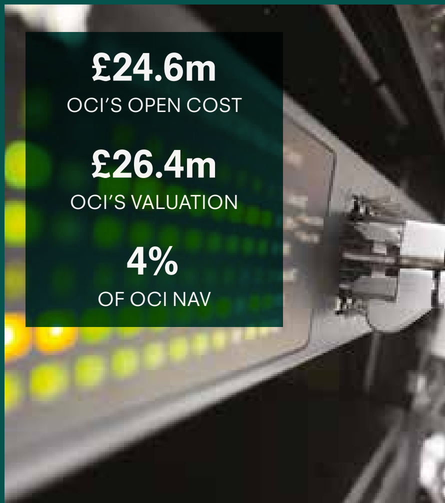
7%
OF OCI NAV

Global leading SaaS platform for web hosting automation.

The WebPros Group has continued its strong performance from 2019 into 2020 with H1 20 revenue and EBITDA growth of 27% and 43% versus the prior year, respectively. The EBITDA margin for the business improved to 62%, compared to 55% for the same period in 2019. The strong performance has been driven by the roll-out of the cPanel price harmonisation programme and steady licence volume growth on both Plesk and cPanel. The business has been largely unaffected by COVID-19, allowing for continuous strong trading.

Trading unimpacted or benefitting

Daisy



£24.6m
OCI'S OPEN COST

£26.4m
OCI'S VALUATION

4%
OF OCI NAV

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

Daisy's Q1 21 (three months to 30 June 2020) revenue and EBITDA were ahead of COVID-19 revised expectations. This was due to a lower rate of business failures than had been forecast from the crisis, as well as higher one-off and recurring revenues from mobile and remote working technologies. Daisy's YTD revenue has fallen slightly behind the prior year due to lower project revenues in all divisions, however this has been mitigated at the EBITDA level through strong cost control including the use of the Government supported furlough scheme. Overall YTD EBITDA is c.6% ahead of the prior year.

Some short-term disruption

TECHNOLOGY PORTFOLIO COMPANIES continued

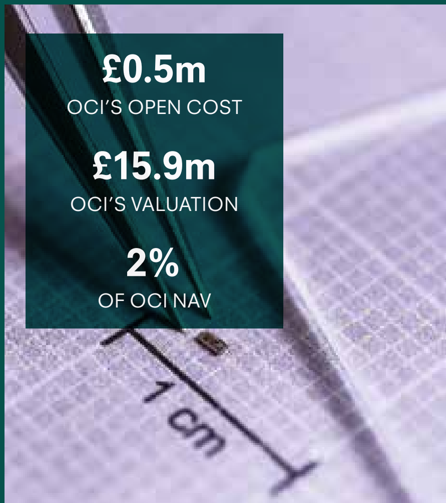
Ekon

A provider of Enterprise Resource Planning software to Spanish SMEs and product-centric industries.

Ekon is making good progress on planned strategic initiatives, although is performing slightly below expectations as COVID-19 has resulted in a reduction in new business, notably during the months March to May. LTM recurring revenues (60% of total) continued growing, driven largely by SaaS revenues (28% of total), which increased 18% YoY. The business is also making good progress on M&A and completed its first bolt-on, a provider of business intelligence and data visualisation solutions.

Some short-term disruption

TechInsights

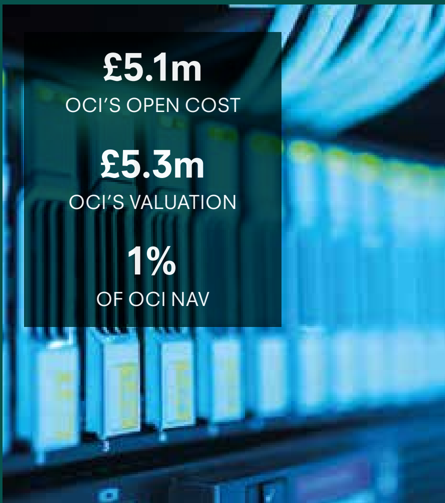


A global leader in the intellectual property and technology services market.

TechInsights has remained relatively resilient despite the challenging conditions in the semi-conductor market experienced in 2019 and H1 20. Trading has been impacted by COVID-19, however, the business has achieved moderate growth versus the prior year. During the period, TechInsights completed the acquisition of IHS Markit's Tear Down division. This further helped the shift to recurring revenues which have increased from 15% at the time of acquisition to almost 50% today.

Some short-term disruption

Contabo



A cloud hosting platform used by developers, entrepreneurs and SMEs for webhosting, development and storage.

Contabo continues to make good progress, both financially and operationally. At 30 June 2020, YTD revenue and EBITDA were up 31% and 26% versus the prior year, respectively. The business has been largely unaffected by COVID-19, with April, May and June generating the highest revenues to date. Following the period-end, the business completed the acquisition of VSHosting, a small but rapidly growing Czech player.

Trading unimpacted or benefitting

EDUCATION SECTOR

Sector investments*

Investment	Oakley Fund	OCI 31 Dec-19 Open cost (£m)	OCI 31 Dec-19 Valuation (£m)	OCI 31 Dec-19 % of NAV	OCI 30 Jun-20 Open cost (£m)	OCI 30 Jun-20 Valuation (£m)	OCI 30 Jun-20 % of NAV
Career Partner Group ●	Fund III	20.6	59.2	9	1.5	61.3	9
Schülerhilfe ●	Fund III	30.8	47.1	7	30.8	46.8	7
Ocean Technologies Group** ●	Fund IV	20.2	19.3	3	22.9	23.3	3
AMOS ●	Fund III	7.0	13.6	2	7.1	12.5	2

COVID-19 related impact to 30 June 2020

● Trading unimpacted or benefitting
● Some short-term disruption
● Significantly impacted by lockdown

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on pages 24 and 25. These values include both direct and indirect equity and debt securities in the relevant portfolio companies.

** Previously Seagull & Videotel.

EDUCATION PORTFOLIO COMPANIES

Career Partner Group

The largest and fastest growing private university group in Germany.

After a strong FY19, with 69% growth in intake and 41% growth in both revenue and EBITDA, CPG has continued to exhibit strong performance into H1 20. June 2020 YTD intake grew 75% versus the prior year and total paying students reached 37,000.

In Online, CPG is surpassing ambitious expectations, with a further acceleration in intake growth without increased customer acquisition cost, indicating a significant COVID-19 tailwind.

Trading unimpacted or benefitting

Schülerhilfe

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

Schülerhilfe's performance has been resilient, despite significant disruption to the business due to COVID-19 lockdown measures. LTM revenue and EBITDA to 30 June 2020 were up 7% and 11% versus the prior year, respectively. In response to COVID-19, the business had to close all centres between March and May. Existing customers were retained due to a quick conversion of all students to online tutoring, however, new enrolments were materially impacted. The majority of centres have now re-opened and enrolments are trending back towards pre-crisis levels.

Some short-term disruption

EDUCATION PORTFOLIO COMPANIES continued

Ocean Technologies Group*

£22.9m
OCI'S OPEN COST

£23.3m
OCI'S VALUATION

3%
OF OCI NAV

The leading maritime e-learning businesses worldwide.

Ocean Technologies Group, the new Group brand for Seagull, Videotel and associated companies, has performed strongly in the six months to 30 June 2020, with EBITDA up 24% versus the prior year. Growth has been driven primarily by synergy realisation and acquisitions.

In H1 20, the Group completed the acquisitions of MTS, a US-based maritime e-learning business and Marlins, V.Group's e-learning subsidiary.

Trading unimpacted or benefitting

AMOS

£7.1m
OCI'S OPEN COST

£12.5m
OCI'S VALUATION

2%
OF OCI NAV

France's leading business school focused entirely on sport management and sport business.

The AMOS Group currently educates over 3,700 students, including 367 enrolled at CMH and almost 1,000 enrolled at ESDAC. Enrolments have continued to progress steadily for the 2020–21 academic year, with total enrolments tracking ahead of the prior year despite the impact of COVID-19, which has curtailed face-to-face recruitment. AMOS currently has a total of nine campuses in France, up from five at acquisition, with an additional campus in Strasbourg scheduled to open in September 2020.

Some short-term disruption

* Previously Seagull & Videotel.

Inspired

A leading global premium private schools group, with over 64 schools across five continents.

In April 2020, both Fund II and OCI completed the sale of their remaining stakes in Inspired. The transaction represents the conclusion of the investment in Inspired which dates back to August 2014, having progressively sold down stakes to TA Associates in June 2017 and Warburg Pincus in June 2019.

The sale of the remaining stake in Inspired returned £114 million to OCI, representing an uplift of 25% on the December 2019 carrying value.

ENVIRONMENTAL, SOCIAL & GOVERNANCE POLICY

Responsible investing

The Board adopted an ESG policy in March 2020 which it plans to evolve further during the year. The Company's business model is intertwined with its investment in the Oakley Funds and as such, OCI's ESG policy is largely reliant upon the relevant policies and practices adopted by the Investment Adviser. In addition, the Company undertakes its own independent activities with regard to ESG and will be continuing to build on these throughout 2020.

The Board has endorsed Oakley's policies to advise on the investment of the Company's resources in a socially responsible manner. Through the work of the Management Engagement Committee, the Board will monitor investment activity to ensure that it is compatible with the Company's policies.

The Company believes that responsible investment is important to protect and create long-term investment value, beyond the drivers of ethics, compliance and risk management.

Oakley recognises that ESG considerations may require different focuses, dependent on the nature of an individual business. Oakley therefore, works together with its portfolio companies to identify and apply good practice with regard to managing ESG matters. This commitment was underscored by Oakley becoming a signatory to the United Nations Principles for Responsible Investment (PRI), in 2016.

Oakley's core ESG principles include:

- Integrate ESG considerations into all stages of the investment process – from due diligence and throughout the period of ownership, to exit;
- Pursue alignment, in our ESG approach, with the BVCA Responsible Investing Guidelines, and other industry good practice as it develops;
- Promote the respect, by Oakley and portfolio companies, of fundamental human rights;
- Avoid bribery or corruption in any of Oakley's or its portfolio companies' dealings;
- Encourage portfolio companies to consider and mitigate the ESG impacts of their operations;
- Avoid investment in specific sectors which Oakley, or its investors, consider especially sensitive from an ESG or ethical viewpoint; and
- Seek continuous improvement in responsible investment techniques and ESG performance at Oakley and its portfolio companies.

ESG in the Oakley investment process

Pre-investment	Post-investment	Prior to exit
Inherent ESG risk assessment: • Environmental • Health and Safety • Labour / Employees • Community	Portfolio companies are required to provide Oakley with periodic questionnaire-driven assessment of: • Governance • Workplace • Marketplace • Environment • Community	Due diligence screening for restricted industries (of buyers), sanctions, political exposure, adverse media, regulatory enforcement
Risk-based enhanced ESG assessments		
Due diligence screening for restricted industries, sanctions, political exposure, adverse media, regulatory enforcement	Where higher ESG risks or opportunities have been identified, these are considered at Board meetings and monitored appropriately	

OVERVIEW OF FUND PORTFOLIO

FUND IV

Oakley Fund IV	30 Jun 2020 Fair value €m	31 Dec 2019 Fair value €m
Ocean Technologies Group	89.8	79.9
Seven Miles	96.6	96.4
Contabo	20.4	20.3
WebPros	178.3	–
Total investments	385.1	196.6

The investment portfolio of Fund IV is summarised in the table above. The Company holds a 28.6% interest in Fund IV, having made a €400 million commitment. Oakley Fund IV held its final close in June 2019 closing above its target size of €1.2 billion with total committed capital of €1.5 billion. Fund IV continues to deploy capital, now holding four investments across Oakley's core sectors of technology, consumer and education.

In February, Fund IV completed its investment in WebPros, investing $200 million (€184.7 million) as a minority partner alongside CVC Fund VII. Fund IV's investment in WebPros provides an opportunity for Oakley to continue its partnership with the management team and co-investors, and to benefit from the significant long-term growth potential in WebPros, and new product developments. CVC brings a complementary skillset and deep relevant expertise to support the strategic vision of the business. OCI's share of the Fund IV investment is €52.8 million (£44.0 million).

During the period, Ocean Technologies Group, the Fund IV portfolio company, progressed with its M&A agenda, making two bolt-on acquisitions. The Group completed the acquisitions of MTS, a marine e-learning content and distribution business, for $6.0 million and of V Group's e-learning subsidiary, Marlins, for $4.0 million. OCI's combined share of both of these investments was €2.6 million (£2.3 million).

The underlying companies in the Fund IV portfolio have continued to show good progress in the six months to 30 June 2020 and have already begun to demonstrate further growth in the second half of the year.

The fair value of all four of the investments is in line with the cost at the period-end, as they have not experienced a significant impact from COVID-19.

As at 30 June 2020, Fund IV had called a total of €30 million from OCI, representing 7.5% of OCI's total commitments.

FUND III

Oakley Fund III	30 Jun 2020 Fair value €m	31 Dec 2019 Fair value €m
Casa & atHome	83.9	124.7
Schülerhilfe	135.3	147.6
WebPros	–	382.6
TechInsights	52.1	47.3
AMOS	37.1	43.6
Career Partner Group	201.2	196.3
Facile	116.0	106.7
Ekon	49.6	49.6
Iconic BrandCo	43.9	21.9
Total investments	**719.1**	**1,120.4**

The investment portfolio of Fund III is summarised in the table above. The Company holds a 40.7% interest in Fund III, which is now fully invested with the exception for future possible follow-on acquisitions. Fund III will begin to evaluate exit options throughout the second half of 2020, as well as continuing to focus on creating value across the businesses.

In February, Fund III completed the sale of WebPros to CVC. This generated returns of 6.9x gross money multiple and a 152% gross IRR. The fund received gross proceeds of €407.9 million and OCI's share of which was €138.7 million (£116.1 million).

Following a successful 2019, CPG continued to perform ahead of expectations allowing the second tranche of its refinancing to be drawn in February 2020. This returned €56.8 million to the Fund, of which OCI's share was €23.1 million (£19.2 million).

In March, Fund III completed the sale of its majority stake in atHome, whilst retaining a minority stake of 21% in the business. The gross proceeds received from the sale were €41.9 million, with a portion of this being used to repay part of the underlying fund debt and expenses. Following this, OCI's share of proceeds was €9.3 million (£8.3 million).

In March, Fund III also completed the acquisition of a majority stake in Globe-Trotter. The investment builds on Oakley's experience with luxury consumer brands and follows Fund III's recent acquisition of Alessi. Alessi and Globe-Trotter are held under a single holding company, Iconic BrandCo.

The majority of the Fund III portfolio has been resilient to the impact of COVID-19. TechInsights, CPG and Facile have exhibited strong growth in the period, reflected in the increase in their fair values. The fair value of the Iconic BrandCo also increased, reflecting the new investment in Globe-Trotter. However, Schülerhilfe and AMOS have been impacted with a reduction in activity and as such, the fair values of both have decreased.

As at 30 June 2020, Fund III had called a total of €205.2 million from OCI, representing 63.0% of OCI's total commitments.

OVERVIEW OF FUND PORTFOLIO continued

FUND II

Oakley Fund II	30 Jun 2020 Fair value €m	31 Dec 2019 Fair value €m
North Sails	107.6	107.6
Inspired	–	64.9
Daisy	30.5	35.9
Total investments	**138.1**	**208.5**

The investment portfolio of Fund II is summarised in the table above. The Company holds a 36.2% interest in Oakley Fund II.

Fund II now has just two investments, having sold its remaining stake in Inspired in April 2020, generating proceeds of €77.4 million. OCI received £21.1 million, following the repayment of the underlying debt facilities held by the Fund. Following the exit, Inspired has generated returns of 2.7x gross money multiple and a gross IRR of 43%, bringing a total distribution of €255.1 million into the Fund.

The fair value of the Fund II portfolio has decreased by €70.4 million to €138.1 million, €64.9 million which is a result of the disposal of Inspired. The remaining decrease is due to a drop in the fair value of Daisy, which was impacted by COVID-19 and an unfavourable movement in FX. North Sails has been significantly impacted by COVID-19, with the closure of factories causing a drop off in revenue, despite seeing a strong order book at the beginning of the year. The fair value of North Sails has remained consistent with December 2019 due to the valuation reflecting a return to "normal" trading for the business in a post-COVID-19 environment.

As at 30 June 2020, Fund II had called a total of €176.7 million from OCI, representing 93.0% of OCI's total commitments.

FUND I

Oakley Fund I	30 June 2020 Fair value €m	31 Dec 2019 Fair value €m
Time Out	33.8	63.3
Total current investments	**33.8**	**63.3**

Fund I was launched in 2007 and this year the Fund's term was extended to November 2020. The investment portfolio of Fund I is summarised in the table above, with the Fund holding one remaining investment. OCI holds a 70.4% interest in Fund I.

Fund I's only remaining investment is Time Out Group plc ("Time Out"). This is a publicly quoted entity on AIM of the London Stock Exchange. As such, its fair value is determined by a mark-to-market valuation, based on the 30 June 2020 share price of £0.40.

The outbreak of the COVID-19 pandemic has had a significant impact on trading, with the temporary closure of all six Time Out Markets and a slowing of advertising revenues. As a result, the share price dropped from £1.23 at 31 December 2019 to £0.40 at 30 June 2020, a decrease of 68%.

On 22 May 2020, Time Out completed an equity placing to raise £47.1 million to support working capital requirements of the company and strengthen the balance sheet in the wake of the impact of COVID-19. Through the placing, Oakley Fund I and OCI made a combined equity investment of £24.9 million, of which £12.3 million is a Fund I investment.

Fund I called €17.3 million in May to fund the additional investment in Time Out, representing 6% of total commitments, all of which came from recycled capital.

As lockdown measures have eased globally, Time Out Markets have begun to re-open. The Lisbon and Boston markets re-opened in July, followed by New York, Montréal and Chicago in August. The remaining market in Miami will re-open when local guidelines allow it to and conditions are deemed safe for both employees and customers.

As at 30 June 2020, Fund I had called a total of €199.6 million from OCI, representing 98.6% of OCI's total commitments.

OVERVIEW OF FUND PORTFOLIO continued

ORIGIN FUND

The Company holds an interest in the Origin Fund, with OCI committing €75 million post-period end.

The Origin Fund will continue the same successful investment strategy of the Flagship Funds, but focused on the lower mid-market segment. This is defined as companies with an investment cost in the range of €10–€50 million or enterprise values up to €100 million.

Post-period end, the Origin Fund called 3% of its capital commitments from OCI.

DIRECT INVESTMENT REVIEW

Equity securities

In April, Oakley completed the sale of its remaining investment in Inspired, following partial realisations in 2019 and 2017. Combined with the Fund II Investment, the net proceeds represented a 25% uplift to the 31 December 2019 carrying value. OCI's direct investment realised proceeds of €105.6 million (£92.6 million).

Following a challenging few months due to the outbreak of COVID-19, Time Out completed an equity placing in May raising £47.1 million. OCI invested a total of £21.2 million of which £12.6 million was a direct investment, as part of the placing. The funds will be used to support general working capital requirements and strengthen Time Out's balance sheet in the wake of the impact of COVID-19.

Debt securities

The Company provides debt facilities to certain underlying entities and portfolio companies. These are provided on an arms-length basis and at a competitive market interest rate, allowing OCI to earn higher returns on part of its cash reserves. During the first six months of 2020, OCI earned £4.9 million of interest from the debt facilities provided.

As part of the Time Out placing, the total outstanding loan, including interest, of £27.1 million was repaid to OCI. At 30 June 2020, there was no outstanding debt provided by OCI to Time Out.

OCI's outstanding loan to Daisy continued to accrue interest, bringing the total outstanding loan to Daisy to £16.4 million at 30 June 2020.

OCI provided an additional £19.3 million loan to North Sails during the period. This was used to support the business by providing growth capital for its lifestyle brands, North Kiteboarding and North Sails Apparel. Total loan's outstanding to the North Sails group are £95.9 million as at 30 June 2020.

The Company also provides revolving credit facilities to two of the four Oakley Funds. Each drawing under these facilities is for a term of no more than one year. As at 30 June 2020, the outstanding amounts were £12.6 million, including accrued interest. The decrease from £14.6 million as at 31 December 2019 reflects repayments throughout the period.

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 71 and 72 of the annual report and accounts 2019 and have not changed materially since the date of that report. The Company has not identified any new risks that will impact the remaining six months of the financial year.

Statement of Director's 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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the six months ended 30 June 2020

	Notes	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000
Income			
Interest income		5,375	4,543
Net realised gains on investments at fair value through profit and loss	6, 7	191,260	17,840
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	(189,109)	72,054
Net foreign currency gains/(losses)		15,670	(286)
Other income		147	520
Total income		23,343	94,671
Expenses	9	(5,475)	(13,211)
Profit attributable to equity shareholders/total comprehensive income		17,868	81,460
Earnings per share			
Basic and diluted earnings per share	10	£0.09	£0.40

The Notes on pages 54 to 75 are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET (UNAUDITED)

as at 30 June 2020

	Notes	As at 30 June 2020 £'000	(Audited) As at 31 December 2019 £'000	As at 30 June 2019 £'000
Assets				
Non-current assets				
Investments	6, 7	431,139	660,966	555,023
		431,139	660,966	555,023
Current assets				
Trade and other receivables		150	40	106
Cash and cash equivalents		261,495	48,866	109,194
		261,645	48,906	109,300
Total assets		692,784	709,872	664,323
Liabilities				
Current liabilities				
Trade and other payables		892	23,864	13,416
Total liabilities		892	23,864	13,416
Net assets attributable to shareholders		691,892	686,008	650,907
Equity				
Share capital	12	1,943	1,986	2,044
Share premium	12	222,179	229,728	243,770
Retained earnings		467,770	454,294	405,093
Total shareholders' equity		691,892	686,008	650,907
Net asset per ordinary share				
Basic and diluted net assets per share	11	£3.56	£3.45	£3.18
Ordinary shares in issue ('000)	12	194,260	198,600	204,400

The Notes on pages 54 to 75 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the six months ended 30 June 2020

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
For the six months ended 30 June 2020				
Balance at 1 January 2020	1,986	229,728	454,294	686,008
Profit for the period/total comprehensive income	–	–	17,868	17,868
Ordinary shares repurchased and cancelled	(43)	(7,549)	–	(7,592)
Dividends	–	–	(4,392)	(4,392)
Total transactions with equity shareholders	(43)	(7,549)	(4,392)	(11,984)
Balance at 30 June 2020	1,943	222,179	467,770	691,892
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

The Notes on pages 54 to 75 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the six months ended 30 June 2020

	Notes	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000
Cash flows from operating activities			
Purchases of investments	6	(48,320)	(52,898)
Sales of investments	6	280,948	61,880
Interest income received		4,725	181
Expenses paid		(18,427)	(2,716)
Other income received		147	520
Net cash provided by/(used) in operating activities		219,073	6,967
Cash flows from financing activities			
Purchase of ordinary shares	12	(17,722)	(767)
Dividends paid		(4,392)	(4,608)
Net cash provided by/(used)in financing activities		(22,114)	(5,375)
Net increase in cash and cash equivalents		196,959	1,592
Cash and cash equivalents at the beginning of the period		48,866	107,888
Effect of foreign exchange rate changes		15,670	(286)
Cash and cash equivalents at the end of the period		261,495	109,194

The Notes on pages 54 to 75 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2020

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.*
Fund II	Bermuda	OCPE II Master L.P.
		Oakley Capital Private Equity II-A L.P.*
		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.*
		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*
		Oakley Capital Private Equity IV-B SCSP
		Oakley Capital Private Equity IV-C SCSP
OCPE Education	Bermuda	OCPE Education L.P.
		OCPE Education (Feeder) L.P.*

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

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 condensed consolidated interim financial statements of the Company are unaudited.

During 2020, the outbreak of COVID-19 and related global responses have caused material disruptions to economies around the world. Global markets have experienced significant volatility and divergence in performance across business sectors. The full impact of COVID-19 on economies and businesses remains uncertain.

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

As part of the assessment, the Board of Directors:

- Assessed liquidity, solvency and capital management. The Company considered liquidity risk as the risk that the Company 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. 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 30 June 2020, cash and cash equivalents of the Company amount to £261,495,133. The Company has total unfunded capital and unquoted debt security commitments of £481,582,000 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 have amounted to approximately £172,973,000 for the period ending 30 June 2020. As at 30 June 2020, the Company has not made arrangements to secure any debt facilities. The Directors consider the Company to have sufficient resources and liquidity and can continue to operate for a period of at least 12 months.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

2. Basis of preparation continued

- Considered estimates inherent in valuations. The Company's approach to valuations was consistent with prior years, with the key focus as at 30 June 2020 being the impact of COVID-19 on the Funds in which the Company invests. The Board of Directors held regular meetings with the Investment Adviser to consider how COVID-19 impacts were considered in the valuation process of the Funds. In addition, key assumptions and estimates relating to the valuation of the unquoted debt instruments were considered. This included assessment of counterparty risk, interest rates and future cashflow projections.
- Assessed the operational resilience of the Company's critical functions which includes monitoring the Company's key service providers.

The Board of Directors considers it appropriate to prepare the condensed consolidated interim financial statements of the Company on the going concern basis, having considered the impact of COVID-19 on its operations and that of the portfolio companies of the Funds.

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 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). These condensed 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 9 September 2020 by the Company's Board of Directors.

2.2 Functional and presentation currency

The condensed consolidated interim financial statements are presented in British Pounds Sterling, which is the Company's functional currency.

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 2020.

Several amendments and interpretations apply for the first time effective 1 January 2020 but do not have a material effect on the Company's consolidated 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 2020.

A number of new standards have been issued but are not yet effective as at the period end. The Company is currently 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 condensed 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 most important to 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.

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 2019.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

4. Critical accounting estimates, assumptions and judgment continued

(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. Due to 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 in determining the inputs into the valuation models used for the unquoted debt securities. Inputs include making assessments of future cash flows and determining appropriate discount rates.

There remain many unknown factors over the short, medium, and long-term including the impact of COVID-19 on the Company. In these circumstances, the valuation of the Company's investments as at 30 June 2020 carries significantly more uncertainty than previously. The Investment Adviser has considered the impact of COVID-19 in determining inputs in the valuation models used for the valuations of each of the Funds. Additionally the impact of COVID-19 has been considered in the valuation of the unquoted debt securities.

(b) Assessment as an investment entity

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

The Board of Directors has concluded that the Company meets the definition of an investment entity as its strategic objective is to invest in a portfolio of primarily private equity investments advised by the Investment Adviser for the purpose of generating returns in the form of investment income and capital appreciation.

5. Financial risk management

The Board of Directors, the Company's Risk Committee (the "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 develops 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 macroeconomic, sectoral and business specific risks have with the objective of minimising the adverse effects on the Company's financial performance.

As at 30 June 2020, there have been no changes to any of the Company's risk policies since 31 December 2019. 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 2019.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

6. Investments

Investments as at 30 June 2020

	31 December 2019 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 June 2020 Fair value £'000
Oakley Funds							
Fund I	33,358	10,906	–	–	–	(25,485)	18,779
Fund II	57,182	–	(16,993)	10,455	–	(5,983)	44,661
Fund III	310,068	–	(143,666)	107,690	–	(74,883)	199,209
Fund IV	19,708	–	–	–	–	(2,751)	16,957
Total Oakley Funds	420,316	10,906	(160,659)	118,145	–	(109,102)	279,606
Co-Investment Funds							
OCPE Education (Feeder) LP	74,984	–	(92,589)	73,115	–	(55,510)	–
Total co-investment Funds	74,984	–	(92,589)	73,115	–	(55,510)	–
Total Funds	495,300	10,906	(253,248)	191,260	–	(164,612)	279,606
Quoted equity securities							
Time Out Group plc	38,510	12,625	–	–	–	(24,497)	26,638
Total quoted equity securities	38,510	12,625	–	–	–	(24,497)	26,638
Unquoted debt securities							
Ellisfield (Bermuda) Limited	15,796	–	–	–	562	–	16,358
Fund I	9,435	1,000	(2,124)	–	326	–	8,637
Fund II	4,398	1,983	(2,628)	–	174	–	3,927
Fund III	–	–	–	–	–	–	–
NSG Apparel BV	29,992	4,240	–	–	645	–	34,877
Oakley Capital III Limited	731	–	(732)	–	1	–	–
Oakley NS (Bermuda) LP	43,490	15,066	–	–	2,540	–	61,096
Time Out Group plc	23,314	2,500	(27,071)	–	1,257	–	–
Total unquoted debt securities	127,156	24,789	(32,555)	–	5,505	–	124,895
Total investments	660,966	48,320	(285,803)	191,260	5,505	(189,109)	431,139

* Total sales include redemptions, loan repayments and transfers.

Investments as at 30 June 2019

	31 December 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 June 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) LP	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) LP	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.

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

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 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 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 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	–	279,606	279,606
Quoted equity securities	26,638	–	26,638
Unquoted debt securities	–	124,895	124,895
Total investments measured at fair value	26,638	404,501	431,139

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

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 2020 or 30 June 2019.

Level III

The Company has determined that Funds and unquoted debt securities fall into Level III. Funds and unquoted debt securities are measured in accordance with the IPEV Valuation Guidelines with reference to the most appropriate information available at the time of measurement. The condensed consolidated interim financial statements as of 30 June 2020 include Level III investments in the amount of £404,501,403; representing approximately 58.46% of shareholders' equity (2019: £519,185,368; 79.76%).

Funds

The Company primarily invests in portfolio companies via the Funds as 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 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.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

7. Disclosure about fair value of financial instruments continued

Level III

Funds

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 comparative companies are correctly valued by the market. A discount is sometimes applied to market-based multiples to adjust for points of difference between the comparatives and the company being valued.

As at 30 June 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	OCPE Education €'000
Investments	23,761	50,043	292,849	110,075	–
Debt financing	(6,282)	(5,134)	(48,072)	(98,767)	–
Estimated performance fee payable	–	–	(29,093)	–	–
Other net assets	3,195	4,262	3,637	7,361	–
Total value of the Fund attributable to the Company (€'000)	20,674	49,171	219,321	18,669	–
Total value of the Fund attributable to the Company (£'000)	18,779	44,661	199,209	16,957	–

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
Debt financing	(6,350)	(7,820)	(65,762)	(22,722)	–
Estimated performance fee payable	–	(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 (€'000)	35,724	73,841	240,522	6,804	83,505
Total value of the Fund attributable to the Company (£'000)	31,984	66,110	215,339	6,091	74,762

The Company does not use valuation models to estimate 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 processes and the Board of Directors performing ongoing monitoring procedures, primarily discussions with the Investment Adviser;
- comparison of historical realisations to the last reported fair values; and
- review of the quarterly financial statements and the annual 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.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

7. Disclosure about fair value of financial instruments continued

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 by the Investment Adviser 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 judgment is applied. Consideration has also been given by the Investment Adviser to the impact of COVID-19 for the valuation at 30 June 2020.

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the period ending 30 June 2020, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 5.5% movement in net assets attributable to shareholders (2019: 6.5%). A 10% decrease to the fair value of the unquoted portfolio companies held by the Funds would have an equal and opposite effect.

Unquoted debt securities

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

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the period ending 30 June 2020 a 1% increase to the discount factor would result in a 0.5% movement in net assets attributable to shareholders (2019: 0.4%). 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 2020 and 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 2020 and 2019, are as follows:

Level I Investments:	As at 30 June 2020 £'000	As at 30 June 2019 £'000
Quoted equity securities		
Fair value at the beginning of the period	38,510	22,320
Purchases	12,625	–
Net change in unrealised gains/(losses) on investments	(24,497)	13,518
Fair value of Level I investments at the end of the period	26,638	35,838

Level III Investments:	Funds £'000	Unquoted debt securities £'000	Total £'000
For the six months ended 30 June 2020			
Fair value at the beginning of the period	495,300	127,156	622,456
Purchases	10,906	24,789	35,695
Proceeds on disposals (including interest)	(253,248)	(32,555)	(285,803)
Realised gain on sale	191,260	–	191,260
Interest income and other fee income	–	5,505	5,505
Net change in unrealised gains/(losses) on investments	(164,612)	–	(164,612)
Fair value at the end of the period	279,606	124,895	404,501

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

7. Disclosure about fair value of financial instruments continued

Level I and Level III reconciliation continued

	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

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 June 2020 £'000	As at 30 June 2019 £'000
Cash and cash equivalents	261,495	109,194
Trade and other receivables	150	106
Trade and other payables	892	13,416

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; and
- direct investments.

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 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 period ended 30 June 2020 (2019: none).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

8. Segment information continued

The segment information for the period ended 30 June 2020 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	191,260	–	191,260	–	191,260
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	(164,612)	(24,497)	(189,109)	–	(189,109)
Interest income	–	5,358	5,358	17	5,375
Net foreign currency gains/(losses)	–	–	–	15,670	15,670
Other income	–	147	147	–	147
Expenses	–	–	–	(5,475)	(5,475)
Profit/(loss) for the period	26,648	(18,992)	7,656	10,212	17,868
Total assets	279,606	151,533	431,139	261,645	692,784
Total liabilities	–	–	–	(892)	(892)
Net assets	279,606	151,533	431,139	260,753	691,892
Total assets include:					
Financial assets at fair value through profit and loss	279,606	151,533	431,139	–	431,139
Cash and others	–	–	–	261,645	261,645

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

	Fund investments £'000	Direct investments £'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 2020

9. Expenses

	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000
Performance fees	3,320	10,116
Operational and advisory fees	621	1,719
Professional fees	664	714
Other expenses	870	662
	5,475	13,211

10. Earnings per share

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

	Six months ended 30 June 2020	Six months ended 30 June 2019
Basic and diluted earnings per share	£0.09	£0.40
Profit for the period (£'000)	17,868	81,460
Weighted average number of shares outstanding ('000)	196,797	204,572

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 June 2020	As at 30 June 2019
Basic and diluted net asset value per share	£3.56	£3.18
Net assets attributable to shareholders (£'000)	691,892	650,970
Number of shares in issue at period end ('000)	194,260	204,400

12. Share capital

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

On 18 June 2020, the Company purchased 1,340,000 ordinary shares at the market price on that date for a total of £2,774,538. The ordinary shares purchased by the Company were cancelled and are available for re-issue.

On 18 March 2020, the Company purchased 3,000,000 ordinary shares at the market price on that date for a total of £4,817,819. The ordinary shares purchased by the Company were cancelled and are available for re-issue.

On 18 March 2019, the Company purchased 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 2020, the Company's issued and fully paid share capital was 194,259,936 ordinary shares (2019: 204,399,936).

	As at 30 June 2020 '000	As at 30 June 2019 '000
Ordinary shares outstanding at the beginning of the period	198,600	204,804
Ordinary shares purchased	(4,340)	(404)
Ordinary shares outstanding at the end of the period	194,260	204,400

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended 30 June 2020

13. Commitments

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

	Original commitment €'000	Outstanding as at 30 June 2020 €'000	Outstanding as at 30 June 2019 €'000
Fund I	202,398	2,834	2,834
Fund II	190,000	13,300	13,300
Fund III	325,780	120,539	153,117
Fund IV	400,000	370,000	391,000
Total outstanding commitments (€'000)	1,118,178	506,673	560,251
Total outstanding commitments (£'000)	1,015,694	460,235	508,903

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

	Original commitment £'000	Outstanding as at 30 June 2020 £'000	Outstanding as at 30 June 2019 £'000
Fund I	5,000	5,000	3,400
Fund II	20,000	16,217	20,000
Fund III*	20,000	–	4,198
Oakley NS (Bermuda) LP**	54,700	130	1,403
Total outstanding commitments (£'000)	99,700	21,347	29,001

* The unquoted debt security commitment to Fund III was terminated on 6 February 2020.

** As at 30 June 2019, the original commitment to Oakley NS (Bermuda) LP was £33,850,000.

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, an entity which provides services to, and receives compensation from, the Company and is also the sole shareholder of Oakley Capital Manager Limited (the "Administrative Agent") which is considered a related party to the Company given the direct control this Director has over this entity.

The agreements between the Company and these service providers are based on normal commercial terms. Throughout the period ending 30 June 2020, no other Director of the Company had a personal interest in any transaction of significance for the Company (2019: none).

Operational fees, advisory fees and performance fees paid to the Administrative Agent are disclosed in Note 9. The Company amended the agreement to adjust the operational and advisory fees, with effect from 1 January 2020, to exclude fees on direct debt investments. The decrease in operational and advisory fees is a function of this change and the change in the 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 2020, the Administrative Agent recharged such costs to the Company totalling £397,000 (2019: £287,726) 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 the balance sheet date

On 6 July 2020, the Company committed €75,000,000 to Oakley Capital Origin A SCSp, which together with Oakley Capital Origin B SCSp, Oakley Capital Origin C SCSp (collectively the "Origin Feeder Funds") and Oakley Capital Origin Master SCSp (the "Origin Master") collectively comprise "Origin Fund". The Origin Fund is an exempted limited partnership established in Luxembourg.

The Board has approved a potential increase to this commitment of up to 30% of the Origin Fund's total commitments, up to a limit of €105,000,000.

On 24 July 2020, the Company paid a capital call of €2,250,000 (£2,047,275) to the Origin Fund.

On 29 July 2020, the Company purchased 3,660,000 Ordinary Shares at the market price on that date for a total of £8,317,590. The Ordinary Shares purchased by the Company were cancelled and are available for re-issue.

On 24 August 2020, the Company received a distribution of €9,569,788 (£8,635,434) from Fund III arising from the refinancing of Facile.

On 10 September 2020, 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 £4,288,499 payable on 22 October 2020.

DIRECTORS AND ADVISERS

Directors

Caroline Foulger
Independent Director and Chair

Stewart Porter
Director

Peter Dubens
Director

Richard Lightowler
Independent Director

Registered Office
3rd Floor, Mintflower Place
8 Par-la-Ville Road
Hamilton HM08
Bermuda

Advisers

Administrative Agent
Oakley Capital Manager Limited
3rd Floor, Mintflower Place
8 Par-la-Ville Road
Hamilton HM08
Bermuda

Investment Adviser to the Administrative Agent
Oakley Capital Limited
3 Cadogan Gate
London SW1X 0AS
United Kingdom

Legal Adviser
Stephenson Harwood
1 Finsbury Circus
London EC2M 7SH
United Kingdom

CREST Depositary
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH
United Kingdom

Administrator
Mayflower Management Services
(Bermuda) Limited
3rd Floor, Mintflower Place
8 Par-la-Ville Road
Hamilton HM08
Bermuda

Legal Adviser as to Bermuda Law
Conyers Dill & Pearman Limited
Clarendon House
2 Church Street
Hamilton HM CX
Bermuda

Nominated Adviser and Broker

Liberum Capital Limited
Level 12, Ropemaker Place
25 Ropemaker Street
London EC2Y 9AR
United Kingdom

Auditor

KPMG Audit Limited
Crown House
4 Par-la-Ville Road
Hamilton HM08
Bermuda

Branch Registrar

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

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 July 2013. As a result, at 30 June 2020, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 30 June 2020, Oakley Capital Investments Limited is a non-EU AIF.
Auditor	KPMG Audit Limited or such other auditor as appointed from time-to-time.
Board / Directors	The Board of Directors of the Company.
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.
Direct 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 and registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 30 June 2020, 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.
Exchange Rate	The GBP:EUR exchange rate at 30 June 2020 was £1: €1.1009.
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.
Origin Fund / Oakley Origin Fund	Those limited partnerships constituting the Fund known as Oakley Capital Origin Fund, comprising Oakley Capital Origin A SCSp, Oakley Capital Origin B SCSp, Oakley Capital Origin C SCSp and Oakley Capital Origin Master SCSp.
Oakley Group	Oakley Capital Limited as Investment Adviser, Oakley Capital Manager Limited as Administrative Agent, Oakley Capital Holdings S.à r.l., the General Partners, the Fund IV 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.
Fund Facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.

GLOSSARY continued

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; both exempted 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.
IPO	Initial Public Offering.
NAV	Net asset value being the value of the assets less liabilities.
Oakley	The Investment Adviser, being Oakley Capital Limited.
Oakley Funds	Fund I, Fund II, Fund III, Fund IV, Origin Fund and (as applicable) any successor Funds.
SFS	The Specialist Fund Segment being a segment of the London Stock Exchange's regulated Main Market.

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Oakley Capital Investments

Registered Office

3rd Floor, Mintflower Place
8 Par-la-Ville Road
Hamilton
HM08
Bermuda
T: +1 441 542 6330
F: +1 441 542 6724
E: investorrelations@oakleycapital.com