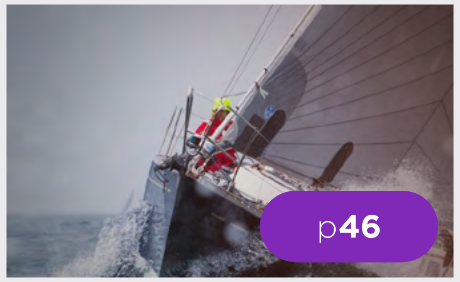
Oakley Capital Investments

Annual report 2022

In this report

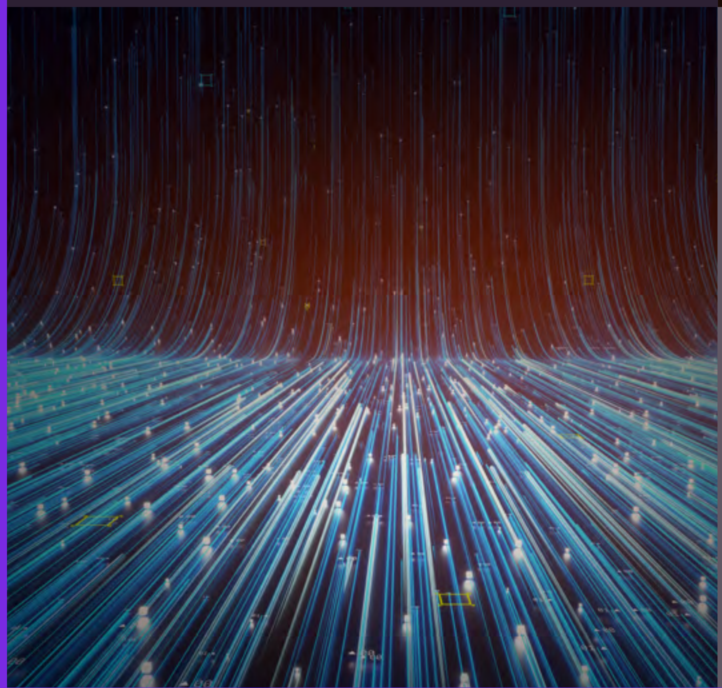
We are investing for long-term growth. We are a Specialist Fund Segment ('SFS') listed company, seeking to provide investors with long-term capital appreciation, through our investments in the Oakley Capital Funds.



At a glance

Our purpose

Oakley Capital Investments ('OCI') exists to provide wider investor access to private equity and the strong investment returns it generates.



Our objective

OCI's objective is to generate long-term, superior returns in excess of the FTSE All-Share Index by providing investors public access to private equity returns.

Our year in numbers

Performance

£1,167m Net Asset Value

24% Total NAV Return per Share

1% Total Shareholder Return

Balance sheet and distributions

£210m Cash and available debt

4.5p Dividend

£929m Outstanding fund commitments

Portfolio companies

22% Organic LTM EBITDA growth

15.9x EV/EBITDA multiple

4.3x Net Debt/EBITDA ratio

OCI's Key Performance Indicators have been reviewed and refreshed during the year in order to provide the most meaningful analysis for stakeholders. Comparative figures have been restated for prior years where metrics have been amended. See Glossary for definitions.

see our business model **p24**

see our KPIs **p07**

- **Available to all**
- **Real growth**
- **Valuable partner**

Available to all

Superior private equity returns are typically walled-off from most investors – it's right there in the name. However, listed private equity gives everyone the opportunity to participate.

Private equity targets investments in privately owned businesses across all sectors, from recognisable household names to companies with significant growth potential. It then seeks to help these companies maximise their value during the holding period. While private equity funds are not accessible to most private investors, one attractive alternative is buying shares in listed investment companies that provide access to these funds and the performance of the private companies they back. OCI's sustained, strong performance over the years has helped build credibility in listed private equity, an important development in the necessary democratisation of the wider asset class.

- Available to all
- Real growth
- Valuable partner

Real growth

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

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

- Available to all
- Real growth
- Valuable partner

Valuable partner

Oakley Capital's ('Oakley') success is built on proprietary origination – more than 75% of deals are secured uncontested.

Central to the ability to repeatedly source and execute attractive deals is Oakley's entrepreneurial culture. Oakley was conceived by entrepreneurs to be the partner of choice for entrepreneurs and this spirit lies at the heart of the firm's culture. Investing with a focus on building deep, long-standing relationships across the Oakley network over the last 20 years has laid the foundations for future growth as the firm benefits from their help in sourcing, unlocking and executing deals, and driving value creation across the portfolio.

OCI KPIs

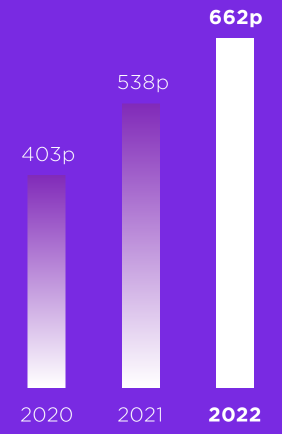
Oakley KPIs

Portfolio KPIs

During the period, OCI continued to benefit from the strong financial performance of the underlying portfolio companies in the Oakley Funds and has achieved a Total NAV Return of 24%.

NAV per Share

662pence

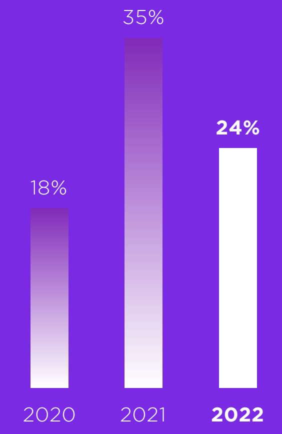


Importance
Represents the underlying value of each share owned by investor.

Performance
Driven by the growth of the underlying investments, OCI's NAV per share has increased by 124 pence in the year, net of a 4.5 pence dividend paid to shareholders.

Total NAV Return per Share

24%

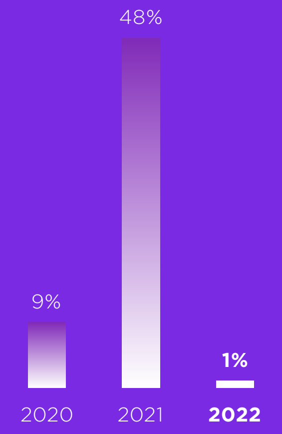


Importance
Represents shareholder value creation through dividends and NAV growth.

Performance
Financial performance in the underlying portfolio companies increased the fair value of OCI's holdings in the Oakley Funds, driving OCI's NAV growth.

Total Shareholder Return

1%



Importance
Represents a shareholder's return on investment through dividends received and share price growth.

Performance
Total Shareholder Return was 1% for 2022 compared to -3% for the FTSE All-Share Index.

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

OCI KPIs

Oakley KPIs

Portfolio KPIs

Oakley continued to originate proprietary opportunities for its Funds across its three focus sectors.

Invested during period

£271m

Importance
Demonstrates the activity during the year through capital deployment.

Performance
£271 million, double the prior year amount, was deployed into Investments, including into new acquisitions: Vice Golf, Affinitas and Phenna.

Proceeds during period

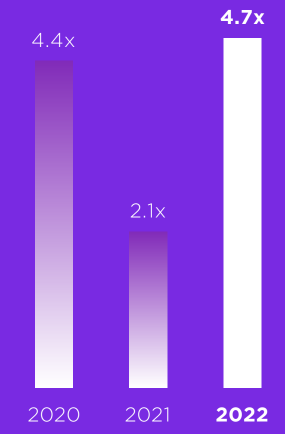
£244m

Importance
Represents the value realised by OCI from its investments in the Oakley Funds.

Performance
£244 million of look-through proceeds from Oakley Funds' successful exits which included Seedtag, Wischard, Contabo, TechInsights and Facile.

Realised gross Money Multiple

4.7x



Importance
Demonstrates the gross returns of the underlying investments in the Oakley Funds which were realised and partially realised in the year.

Performance
Oakley Funds achieved a weighted average of 4.7x return on investments realised in the year. Over €1.2 billion of proceeds received by the Oakley Funds from investments in Seedtag, Wishcard, Contabo, TechInsights and Facile.

OCI's Key Performance Indicators have been reviewed and refreshed during the year in order to provide the most meaningful analysis for stakeholders. Comparative figures have been restated for prior years where metrics have been amended. See Glossary for definitions.

Key performance Indicators

OCI KPIs

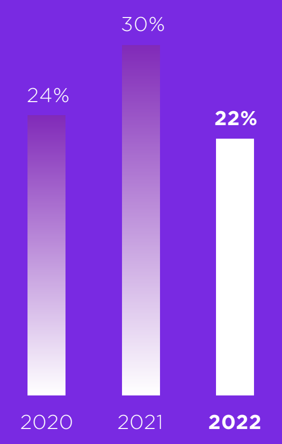
Oakley KPIs

Portfolio KPIs

OCI's underlying portfolio of asset-light, tech-enabled businesses continued to deliver earnings growth despite the macro environment.

LTM EBITDA growth

22%

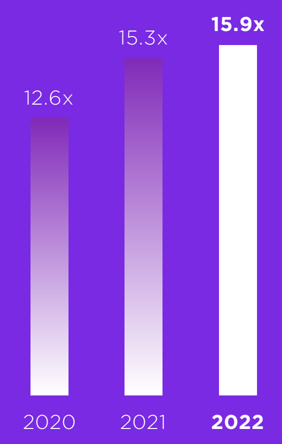


Importance
Demonstrates the earnings growth of the underlying portfolio companies which drives the performance of OCI's investments.

Performance
Despite the macro environment, the underlying portfolio companies have maintained a weighted average organic EBITDA growth of over 20%.

EV/EBITDA ratio

15.9x

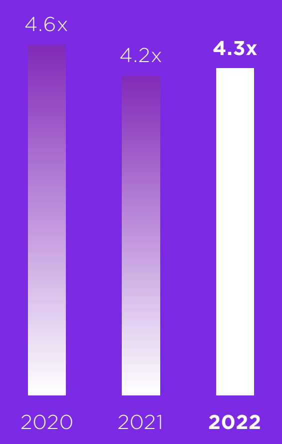


Importance
This metric helps investors compare companies and aids investment decisions by showing how much value is attributed to future earnings.

Performance
Increase in the year is due to the repricing of five portfolio companies as a result of 3rd party investment at an average 70% premium to book value.

Net debt/EBITDA ratio

4.3x



Importance
Represents the leverage of the underlying investments in which OCI indirectly invests, and the extent to which earnings cover these debts.

Performance
The weighted average Net Debt/EBITDA ratio of OCI's portfolio stayed flat in the year demonstrating the stability and resilience of OCI's underlying portfolio of investments during a time of high interest rates.

OCI's Key Performance Indicators have been reviewed and refreshed during the year in order to provide the most meaningful analysis for stakeholders. Comparative figures have been restated for prior years where metrics have been amended. See Glossary for definitions.

Other metrics

The continued growth of the underlying tech-enabled portfolio has delivered a five-year CAGR of 23% for OCI

Average entry multiple

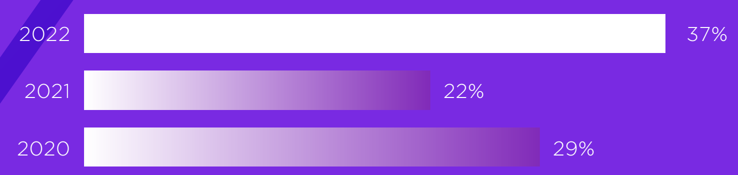
13.6x

Five-year CAGR

23%

Discount to NAV

37%



Top ten shareholders

60%

OCI's Key Performance Indicators have been reviewed and refreshed during the year in order to provide the most meaningful analysis for stakeholders. Comparative figures have been restated for prior years where metrics have been amended. See Glossary for definitions.

Key new investments

Key realisations & refinancings

Key new investments

New investments on a look-through basis.

Total invested

£271m

Key new investments

Key realisations & refinancings

Key new investments

New investments on a look-through basis.

Total invested

£271m

FEB

Fund IV

Acquired a controlling stake in TechInsights, the leading technical content platform for silicon microchips previously held by Fund III.

£35m
Investment

Origin Fund

Acquired Vice Golf, the leading digitally-native golf brand.

£11m
Investment

MAY

Key new investments

Key realisations & refinancings

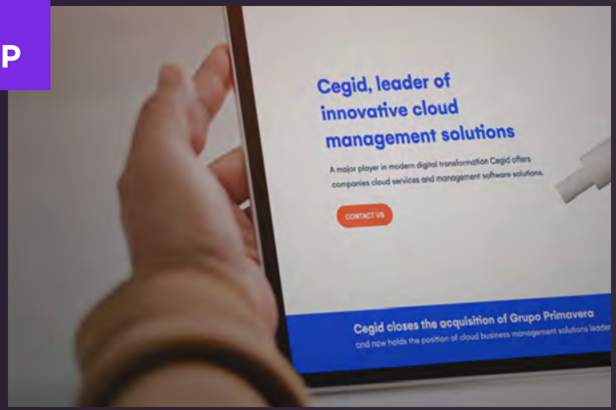
Key new investments

New investments on a look-through basis.

Total invested

£271m

SEP



Fund III

Completed the strategic combination of Grupo Primavera, the leading business software provider in Iberia, with Cegid, a leading provider of cloud-based management solutions, creating a European business software champion.

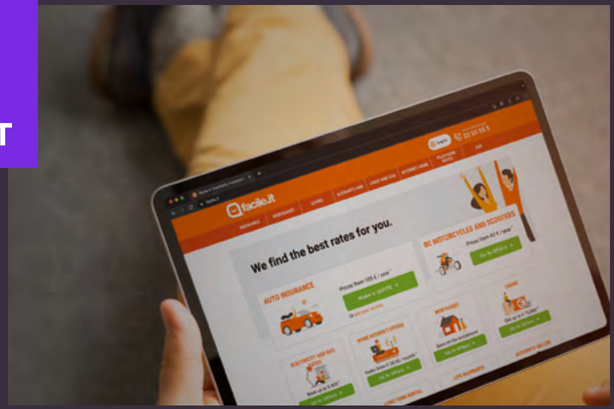
£26m
Investment

Fund V

Completed the acquisition of a minority stake in Facile.it, Italy's largest online price comparison platform previously held by Fund III.

£45m
Investment

OCT



Key new investments

Key realisations & refinancings

Key new investments

New investments on a look-through basis.

Total invested

£271m

OCT

Fund V

Completed the acquisition of a minority stake in Contabo, a leading cloud hosting platform used by SMEs previously held by Fund IV.

£34m
Investment

DEC

Fund V

Acquired Phenna Group, the leading TICC (testing, inspection, certification and compliance) business, and CTS, in a parallel bilateral process.

£73m
Investment

Portfolio activity

- Key new investments
- **Key realisations & refinancings**

Key realisations & refinancings

Realisations and refinancings on a look-through basis.

Total realised

£244m

Key new investments

Key realisations & refinancings

Key realisations & refinancings

Realisations and refinancings on a look-through basis.

Total realised

£244m

FEB

Fund III

Exited its stake in TechInsights, the leading technical content platform for silicon microchips. As part of the transaction, Fund IV reinvested in TechInsights.

£59m
Exit

OCT

Fund III

Exited its stake in Facile.it, Italy's largest online price comparison platform. As part of the transaction, Fund V reinvested in Facile.it

£54m
Exit

Key new investments

Key realisations & refinancings

Key realisations & refinancings

Realisations and refinancings on a look-through basis.

Total realised

£244m

OCT

Fund IV

Partially exited its stake in Wishcard Technologies Group, one of Europe's fastest growing gifts and rewards platforms.

£45m
Exit

NOV

Fund IV

Exited its stake in Contabo, a leading cloud hosting platform used by SMEs. As part of the transaction, Fund V reinvested in Contabo.

£61m
Exit

Key new investments

Key realisations & refinancings

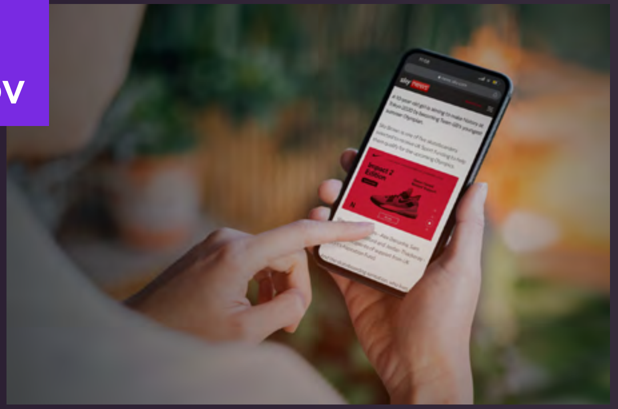
Key realisations & refinancings

Realisations and refinancings on a look-through basis.

Total realised

£244m

NOV



Origin Fund

Partially exited its stake in Seedtag, a leader in contextual advertising.

£14m
Exit

I'm pleased to report it has been another strong year for OCI and the numbers speak for themselves. A focused portfolio of Oakley Funds with 26 underlying, tech-enabled companies has delivered a 24% total NAV return for OCI.

Caroline Foulger
Chair

Sustaining strong
earnings growth

Chair's statement

Dear Shareholder,

You don't need me to remind you that the last 12 months have featured unparalleled sources of risk and uncertainty thanks to the tail-end of a pandemic, the outbreak of war in Ukraine and macro-economic turbulence led by record inflation. In spite of these threats to business performance I'm pleased to report this has been another strong year for OCI and the numbers speak for themselves. A focused portfolio of 26 underlying, tech-enabled companies that sit within the Oakley Funds have delivered a 24% total NAV return for OCI, driven by both average earnings growth of 22%, and the uplift achieved from prior valuations across five realisations during the year.

In the face of a market-wide sell-off in public equities it is perhaps not surprising, although it continues to be disappointing, that our share price has not kept pace with the growth in our assets, which now stand at a valuation well in excess of £1 billion. Total Shareholder Return per Share of 1% means OCI finished ahead of most of our peers and the FTSE All-Share which returned -3% in 2022. Enhancing Shareholder Returns remains the key priority for your Board and we have sought to achieve this by ensuring the continued integrity of investment valuations, pursuing buy-backs when it makes sense, increasing reporting transparency and focusing on efficient cash management. Ultimately, however, we believe that continuing to invest in the Oakley Funds will help sustain market-beating returns.

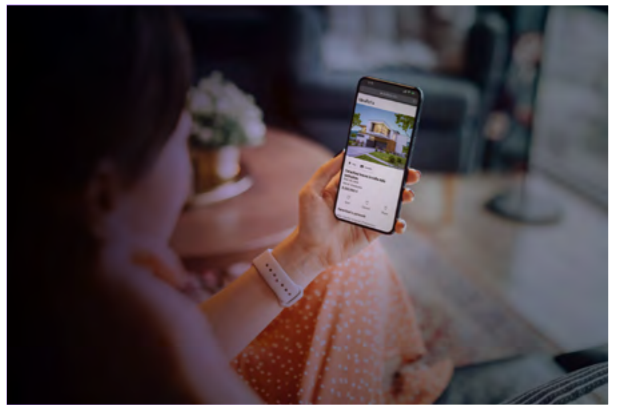
> **The Company's underlying investments maintained their pattern** underpinned by the portfolio's focus on digitally enabled businesses and recurring revenues.

The key driver of our success

The Board is confident that OCI's success is firmly linked to the capabilities and track record of our Investment Adviser Oakley Capital, as well as the tech-enabled, high-growth focus of the portfolio companies they source, actively manage and exit. Earnings growth remains the single biggest contributor to NAV growth. During the period, the portfolio's average double digit earnings growth, driven by strong performance across the underlying companies, delivered two thirds of portfolio value growth with multiple expansion, largely underpinned by healthy premia on exits, providing the rest. This year, the underlying portfolio delivered five realisations at an average c.70% premium to the latest available book value, thanks to strong demand from buyers and extending the c.50% average uplift in valuations on exit since inception. The Oakley Funds also added seven new investments, laying the foundation for future growth. Looking ahead, the Board is reassured by the pipeline of opportunities and continuing strong demand for the Funds' assets, even at a time of slowing economic growth and market volatility.

24%
Total NAV return

22%
Organic LTM EBITDA growth



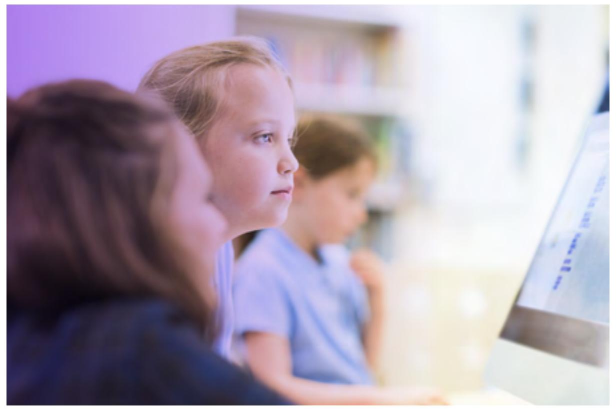
Chair's statement

The integrity of valuations

The integrity of valuations is key, particularly during periods of market volatility, and the Board is reassured by the consistent approach to their calculation. Full revaluations of the entire portfolio are completed and communicated every quarter, supplemented with an independent audit at each year-end. The portfolio at 31 December 2022 was valued at an average 15.9x EBITDA. This is a slight increase from last year and compares favourably to benchmark indices. We believe investors can join the Board in being reassured by these reasonable and consistent portfolio company valuations. While technology stocks globally have been amongst the hardest hit in this period, profit-focused tech, as features in our underlying portfolio, has proven to be more resilient than growth-focused digital businesses. You can read more about the 'good tech bad tech' debate in the Investment Adviser's report.

£271m
Invested during the year

£244m
Proceeds received during the year



A 'storm shelter' portfolio

The key question for investors at this time is whether OCI can sustain this performance in the teeth of a downturn. We believe we can and will, thanks to the 'storm-shelter' nature of the underlying businesses in our portfolio. Generally, these are profitable, cash-generative businesses, often with an asset-light business model and recurring revenues, and often delivering their products and services digitally. Most are focused on long-term megatrends which are expected to deliver growth for many years to come, such as the continued consumer and business shift online and the increasing global demand for quality accessible education. The Board draws confidence from Oakley's active management, and its experience investing through economic cycles and periods of uncertainty, including during the COVID pandemic. Indeed, the Investment Adviser frequently tests the resilience of its portfolio companies – and by extension its investment strategy – against a range of macro-economic indicators, which you can read about in the Investment Adviser's report.

Investing for future growth

Strong exits during the period provided fresh capital for new investments, laying the foundations for future value creation. Along with reinvestments to take advantage of future growth, we are pleased to see new acquisitions in the portfolio which draw on Oakley's sectoral expertise, digital-first strategy and repeatable playbook. We look forward to reporting more about the successes of these new investments into 2023.

Cash and commitments

During the period, OCI committed €800 million to Oakley's latest flagship fund, Fund V. In a difficult fundraising environment, it is testament to the Investment Adviser's reputation and track record that it was able to raise a record fund and attract many new institutional investors. OCI is in good company. Towards the end of 2022, the Board also agreed a €30 million commitment to Oakley Capital PROfounders Fund III, a venture capital fund focused on investments in entrepreneur-led, private businesses across

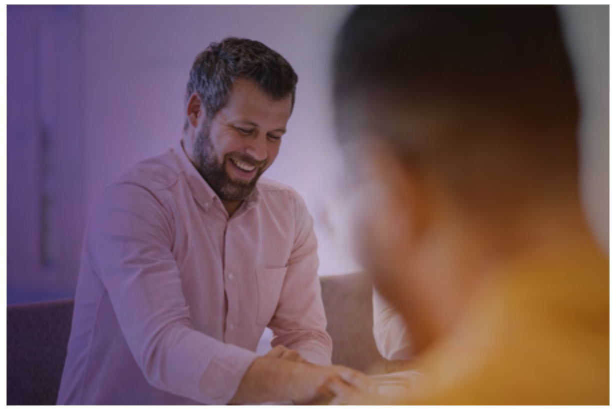
Chair's statement

Europe. OCI's total outstanding commitments as at 31 December 2022 were £929 million, which are expected to be deployed over the next five years through Fund capital calls into new portfolio investments. In order to retain flexibility in the Oakley Funds, it is likely that a proportion of the commitments will remain uncalled for the duration of the fund. The Board remains very focused on cash flow management and liquidity. Cash at year-end of £110 million and an unused credit facility of £100 million together with proceeds from anticipated, future realisations provide OCI with sufficient liquidity to meet expected drawdowns over the next few years. Additionally, the Board reiterates our previously stated intention to realise, at the appropriate moment, our Direct Investments in specific portfolio companies as we focus entirely on committing to the Oakley Funds. We are pleased to note that both North Sails and Time Out have delivered performance improvements in 2022 as the impact of the pandemic recedes.

See our ESG report

Sustainability

OCI has a modest corporate giving programme focused on digital and educational goals reflecting our investment focus. Our underlying portfolio also benefits from Oakley's ESG strategy and commitment to Responsible Investing. The Board is impressed with Oakley's continued commitment to embedding sustainability, not just across its portfolio but within the Investment Adviser itself. Oakley's debut Sustainability Report was published during the period and I encourage you to read it.



Looking ahead, Oakley is focused on three core areas: emissions, diversity and cyber security, with a road map of milestones for the portfolio and for the Investment Adviser. One of the benefits for business-founders and management teams who decide to partner with Oakley is the access this provides to the Firm's network and community of like-minded entrepreneurs and industry leaders. The Board is pleased to see the post-pandemic relaunch of Oakley's portfolio company programme of events, most recently including its first in-person ESG Forum in London, providing companies with the opportunity to network and share knowledge about sustainability issues and solutions.

Enhanced communications

In times of market turmoil and volatility, clear, consistent and timely communications are more important than ever. This is particularly the case with private equity as the asset class increases in size and importance yet continues to be less understood than better-established assets. In addition to now publishing a quarterly NAV, OCI has also continued its investment in digital communications, enhancing our content and platforms through the launch of our second digital annual report, the relaunch of our website with improved content and navigability, and a continued focus on our social media output. Yet again, OCI's efforts earned third-party endorsement with no fewer than four industry-leading awards and recommendations in 2022.

Discount and buy-backs

The Board is confident that the sustained focus on driving consistent performance, on transparency and communications, and on scale and liquidity will eventually close the share price discount to NAV per share over time. Until this happens, we will continue to take advantage of the opportunity to buy back shares to enhance shareholder value, and in doing so demonstrate the Board's conviction in the underlying NAV. During the period, OCI continued its programme with 2.2 million shares bought back and cancelled at an average price of 407 pence per share.

In times of economic downturns, private equity offers many advantages for both investors and entrepreneurs.

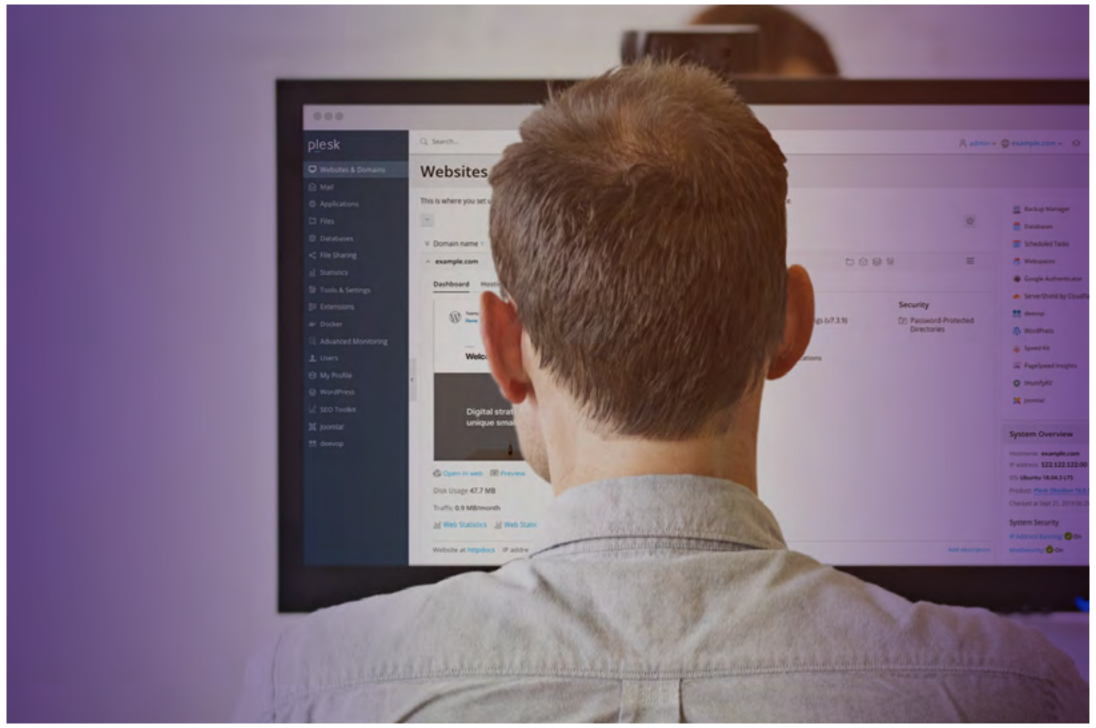
Chair's statement

2.2m

Shares bought back and cancelled in 2022

4.5p

Full year dividend



Board members, and Oakley partners and employees also continued to acquire shares during the period and together own 13%, ensuring Directors' interests are aligned with shareholders'. Shareholders may recall from my report last year our objective of widening investor access to private equity returns. We continue to make progress here with a broadening of our shareholder base and a notable increase in the number of private investors. Retail trading platforms alone now account for c.14% of our share register.

Dividend

As the macro environment remains uncertain, the Board continues to maintain a careful balance between share buy-backs, cash for investments and dividends. However, based on our performance over the last few years and the success of our investment strategy, we continue to believe that we will maximise returns for investors by continuing to allocate the lion's share of capital to new investments. In the period ended 31 December 2022, total dividends of 4.5 pence per share were paid, which has been consistent since 2016.

Outlook

Looking ahead, we expect the macro-economic environment to remain uncertain and challenging, thanks to continuing geopolitical tensions and the economic impact of high inflation. Nevertheless, we believe that OCI's future remains bright, thanks to both the attractive characteristics of private equity as an asset class and our own performance through the Oakley Funds.

In times of economic downturn, private equity offers many advantages for both investors and entrepreneurs. Proven value creation levers can deliver meaningful growth and stronger business models, while investments where the private equity investor has a controlling shareholding give greater influence over strategy and outcomes. Downturns can also cause dislocation and disruption, offering fresh investment opportunities. We also remain optimistic in this uncertain environment because of the success of our investment strategy and the proven capabilities of our Investment Adviser. Over 20 years of investing through economic cycles, Oakley has demonstrated its singular ability to unearth attractive investments, help businesses grow and deliver exceptional returns for all stakeholders. While we look ahead to 2023 with caution, the Board remains confident in the resilient nature of our underlying portfolio companies, as well as the Investment Adviser's proven active management capabilities and investment strategy.

Caroline Foulger
Chair

8 March 2023

Who we are

Oakley Capital Investments

Oakley Capital

OCI's Investment Adviser is Oakley Capital, a pan-European private equity investor, that backs private businesses across three core sectors.

Oakley Capital Investments ('OCI')

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

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

Oakley Capital ('Oakley')

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

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

Business model

Who we are

Oakley Capital Investments

Oakley Capital

Oakley Capital Investments

OCI offers shareholders consistent long-term returns by providing exposure to private equity investments, where value is typically created through market growth, M&A and performance improvements.

Our purpose
To provide wider investor access to private equity and the strong investment returns it generates.

Our strategic objective
To generate long-term, superior returns in excess of the FTSE All-Share Index by providing public access for investors to private equity returns from a diversified portfolio of fast-growing, unquoted companies.

Our Board's oversight role
To support OCI as it continues to grow, a primarily independent Board offers diverse perspectives and deep expertise.

See our Governance disclosure

Our ESG-focused Board
To support growth in a responsible, sustainable manner, encouraging Oakley Capital to integrate ESG into the investment and portfolio engagement process.

See our ESG disclosure

Who we are

Oakley Capital Investments

Oakley Capital

The Oakley Capital difference

Deal origination

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

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

Value creation

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

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

Strong focus on three sectors with underlying growth drivers

Technology
Business migration to the cloud

Companies looking to deliver efficiency and productivity gains.

Consumer
Consumer shift to online

Several regions and sectors are ripe for digital disruption.

Education
Growing global demand for high-quality accessible learning

Online platforms and market consolidation are delivering provision at scale.

Total invested

£271m

Who we are
Oakley Capital Investments
Oakley Capital Limited
Strong focus on three fast-growing sectors
Oakley's unique deal-sourcing network
Proven value creation strategies

Oakley's unique deal-sourcing network

Business founder network

Oakley's business founder network provides privileged access to off-market opportunities and creates frequent repeat partnerships.

Navigating complexity

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

90%
Primary deals

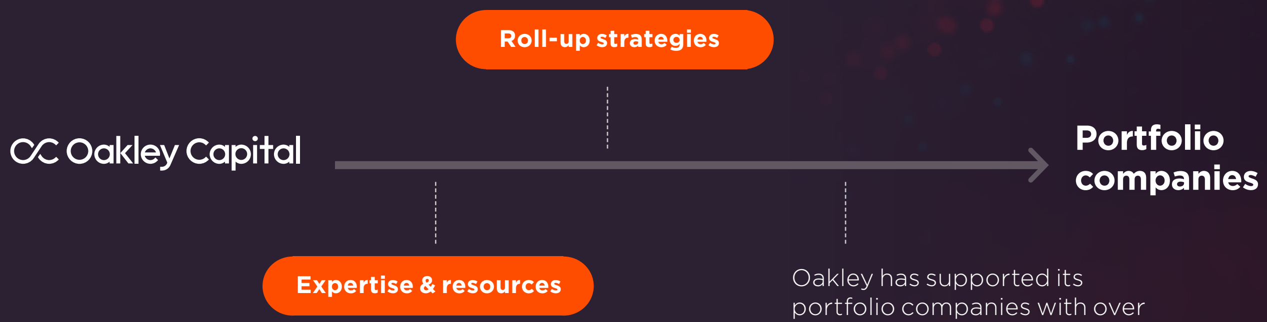
>75%
Uncontested deals

Business model

Proven value creation strategies

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

Buy-and-build



Oakley has supported its portfolio companies with over

>125

bolt-on acquisitions

Oakley provides the expertise and resources to help portfolio companies source and execute acquisitions. These include transformative deals that enable them to scale up quickly and expand into new products or markets, as well as roll-up strategies that add smaller acquisitions to a larger platform and enable consolidation in fragmented markets. To date, Oakley has supported its portfolio companies with over 125 bolt-on acquisitions.

Who we are

Oakley Capital Investments

Oakley Capital Limited

Strong focus on three fast-growing sectors

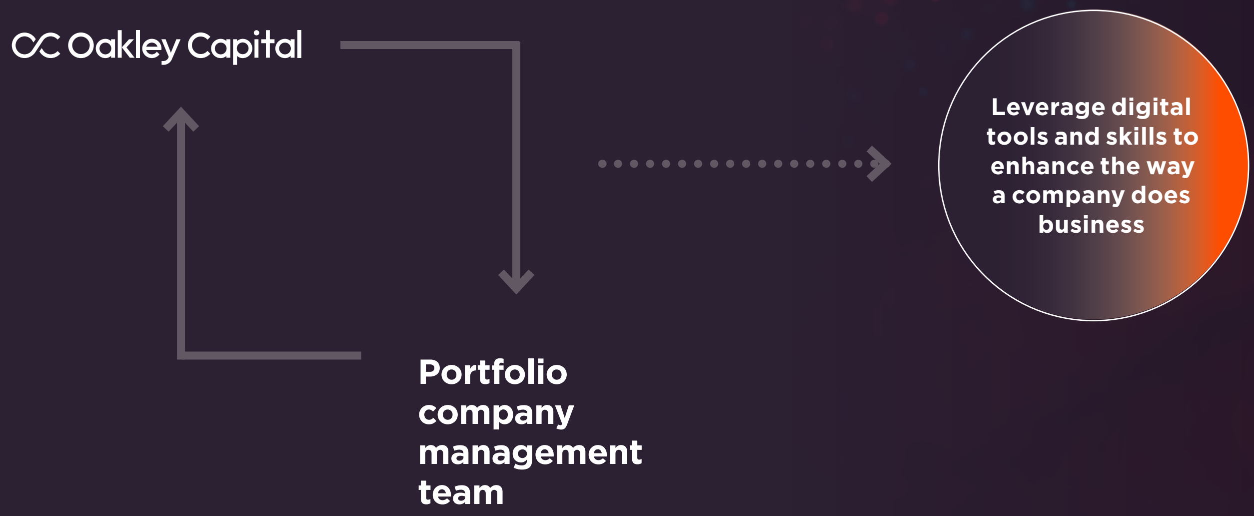
Oakley's unique deal-sourcing network

Proven value creation strategies

Proven value creation strategies

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

Business transformation

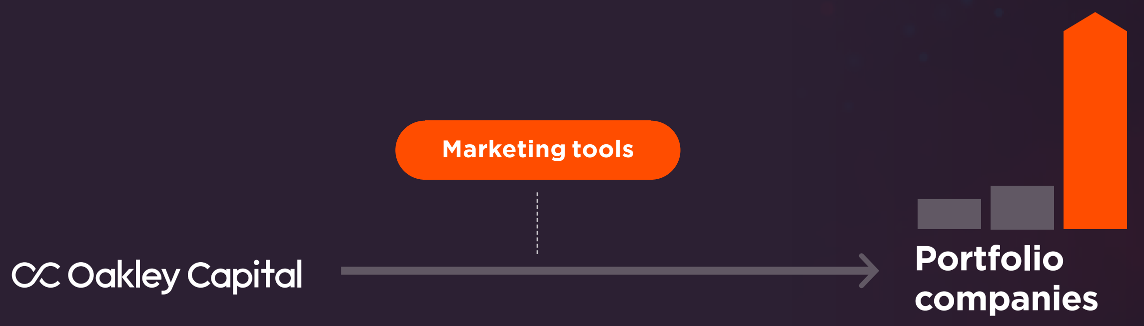


Oakley works with management teams to leverage digital tools and skills in order to meaningfully enhance the way a company does business, from migrating its services online to launching new e-commerce channels. Improving the quality and predictability of earnings by shifting sales to a software as a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

Who we are
Oakley Capital Investments
Oakley Capital Limited
Strong focus on three fast-growing sectors
Oakley's unique deal-sourcing network
Proven value creation strategies

Proven value creation strategies

Performance improvement



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

Who we are

Oakley Capital Investments

Oakley Capital Limited

Strong focus on three fast-growing sectors

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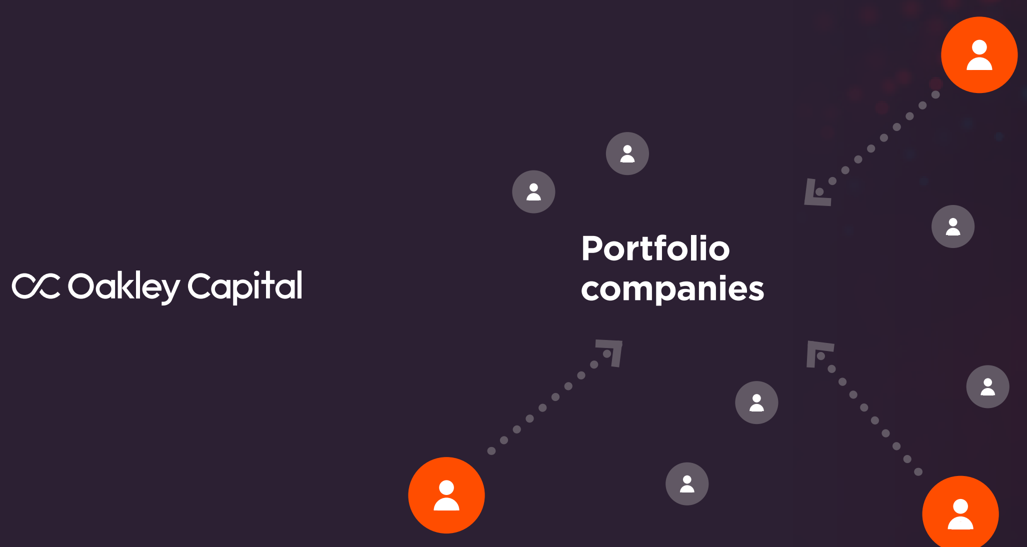
Proven value creation strategies

Proven value creation strategies

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

Talent acquisition



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

Portfolio overview

A strong, tech-enabled portfolio

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

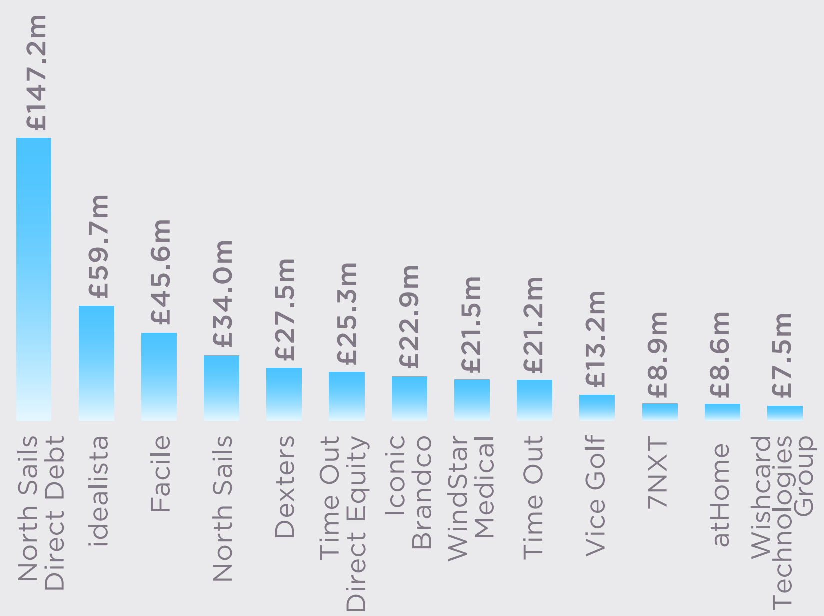
Total Portfolio
£1,213.8m
(Total Portfolio 2021: £921.6 million)

Technology

£360.9m

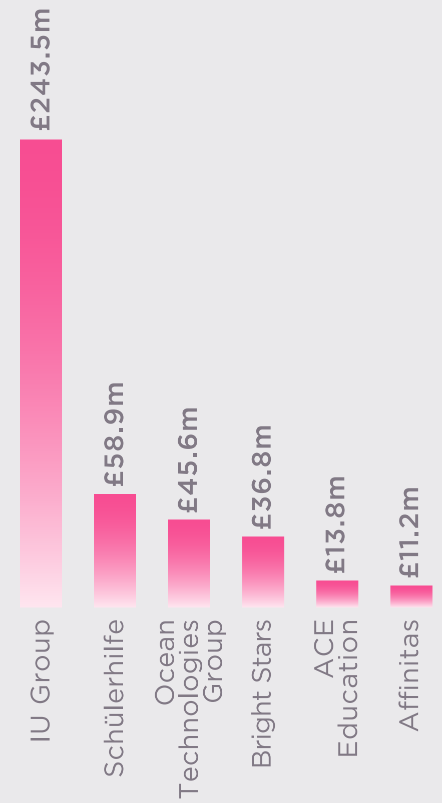
Consumer

£443.1m



Education

£409.8m



The Total Portfolio is the fair value of OCI's investments, made up of the Oakley Funds' investments on a look-through basis and OCI's Direct Investments. See the Glossary for a reconciliation of the Total Portfolio to OCI's NAV. This excludes Oakley Capital PROfounders III's portfolio.

see Technology **p65**

Portfolio overview

A strong, tech-enabled portfolio

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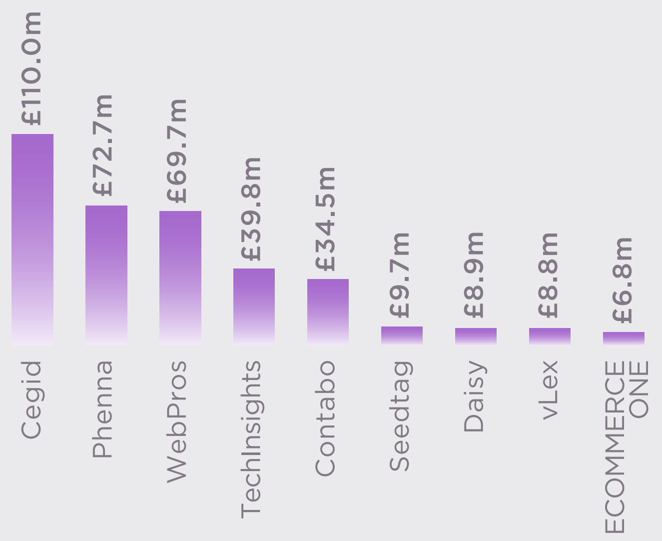
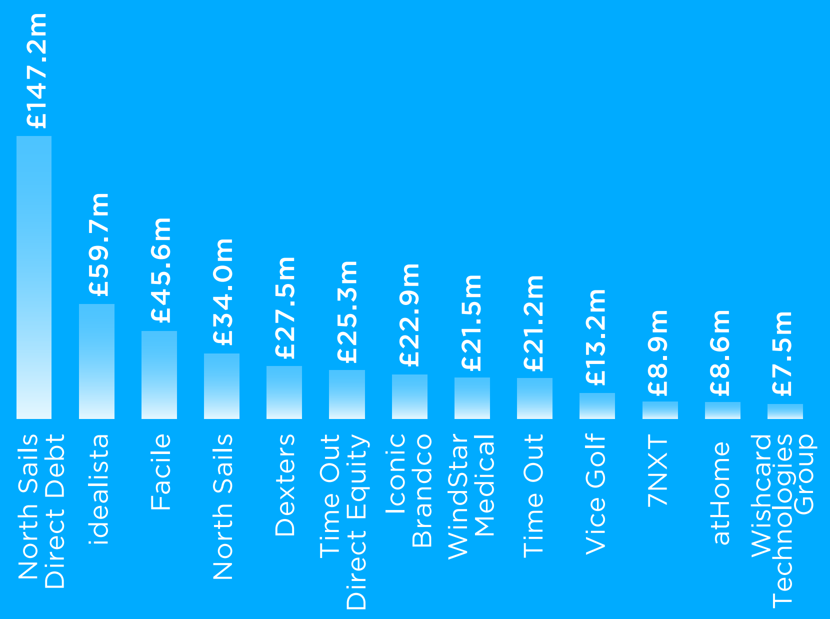
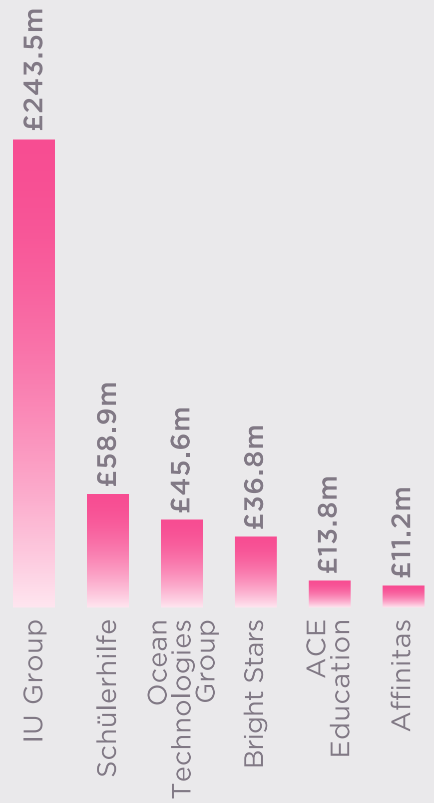


Consumer
£443.1m



Education
£409.8m



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see Consumer **p71**

A strong, tech-enabled portfolio

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(Total Portfolio 2021: £921.6 million)

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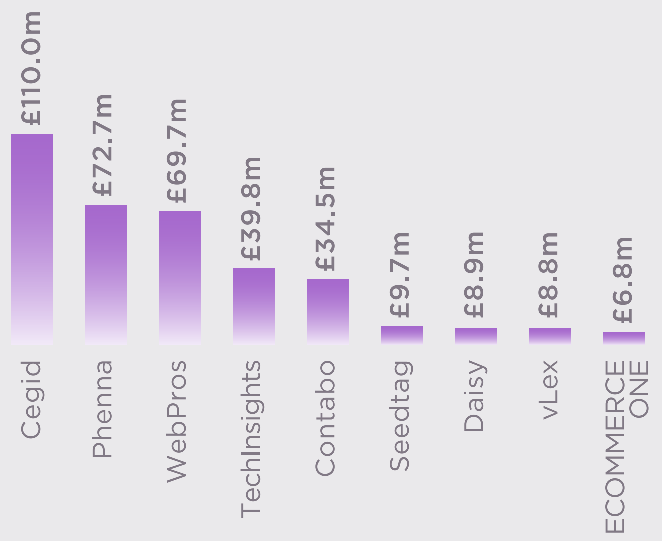
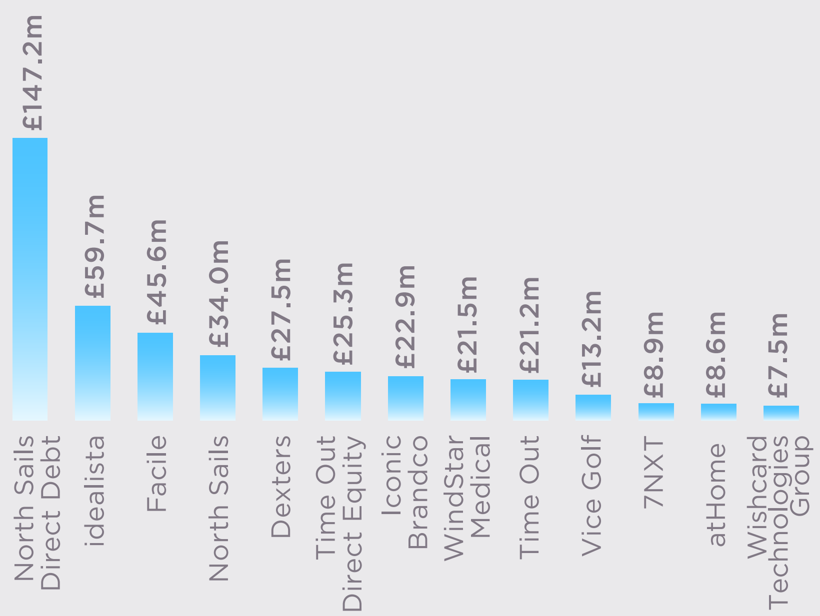
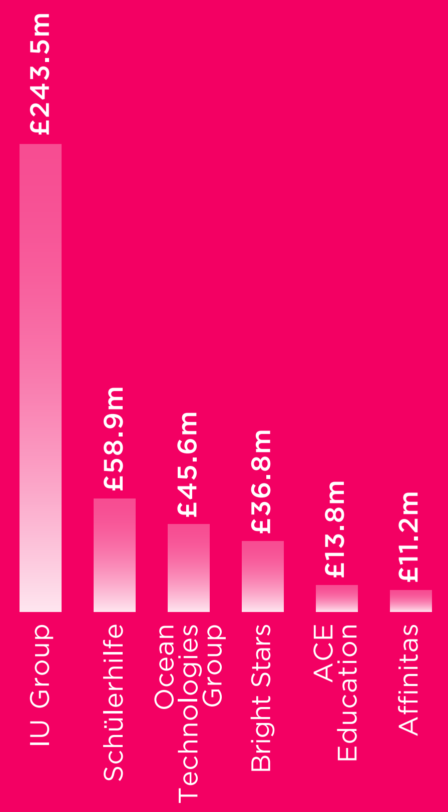


Consumer
£443.1m



Education
£409.8m



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see Education p77

The largest contributors to NAV growth in our portfolio

Education

Student intake growth of 19% versus the prior year

IU Group continued to perform well in 2022 achieving strong growth across its B2C and B2B offering. Revenue and EBITDA increased by 39% and 38%, respectively, against the prior year. Growth in B2C in German-speaking countries has continued to show that private online education is resilient to economic downturns by growing its student numbers over 16% year on year, while B2B has reached 20k students. Total students for the group have now reached 100k.

+64 pence

NAV per share uplift

Fair Value: £243.5m

see more **p79**

Technology

Sold at a 105% premium to the previous carrying value

In the period, Fund IV sold its stake in Contabo, a leading cloud hosting platform used by SMEs, entrepreneurs and developers. Under Oakley's ownership, Contabo generated strong revenue and EBITDA growth to become a leading SME cloud hosting provider with 24 lean and highly efficient data centres across four continents serving a diversified mix of more than 250,000 customers. Fund V has acquired a minority stake in Contabo to benefit from anticipated future growth.

+26 pence

NAV per share uplift

Fair Value: £34.5m

see more **p68**

Portfolio overview

The largest contributors to NAV growth in our portfolio

Technology

Oakley agrees strategic combination of Grupo Primavera with software provider Cegid

cegid

Fund III increased its stake in Grupo Primavera and rolled over its equity into Cegid, a global leading provider of cloud-based management solutions. The combination of Cegid and Grupo Primavera firmly establishes Cegid's leadership in Iberia and offers exciting expansion opportunities for Grupo Primavera by leveraging Cegid's presence in Latin America.

+21 pence

NAV per share uplift

Fair Value: £110.0m

see more **p67**

Technology Sector

Case study

TechInsights is a content information platform for the semiconductor market providing unique insights through reverse engineering.

The $600 billion semiconductor industry is growing as money pours into creating the computer chips that power our modern world. TechInsights supports this investment by providing data and insights that inform investment decisions and protect intellectual property.

In this interview, CEO Gavin Carter tells us what it's like working with Oakley, and his strategic plans to grow into new sectors including auto and manufacturing.

Watch video

Portfolio company: **TechInsights**

A key partner to the semiconductor industry

In this environment, Oakley remains focused on what we can control, without being complacent. This includes focusing on the sectors we know best, being careful how much we pay for our businesses and applying our proven value creation strategies to help accelerate growth.

Steven Tredget
Partner at Oakley Capital

Watch video

A diverse portfolio demonstrates

our strength

Investment Adviser's report

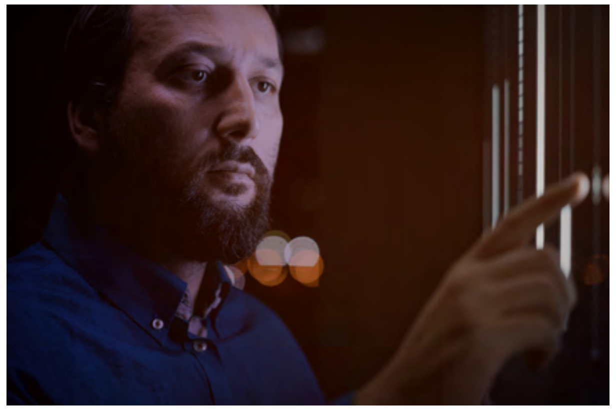
Without doubt, this is a tough macro-economic environment for many businesses and investors. As they look back to the COVID pandemic, many might be forgiven for feeling that they're jumping out of the proverbial frying pan and into the fire. The terrible war in Ukraine, now entering its second year, has triggered a surge in inflation, pushed interest rates higher and disrupted supply chains. Investors have taken fright from the outlook for corporate earnings, dumping listed shares in an indiscriminate sell-off that has particularly hurt sectors such as technology. M&A has been impacted, activity levels have seen a record 36% decline to $1.4 trillion[1] between the first and second half of 2022. Looking ahead, many economists are predicting a global recession this year.

Private equity in a downturn: reasons to be cheerful

Private equity cannot escape this reality. Fundraising is slowing as investors reduce their exposure to private markets, with many large funds reducing target sizes or missing deadlines. Valuations dipped at the year-end in parallel with public market corrections and lower earnings growth. And yet our industry is likely well prepared to ride out a downturn. Dry powder remains near a record $2 trillion[2], ready to deploy into businesses. Our industry can draw on many decades-worth of experience investing through cycles to help those businesses grow and thrive. Our long-term approach to investing provides them with the strategic patience to realise their full potential. Indeed, research shows that some of the most successful private equity investments were made in a downturn.

1 Source: Refinitiv, 2022
2 Source: Preqin Pro, 2022

> **This continued focus on strategy and management** helped sustain our track record of double digit earnings growth.



Doing what we do best

In this environment, Oakley remains focused on what we can control, without being complacent. This includes focusing on the sectors we know best, being careful about how much we pay for our businesses, and applying our proven value creation strategies to help founders and management teams accelerate growth. It also means active management. Our traffic light analysis, which examines the impact of higher costs and interest rates, as well as supply chain disruption on our companies, shows that the portfolio has so far been minimally impacted by these macro pressures. Nevertheless, we have focused on helping companies strengthen their business models and balance sheets, making them even more resilient. During the period, this continued focus on strategy and management helped sustain our track record of double digit earnings growth, in turn driving double digit NAV growth. We also continued to sell businesses at a significant premium to their carrying value, reaching an average c.70% during the period, demonstrating strong demand for our assets, endorsement for our value creation playbook and a keen interest from buyers to invest behind the key market tailwinds we have successfully pursued over 20 years.

Investment Adviser's report

Tailwinds vs. headwinds

We believe that these long-term tailwinds will compensate for any short-term macro headwinds. Students will continue to invest in their futures, often preferring the digital delivery that IU Group provides. Small businesses will continue to move their processes and platforms online, driving demand for Contabo's webhosting services, Grupo Primavera/Cegid's ERP solutions and ECOMMERCE ONE's shop software systems. Consumers will increasingly look online for better car insurance, broadband and property deals, driving traffic to Facile's and idealista's websites. Our research shows that we remain in the foothills for so many of these megatrends, promising many more years – even decades – of attractive growth.

Building a war chest for future growth

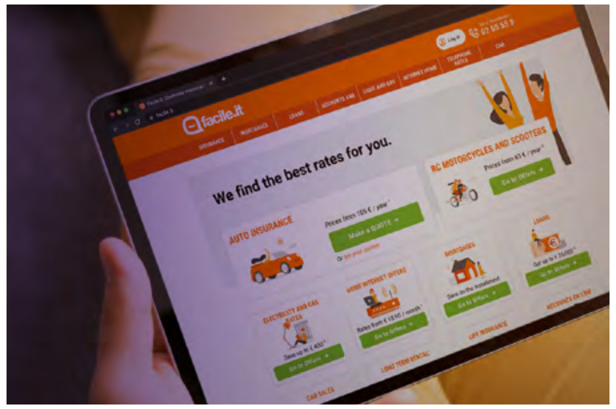
At such an exciting time for investing, it is reassuring for Oakley to have raised our largest ever fund. In an incredibly tough period for fundraising, we believe this is also a strong endorsement of our track record and capabilities. Almost, double the size of our previous fund, it provides ample firepower for fresh deployments and more opportunities to partner with ambitious entrepreneurs and management teams. We are already putting this money to work. In addition to our reinvestments in Contabo and Facile to take advantage of their long-term growth potential, we also made exciting new platform investments during the period, including TICC ('testing, inspection, certification and compliance') leader Phenna Group, K12 schools platform Affinitas, cloud-based legal information platform vLex and digital-first sports brand Vice Golf, as well as a number of exciting bolt-ons.

Diversification builds resilience

All our new platform deals are with founder-led businesses, reinforcing Oakley's reputation as the partner of choice for entrepreneurs especially during uncertain periods such as an economic downturn. In nine out of ten deals, we are their first institutional investor, providing more opportunity to unlock value from business models that may be less professionalised or digitised. Headquartered in the UK, Germany or Spain and with either growing or significant sales in North America, these new investments help make our portfolio even more diversified. Their products or services tend to be delivered digitally, adding further resilience and income visibility. Often, these opportunities were originated through our networks, helping us avoid expensive auction processes. Some are the result of deep sector mapping that helps us identify fresh touch points to invest behind tailwinds, such as increasing regulation and outsourcing. The TICC industry has attractive characteristics including non-discretionary spending and sticky, recurring revenues. Its fragmented nature provides opportunities for roll-up strategies, which Oakley excels at. Our investment in Phenna Group will help the management team create a global leader in testing and inspection, while our simultaneous acquisition of CTS to combine it with Phenna demonstrates Oakley's ability to execute complex transactions.

90%
Primary deals since inception

7
Investments in the period



Investment Adviser's report

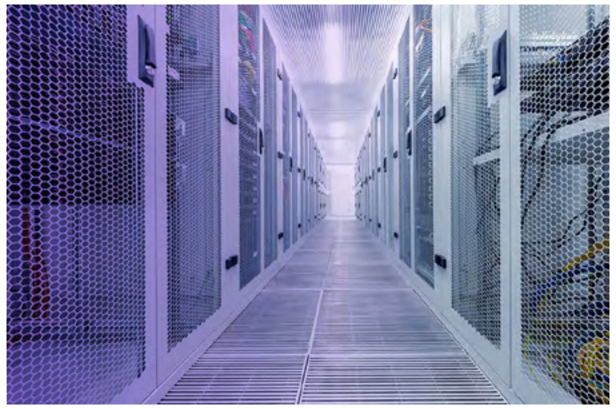
Value creation that delivers

Buying the right asset at the right price is just the beginning. What we then do with the business is a crucial part of the equation, especially in a recessionary environment when it can be harder to grow profits. If these are market leaders that are surfing multi-decade megatrends, we want to lay foundations for long-term, sustainable growth that will endure long after our ownership to ensure these market leaders – or potential market leaders – can capture as much of this growth as possible. The data supports our track record. While buy-and-build has delivered around 15% of our total returns on realised deals to date, 48% of returns have been generated through organic growth, enhanced by the digitisation, professionalisation and business transformation processes we have applied to our portfolio companies. Stand-out stories during the period include IU Group, which reached the important milestone of 100,000 paying students, from 15,000 at acuiqisition in 2018, and TechInsights, which increased its recurring revenues to c.70% of total revenues. Demonstrating Oakley's prudent approach to leverage, debt has contributed just 2% of returns on realised gains to date, and we think this is particularly important in a macro environment where interest rates are rising. Buy-and-build remains an important value creation tool and an efficient, lower risk method of deploying capital in a downturn. During the period, Oakley supported its portfolio companies to complete >15 bolt-ons, taking our total to over 125 to date.

'Good' tech vs. 'bad' tech

Much has been written about the sell-off in technology stocks, and what this means for private market valuations. Data shows it is growth-focused firms that have seen the biggest declines, compared to profit-focused businesses, as investors have taken more confidence in their continuing profitable growth and cash generation. Oakley's focus on profitable, cash-generative companies often with tech-enabled, asset-light business models, means we fall on the right side of this equation. We believe that's one of the reasons why investors continue to want to buy our portfolio companies. During the period, strong exits from Contabo, Seedtag (partial exit) and Wishcard sustained our long-term, historic average exit premium to book value at above 50%. For investors concerned about the integrity of NAV in the listed private equity space, we believe this data point

> **At such an exciting time for investing,** it is reassuring for Oakley to have raised our largest ever fund, closing at €2.85 billion.



Investment Adviser's report

together with our quarterly revaluation of the entire portfolio will provide additional reassurance about the integrity of our valuations.

Supporting economic growth

We believe our focus on 'profitable tech' also means we are supporting long-term economic growth as well as the holy grail for many of the Western economies struggling with skills and labour shortages- productivity gains. Many of our companies provide important, innovative solutions such as cloud-based ERP and CRM tools that help employees automate processes, e-commerce software that allows merchants to sell to more customers, or online learning that enables professionals to upskill and better compete in the jobs market. With a greater focus on sustainable economic growth, Oakley increasingly sees ESG as another value creation tool and a means to make supply chains and business models more resilient in a fast-changing world. During the period, we published our maiden Sustainability Report, where you can read about our renewed commitment to address carbon footprints, not just for our portfolio companies but for Oakley Capital itself. At our recent ESG Forum held in London, we debated EDI initiatives with our portfolio companies, as we look to increase diversity across the firm in order to ensure we are hiring from as wide a talent pool as possible.

See our ESG report

Outlook

During the COVID pandemic, as economic growth output plunged amidst lockdowns and travel restrictions, Oakley's portfolio of tech-enabled businesses continued to generate double digit earnings growth. Oakley sustained this track record throughout 2022. As we look ahead to a renewed period of economic uncertainty, we remain cautiously optimistic that our prudent approach to leverage, our proven value creation toolkit and the strong demand for our assets will continue to deliver robust returns for our investors. And as more founders look for support to grow their business through recession, we remain confident that our network and origination strategy will continue to unearth exciting opportunities, laying the foundations for future growth.

Steven Tredget
Partner at Oakley Capital

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

Oakley Capital PROfounders Fund III

OCI announced its commitment to Oakley Capital PROfounders Fund III in December 2022.

Oakley Capital PROfounders Fund III is part of the Oakley Capital family of funds, and focuses on early-stage, venture capital investments in entrepreneur-led, private businesses, backing disruptive business models that leverage technology to improve and transform customer experiences.

PROfounders CAPITAL

First investments

Scaleup Finance

Scaleup Finance

Based in Copenhagen, Scaleup Finance is a comprehensive, subscription-based financial management platform for fast-growing SMEs.

Nilo Health

nilo.health

Nilo Health, headquartered in Berlin, is building a mental health platform for the workplace; helping to increase the accessibility of mental health support for all employees with a holistic and proactive approach.

Dash Games[1]

DASH GAMES

Founded by two games veterans, Dash Games is a London-based games studio building free-to-play mobile games in the puzzle game genre, taking advantage of the growing market share of mobile game consumer spending.

1 Dash Games was signed during the period and completed post-period end.

Technology sector

Case study

Seedtag creates contextual, pro-privacy advertising solutions for global brands.

This is increasingly important as cookies, once the backbone of online advertising, are phased out, under pressure from tighter regulation. With clients across Europe and Latin America, Seedtag recently launched in the US to tap into the world's largest advertising market.

Click to hear Seedtag Co-Founder Jorge Poyatos tell us about his global ambitions for the business, and why he and Co-Founder Albert Nieto decided to partner with Oakley.

Watch video

Portfolio company: **Seedtag**

Building **advertising** solutions for a cookieless future

Oakley Funds overview

Total realised gross returns of 4.0x and 67% average realised gross IRR across all Funds since Oakley's inception.

Funds overview

OCI is a listed investment company with the objective of providing consistent, long-term returns in excess of the FTSE All-Share Index by investing in the Funds managed by Oakley Capital, thereby capturing the outperformance of a leading private equity manager. Oakley leverages its unique business founder network to source attractive investment opportunities and then applies proven value creation strategies to accelerate sustainable growth.

Total outstanding commitments to Oakley Funds were £929 million at the year-end. During the year, OCI made a commitment of £690 million (€800 million) to Fund V, the successor to Fund IV, and £26 million (€30 million) to Oakley Capital PROfounders III, a venture capital Fund focused on investments in entrepreneur-led private businesses across Europe. These commitments will be deployed in new investments over the next five years, funded with existing balance sheet cash as well as expected proceeds from future realisations.

The Company also agreed a £100 million revolving credit facility with major lenders, thereby increasing OCI's flexibility and liquidity.

Proceeds in 2022[1]

£244m

Investments in 2022[2]

£271m

Oakley Funds

Oakley Fund V
Fund size: **€2,851m[3]**
OCI commitment: **€800m**
OCI outstanding commitment: **€608m**

Oakley Fund II
Fund size: **€524m**
OCI commitment: **€190m**
OCI outstanding commitment: **£12m**

Oakley Origin Fund
Fund size: **€458m**
OCI commitment: **€129m**
OCI outstanding commitment: **£79m**

Oakley Fund I
Fund size: **€288m**
OCI commitment: **€202m**
OCI outstanding commitment: **£3m**

Oakley Fund IV
Fund size: **€1,460m**
OCI commitment: **€400m**
OCI outstanding commitment: **£160m**

Oakley Capital PROfounders[4]
Fund size: **€76m**
OCI commitment: **€30m**
OCI outstanding commitment: **£23m**

Oakley Fund III
Fund size: **€800m**
OCI commitment: **€326m**
OCI outstanding commitment: **£45m**

1 Realisations and refinancings on a look-through basis. See Glossary for further details.
2 New investments on a look-through basis. See Glossary for further details.
3 As at year-end Fund V's total commitments amounted to €2,736 million. Fund V closed with final commitments of €2,851million post year-end
4 Oakley Capital PROfounders III closing date is yet to be announced.

Oakley Funds overview

Oakley Fund V
Fund size: **€2,851m**

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

Oakley Fund IV
Fund size: **€1,460m**

Oakley Fund III
Fund size: **€800m**

Oakley Fund II
Fund size: **€524m**

Oakley Fund I
Fund size: **€288m**

Oakley PROfounders
Fund size: **€76m**

Oakley Fund V

Vintage: 2022

Fund V launched in 2022 and held its final close post year-end. The Fund targets investments in mid-market companies with enterprise values up to €500 million, where the anticipated investment will average at least €125 million. Fund V made three acquisitions during the last quarter of the year.

Fund size*

€2,851m

OCI commitment
€800m

OCI outstanding commitment
£608m

Outstanding OCI commitment as a % of NAV
52%

Current investments

PHENNA GROUP | facile.it RISPARMIARE È FACILE | CONTABO

*As at year-end, Fund V's total commitments amounted to €2,736 million. Following the year-end, Fund V closed with final commitments of €2,851 million.

Oakley Funds overview

Oakley Fund V
Fund size: **€2,851m**

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

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Oakley Fund III
Fund size: **€800m**

Oakley Fund II
Fund size: **€524m**

Oakley Fund I
Fund size: **€288m**

Oakley PROfounders
Fund size: **€76m**

Oakley Origin Fund

Vintage: 2021

The Origin Fund is Oakley's first vehicle focused on investing in lower mid-market companies, building on the firm's successful history in this segment. The Fund continued to identify opportunities and deploy capital, investing in two new portfolio companies. The Fund also made its first partial realisation during the year with the sale of a stake in Seedtag.

Fund size

€458m

OCI commitment

€129m

OCI outstanding commitment

£79m

Outstanding OCI commitment as a % of NAV

7%

Current investments

7NXT
ACE Education
Ecommerce One
Seedtag
Vice Golf
vLex

Oakley Funds overview

Oakley Fund V
Fund size: **€2,851m**

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

Oakley Fund IV
Fund size: **€1,460m**

Oakley Fund III
Fund size: **€800m**

Oakley Fund II
Fund size: **€524m**

Oakley Fund I
Fund size: **€288m**

Oakley PROfounders
Fund size: **€76m**

Oakley Fund IV

Vintage: 2019

Fund IV targets investments in mid-market companies with enterprise values in the range of €100 million to €400 million, where the anticipated investment is at least €50 million. As at year-end, Fund IV held nine investments having made two acquisitions and completing its first full exit and one partial exit during the year.

Fund size

€1,460m

OCI commitment
€400m

OCI outstanding commitment
£160m

Outstanding OCI commitment as a % of NAV
14%

Current investments

affinitas education
Bright Stars
Dexters
idealista
OCEAN Technologies Group
TechInsights
webpros
WINDSTAR MEDICAL
WISHCARD

Oakley Funds overview

Oakley Fund V
Fund size: **€2,851m**

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

Oakley Fund IV
Fund size: **€1,460m**

Oakley Fund III
Fund size: **€800m**

Oakley Fund II
Fund size: **€524m**

Oakley Fund I
Fund size: **€288m**

Oakley PROfounders
Fund size: **€76m**

Oakley Fund III

Vintage: 2016

The Fund's investment period closed in 2019, however, it continued to explore opportunities to maximise the value of its current investments. As at year-end, the Fund held five investments following its exit from two investments during the year.

Fund size

€800m

OCI commitment
€326m

5x
Realised gross Money Multiple

OCI outstanding commitment
£45m

83%
Realised gross IRR

Outstanding OCI commitment as a % of NAV
4%

Current investments

atHomegroup

ALESSI

GLOBETROTTER

cegid

iu GROUP

Schülerhilfe! Das Original. Seit 1974.

Oakley Funds overview

Oakley Fund V
Fund size: **€2,851m**

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

Oakley Fund IV
Fund size: **€1,460m**

Oakley Fund III
Fund size: **€800m**

Oakley Fund II
Fund size: **€524m**

Oakley Fund I
Fund size: **€288m**

Oakley PROfounders
Fund size: **€76m**

Oakley Fund II

Vintage: 2013

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

The Fund will continue to focus on increasing the value of the portfolio by supporting revenue and EBITDA growth whilst closely monitoring the wider market and exit environment.

Fund size

€524m

OCI commitment
€190m

3.1x
Realised gross Money Multiple

OCI outstanding commitment
£12m

59%
Realised gross IRR

Outstanding OCI commitment as a % of NAV
1%

Current investments

daisy

NORTH SAILS

Oakley Funds overview

Oakley Fund V
Fund size: **€2,851m**

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

Oakley Fund IV
Fund size: **€1,460m**

Oakley Fund III
Fund size: **€800m**

Oakley Fund II
Fund size: **€524m**

Oakley Fund I
Fund size: **€288m**

Oakley PROfounders
Fund size: **€76m**

Oakley Fund I

Vintage: 2013

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

Fund size

€288m

OCI commitment
€202m

2.9x
Realised gross Money Multiple

OCI outstanding commitment
£3m

44%
Realised gross IRR

Outstanding OCI commitment as a % of NAV
0%

Current investments

Time Out

Oakley Funds overview

Oakley Fund V
Fund size: **€2,851m**

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

Oakley Fund IV
Fund size: **€1,460m**

Oakley Fund III
Fund size: **€800m**

Oakley Fund II
Fund size: **€524m**

Oakley Fund I
Fund size: **€288m**

Oakley PROfounders
Fund size: **€76m**

Oakley Capital PROfounders III

Vintage: 2022

PROfounders III launched in 2022 and is currently being raised with the final close expected to be held in 2023. PROfounders III made two acquisitions during the year.

Fund size

€76m

OCI commitment
€30m

OCI outstanding commitment
£23m

Outstanding OCI commitment as a % of NAV
2%

Current investments

nilo.health
Scaleup Finance

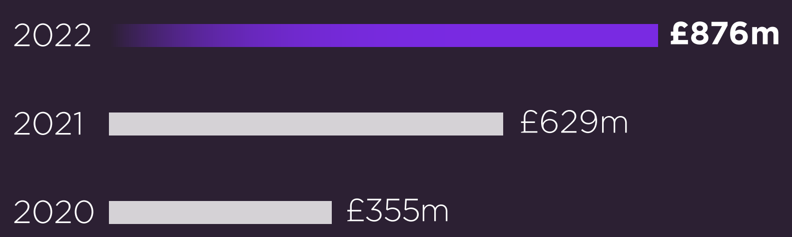
OCI NAV overview

OCI's NAV grew from £961 million to £1,167 million, 662 pence per share. A Total NAV per share return of 24% since 31 December 2021.

Oakley Fund Investments

Oakley Fund Investments made up 75% of NAV at year-end (2021: 65%)

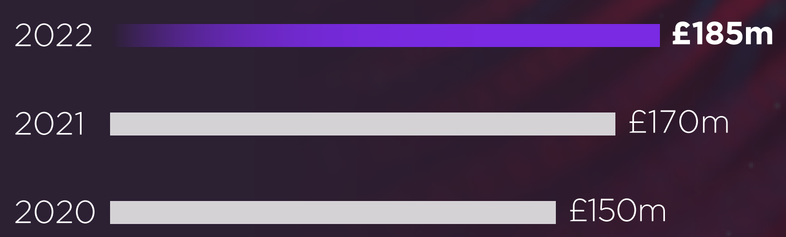
£876m



Direct Investments

Direct Investments made up 16% of NAV at year-end (2021: 18%)

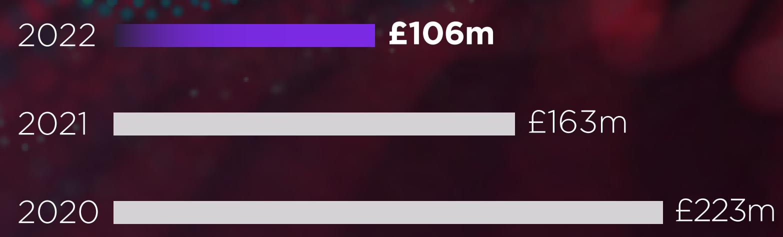
£185m



Cash and Other

Cash and Other made up 9% of NAV at year-end (2021: 17%)

£106m



OCI NAV overview

Proceeds

OCI's look-through share of proceeds from exits and refinancings during the year amounted to £244 million, consisting of:

Realisations

€234m

Five exits, including TechInsights and Facile in Fund III; Contabo and Wishcard in Fund IV; and Seedtag (partial exit) in the Origin Fund, at an average 5x gross money multiple and an average premium to carrying value

Refinancings

€10m

Both Wishcard and idealista completed refinancings in Fund IV, demonstrating the quality of their earnings growth

Investments

During the year, Oakley continued to originate proprietary opportunities for its Funds across its focus sectors. OCI made a total look-through investment of £271 million attributable to:

New investments

€216m

Comprising Affinitas and the reinvestment in TechInsights in Fund IV; Phenna Group & CTS, and reinvestments in Contabo and Facile in Fund V; and vLex and Vice Golf Golf in the Origin Fund

Follow on investments

€55m

Including Grupo Primavera (now part of Cegid) and Alessi in Fund III, TechInsights' acquisition of Strategy Analytics in Fund IV, and Time Out and North Sails Direct Investments

OCI NAV overview

Movement in NAV

Movement in investments

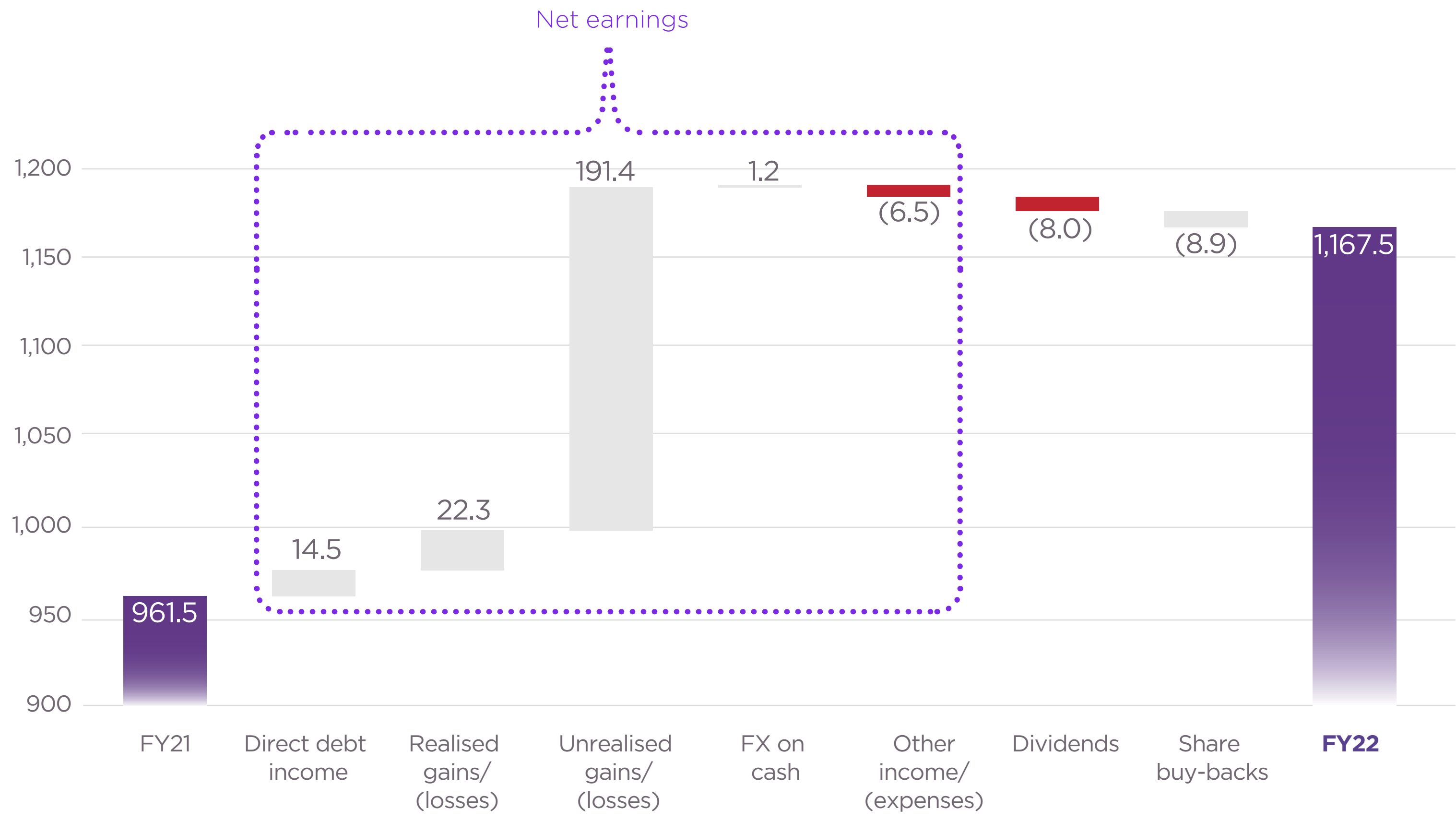
Portfolio companies

Increase in NAV during the year driven by unrealised gains of £191 million

Movement in NAV (£m)

£223m

Net earnings in 2022



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

OCI NAV overview

Movement in NAV

Movement in investments

Portfolio companies

Increase in NAV during the year driven by unrealised gains of £191 million

Movement in the value of investments (£m)

£214m

Realised and unrealised gains on investments

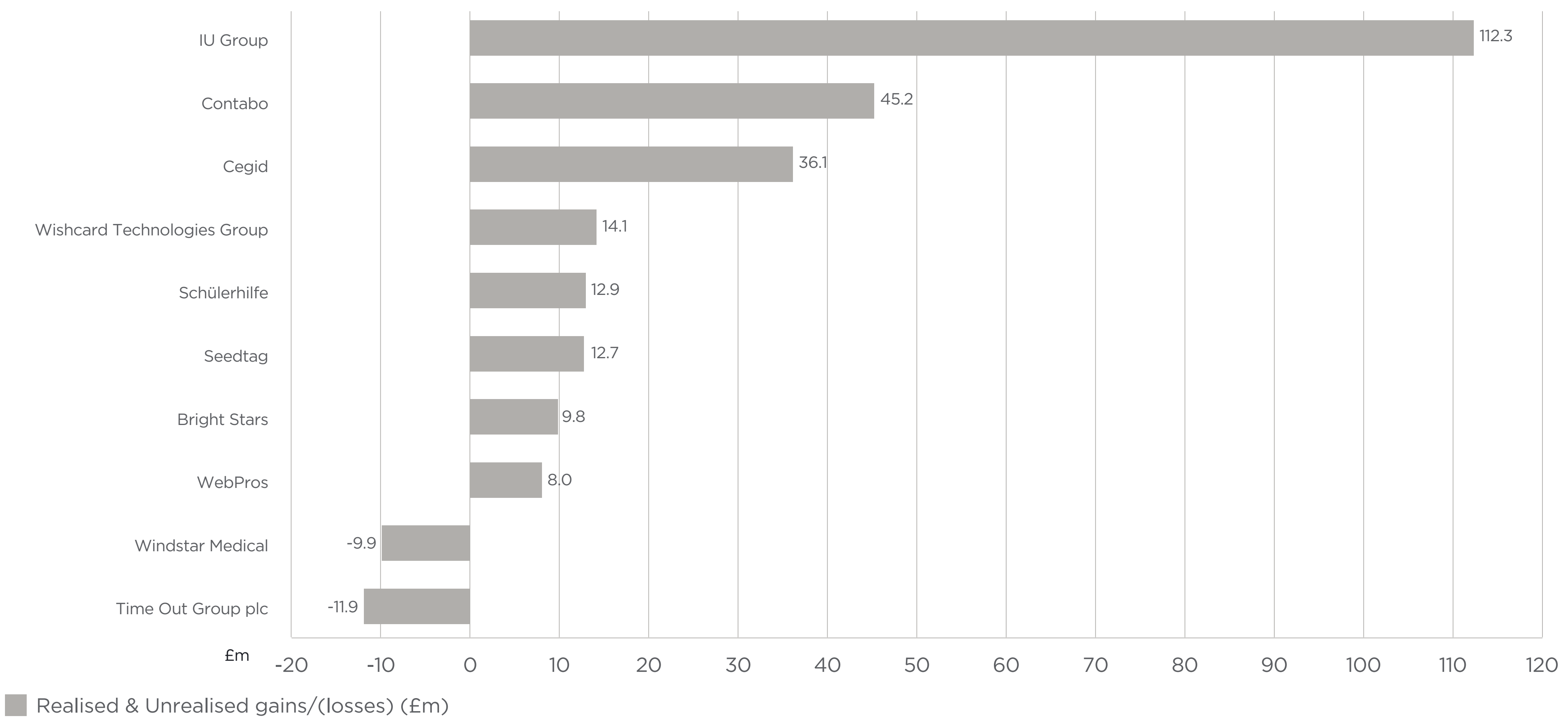
See 'Attribution analysis' definition within the Glossary for an explanation of methodology

OCI NAV overview

Movement in NAV
Movement in investments
Portfolio companies

Increase in NAV during the year driven by unrealised gains of £191 million

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



OCI NAV overview

Funding profile of Oakley Funds

In the year, OCI announced a commitment of €800 million (£709 million) to Fund V. OCI's total unfunded commitments of £929 million are expected to be funded over the next five years through the following means:

- Cash and available debt: at period end, cash and available debt was £210 million. During the period, OCI agreed a £100 million revolving credit facility with major lenders, thereby increasing OCI's flexibility and liquidity.
- Proceeds from future realisations: the staggered profile of the Oakley Fund Investments is expected to generate consistent and ongoing proceeds for OCI as the Funds progress through their life cycle. Funds I and II are in the latter stages of their life cycle, while Fund III is within its realisation phase and is expected to generate significant proceeds over the short and medium term. Fund IV is at the end of its investment period and is entering its realisation phase, with its first full exit and a partial exit completed in the year. As the Oakley portfolio matures, the Oakley Funds will distribute disposal proceeds to OCI, which will help fund future capital calls.
- Direct Investments: at the period end, Direct Investments were £185 million and primarily comprised debt to North Sails and equity in Time Out; these Direct Investments are expected to be realised in the short to medium term, in line with the Board's stated ambition to focus on Oakley Fund Investments.

Additional considerations:

- Uncalled commitments: Oakley Funds are not expected to call all commitments as the manager aims to retain flexibility; therefore, a proportion of commitments are likely to remain uncalled for the duration of the Fund.
- Net cash flows: Oakley Fund Investments have historically started to return cash during the investment period, with this cash available to fund future cash requirements. Therefore, the net cash funding requirement may be as low as c.50% of fund commitments, based upon historical performance.
- The Board aims to strike the right balance between maximising NAV growth through commitments to, and deployment via, the Oakley Funds, and ensuring an appropriate cash buffer is maintained.

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

Typical cashflow profile for investors in multiple private equity funds

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

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

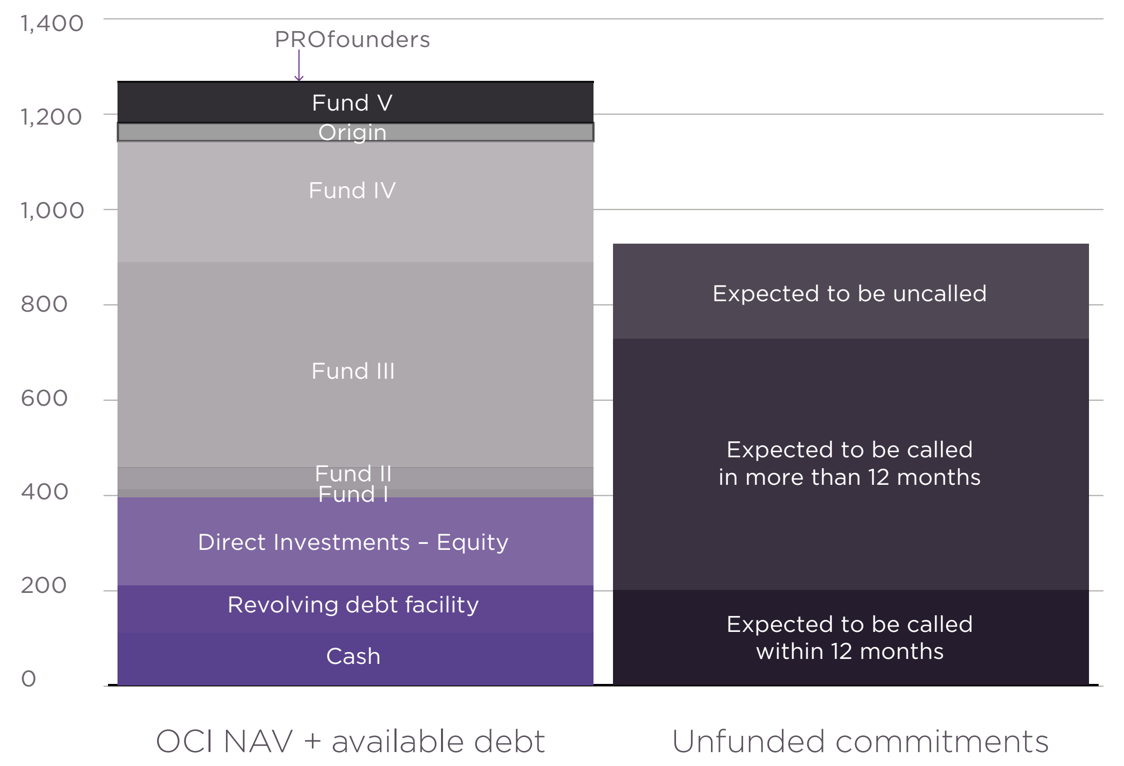
OCI NAV overview

Funding profile of Oakley Funds

The chart below represents OCI's available sources to fund its unfunded commitments. OCI's total unfunded commitments amounted to £929 million as at 31 December 2022.

Capital calls will be funded mainly through cash and available debt, proceeds from future realisations, and Direct Investments. Please refer to page 59 for further details.

Realisations and deployment profile (£m)



Outstanding commitments as at 31 December 2022

Fund	Total commitment €m	Outstanding €m	Outstanding £m*
Fund I	202.4	2.8	2.5
Fund II	190.0	13.3	11.8
Fund III	325.8	50.5	44.8
Fund IV	400.0	180.0	159.6
Origin Fund	129.3	89.2	79.1
Fund V	800.0	685.1	607.5
PROfounders Fund III	30.0	26.5	23.5
Outstanding £m			928.8
Cash & available debt £m			209.8
Net outstanding commitments £m			719.0

* Converted to GBP at 31/12/2022 FX Rate.

Overview of OCI's underlying investments

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Fund V					
Contabo	Technology	Germany	2022	£34.5	£34.5
Facile	Consumer	Italy	2022	£45.4	£45.6
Phenna	Technology	United Kingdom	2022	£75.2	£72.7
Total investments					**£152.8**
Other assets and liabilities					(£67.5)
OCI's investment in Fund V					**£85.3**
Fund IV					
Wishcard Technologies Group	Consumer	Germany	2019	–	£7.5
Ocean Technologies Group	Education	Norway	2019	£21.5	£45.6
WebPros	Technology	Switzerland	2020	£44.9	£69.7
WindStar Medical	Consumer	Germany	2020	£33.1	£21.5
idealista	Consumer	Spain	2021	£37.5	£59.7
Dexters	Consumer	United Kingdom	2021	£13.9	£27.5
Bright Stars	Education	United Kingdom	2021	£27.8	£36.8
TechInsights	Technology	Canada	2022	£40.4	£39.8
Affinitas Education	Education	Global	2022	£10.4	£11.2
Total investments					**£319.3**
Other assets and liabilities					(£64.7)
OCI's investment in Fund IV					**£254.6**

OCI NAV overview

Overview of OCI's underlying investments continued

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Fund III					
atHome	Consumer	Italy	2020	£0.0	£8.6
Schülerhilfe	Education	Germany	2017	£31.0	£58.9
IU Group	Education	Germany	2018	£0.0	£243.5
Cegid	Technology	Spain	2019	£68.1	£110.0
Iconic BrandCo	Consumer	Italy/UK	2019/2020	£21.5	£22.9
Total investments					**£443.9**
Other assets and liabilities					(£11.1)
OCI's investment in Fund III					**£432.8**
Fund II					
North Sails	Consumer	USA	2014	£45.2	£34.0
Daisy	Technology	United Kingdom	2015	£8.8	£8.9
Total investments					**£42.9**
Other assets and liabilities					£2.8
OCI's investment in Fund II					**£45.7**
Fund I					
Time Out	Consumer	United Kingdom	2010	£59.9	£21.2
Total investments					**£21.2**
Other assets and liabilities					(£4.2)
OCI's investment in Fund I					**£17.0**

OCI NAV overview

Overview of OCI's underlying investments continued

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Origin Fund					
7NXT	Consumer	Germany	2020	£5.3	£8.9
ECOMMERCE ONE	Technology	Germany	2021	£6.0	£6.8
ACE Education	Education	France	2021	£10.8	£13.8
Seedtag	Technology	Spain	2021	–	£9.7
Vice Golf	Consumer	Germany	2022	£11.6	£13.2
vLex	Technology	Spain	2022	£8.7	£8.8
Total investments					**£61.2**
Other assets and liabilities					(£23.2)
OCI's investment in Origin Fund					**£38.0**
Oakley Capital PROfounders III					
OCI's investment in Oakley Capital PROfounders IIII			2022	**£1.5**	**£2.4**
Total indirect Investments					**£875.8**

OCI NAV overview

Overview of OCI's underlying investments continued

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Direct Investments					
Time Out	Consumer	United Kingdom			£25.3
Fund I Loan	n/a	Bermuda			£7.6
North Sails Loan	Consumer	USA			£77.9
North Sails Apparel Loan	Consumer	USA			£69.2
Fund I Time Out Loan	n/a				£5.2
Total Direct Investments					**£185.2**
Total indirect and Direct Investments					**£1,061.0**
Total cash					**£109.8**
Other liabilities					(£3.3)
Total net assets					**£1,167.5**

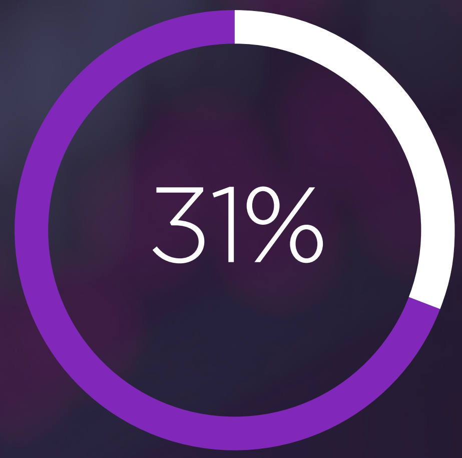
Technology sector | Consumer sector | Education sector

Investing across
digital markets

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

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

Total % of OCI Nav



Sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	OCI % of NAV
Cegid	Fund III	68.1	110.0	9.4
Phenna	Fund V	75.2	72.7	6.2
WebPros	Fund IV	44.9	69.7	6.0
TechInsights	Fund IV	40.4	39.8	3.4
Contabo	Fund IV	34.5	34.5	3.0
Seedtag[2]	Origin Fund	–	9.7	0.8
Daisy	Fund II	8.8	8.9	0.8
vLex	Origin Fund	8.7	8.8	0.8
ECOMMERCE ONE	Origin Fund	6.0	6.8	0.6
Total OCI valuation			**360.9**	

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

Technology sector

Case study

Contabo is a leading cloud hosting platform provider servicing clients across four continents.

Within the hosting sector, the business operates in an attractive and sustainable niche and has a loyal, tech-savvy, global customer base of SMEs, developers, entrepreneurs and gamers.

Read the full story

When Oakley first invested in 2019 alongside proven hosting entrepreneurs, Contabo was an undermanaged small regional business with a solid product. In 2022, we exited a business that had been transformed into a global leader with over a quarter of a million customers. Oakley reinvested alongside KKR to take advantage of Contabo's future growth prospects.

Portfolio company: **Contabo**

Creating a global SME leader out of a small, regional business

Our technology investment portfolio

Cegid

Cegid is a European leader in enterprise management software and cloud services.

In the period, Oakley agreed the strategic combination of Grupo Primavera with leading software provider Cegid. Fund III increased its stake in Grupo Primavera and rolled over its equity into Cegid. Cegid's consolidated revenue and EBITDA grew 23% and 18% respectively versus the prior year. Recurring revenue and SaaS revenue accounted for 85% and 70% of total revenue respectively.

£110.0m
OCI valuation

Phenna

One of the fastest growing TICC groups globally.

In the period, Fund V acquired Phenna Group, which provides specialist Testing, Inspection, Certification and Compliance ('TICC') services across five verticals in 12 countries. Since acquisition, the Group has performed well with organic revenue and EBITDA up 14% and 9% respectively versus the prior year. The business successfully completed 10 acquisitions in the period between signing and completion, bringing the total businesses in the group to 37.

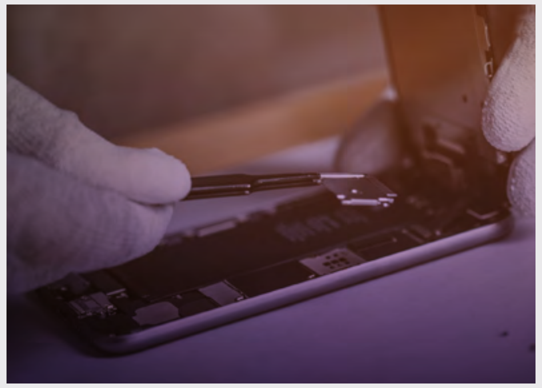
£72.7m
OCI valuation

WebPros

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

WebPros performed well in 2022, closing the year with revenue and EBITDA growth of 6% and 4% respectively versus prior year. On a group level, the average revenue per licence ('ARPL') was up 15% vs the prior year, while a couple of specific, one-off customer issues drove some reduction in the total number of licences.

£69.7m
OCI valuation



TechInsights

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

In the period, TechInsights grew run rate revenues and run rate EBITDAC 5% and 12% respectively versus the prior year, on a proforma basis. Recurring revenues continue to perform strongly and currently stand at 72% of total run rate revenues, versus 66% in the prior year. During Q4, TechInsights completed the acquisitions of the McClean Report and IC Knowledge (~$2 million run rate revenue combined).

£39.8m
OCI valuation

Technology sector

Our technology investment portfolio

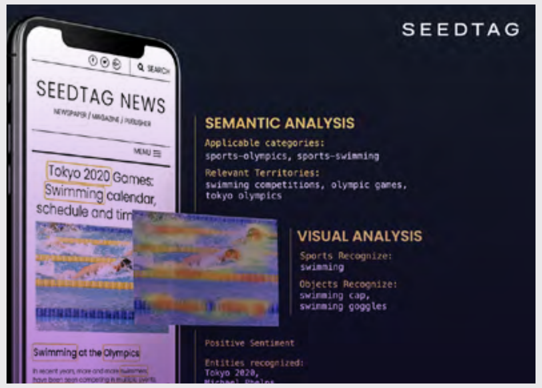
Contabo

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

Contabo continued to exhibit strong growth in the period, reporting revenue and EBITDA growth of 40% and 42% respectively versus the prior year. In the last quarter of 2022 the company experienced an impact of changing macro-economic conditions around the world. Despite this, year-end revenue and EBITDA performance were ahead of budget.

£34.5m

OCI valuation



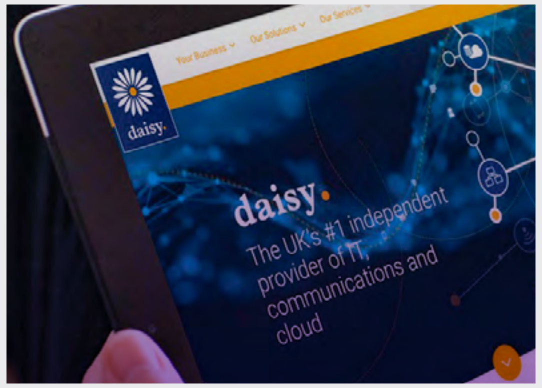
Seedtag

A leader in contextual advertising in EMEA and Latin America.

Seedtag saw strong performance continue through 2022, with revenue and EBITDA growth up 61% and 33% respectively versus the prior year. In November 2022, the Origin Fund partially exited its stake in the business to Advent International. Partnering with Advent will enable Seedtag to leverage its expertise in marketing and data and accelerate its expansion into the US. The Origin Fund has retained a minority stake and will continue to benefit from future upside.

£9.7m

OCI valuation



Daisy

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

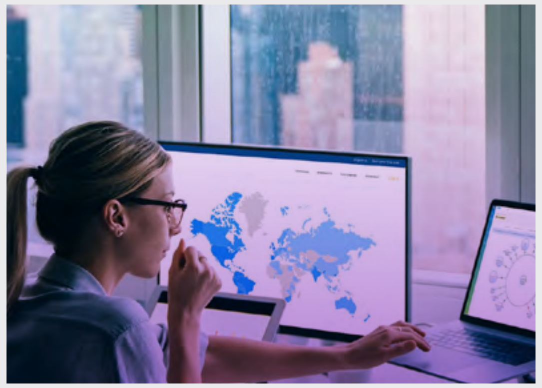
Daisy's YTD FY 2023 (nine months to December 2022) remains significantly ahead of last year at both a revenue and EBITDA level, primarily due to the acquisition of XLN which took place in March 2022. XLN provides business broadband, phones and card payments to more than 100,000 small businesses and the acquisition has boosted the SMB division's customer base to over 200,000.

£8.9m

OCI valuation

Technology sector

Our technology investment portfolio



vLex

A cloud-based legal information subscription platform.

Since acquisition in September 2022, vLex has performed well with strong top-line growth, alongside strong customer retention metrics and sales efficiency. The business has been focused on growing sales, with annual recurring revenue growth at ~20% versus the prior year. vLex has also progressed its M&A agenda with one target under advanced exclusivity and three others engaged.

£8.8m

OCI valuation

ECOMMERCE ONE

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

In the context of a difficult market environment for e-commerce, ECOMMERCE ONE proved resilient, as a result of its high share of recurring revenues and low churn. As revenues grew versus the prior year, EBITDA remained broadly in line with 2021, due to planned growth investments across IT infrastructure and the employee base. In July 2022, ECOMMERCE ONE acquired cloud shop solution provider Gambio, which increased the Group's SaaS customer base to over 10k.

£6.8m

OCI valuation

Technology sector

Technology ESG initiatives

Focusing on social considerations and governance makes Oakley's technology businesses more resilient and more attractive places to work, in turn making them more valuable.

Contabo

Cutting carbon emissions

Contabo is a leading cloud infrastructure provider for developers and SMEs.

Contabo owns and operates a growing number of data centres across central Europe, which comprise the largest proportion of the company's carbon footprint. Contabo began to investigate its carbon impact in 2021, focusing on Scope 1 and 2 emissions, where it has the biggest impact. Once a baseline was established, energy reduction targets were set, with expected future reduction of Scope 2 emissions by 50%.

In 2022, Contabo continued its evolution to better understand its environmental impact, by conducting further carbon footprint assessments. A Head of ESG joined the team to ensure a consistent approach and strategy.

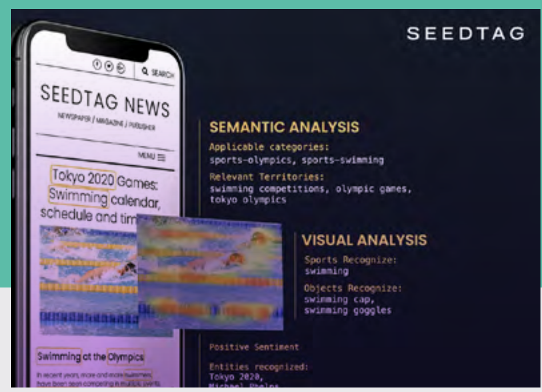
Seedtag

Enabling the transition to a privacy-first society

Seedtag is the leading contextual advertising platform in EMEA and Latin America.

Growing concerns around online privacy, along with the transition away from third-party cookies, have set the stage for the fast expansion of this advertising vertical. Our investment in Seedtag and its AI-based contextual technology supports the transition to a society where the privacy and safety of the user are at the core of online marketing campaigns.

Seedtag's product innovation is fast reshaping the contextual advertising industry. Knowledge-sharing is important too, and recently the company shared a six-part podcast that explained every facet of contextual advertising. Seedtag lives up to its values, with a collaborative, fun and diverse culture.



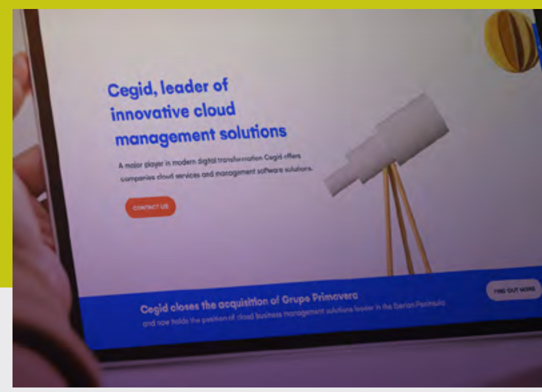
Cegid

A harmonised approach to ESG

Cegid is a European leader in enterprise management software and cloud services.

Bringing together nine businesses across Spain and Portugal (with some operations in Angola and Mozambique), Grupo Primavera (name preceding its strategic combination with Cegid) is focused on building a community of valued customers. In order to do that, a harmonised approach to ESG is necessary.

Ensuring harmonised governance and management of material ESG issues has been a priority since the Group was formed in 2021. A senior-level team reporting to the board has been formed to ensure consistency, while an ESG committee was established at Group level, comprising individuals working across the various business units and operational teams.



Technology sector | Consumer sector | Education sector

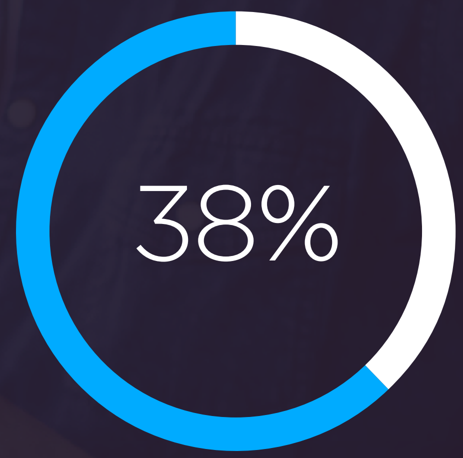
Distinctive brands loved by

consumers creating a strong platform for growth

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

Since inception, Oakley has built a track record of investments in online and offline consumer brands and platforms. Oakley has leveraged its expertise in digitalisation and M&A to build and grow D2C channels, enabling our investments to capitalise on the value captured.

Total % of OCI Nav



Sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	OCI % of NAV
North Sails Direct Debt	N/A	N/A	147.2	12.6
idealista	Fund IV	37.5	59.7	5.1
Facile	Fund V	45.4	45.6	3.9
North Sails	Fund II	45.2	34.0	2.9
Dexters	Fund IV	13.9	27.5	2.4
Time Out Direct Equity	N/A	N/A	25.3	2.2
Iconic BrandCo	Fund III	21.5	22.9	1.9
WindStar Medical	Fund IV	33.1	21.5	1.8
Time Out	Fund I	59.9	21.2	1.8
Vice Golf	Origin Fund	11.6	13.2	1.1
7NXT	Origin Fund	5.3	8.9	0.8
atHome[2]	Fund III	–	8.6	0.7
Wishcard[2] **Technologies Group**	Fund IV	–	7.5	0.6
Total OCI valuation			**443.1**	

1. OCI's residual cost represent OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.
2. Entire cost invested in atHome and Wishcard have been returned.

Consumer sector

Case study

Oakley partners with the founders of digitally-native golf brand Vice Golf.

In 2022, Oakley's Origin Fund invested in Vice Golf, the leading digitally-native golf brand, selling premium golf balls at significantly lower price points than comparable products through a D2C business model.

Founded in 2012 in Munich by two entrepreneurs, Vice Golf has a strong track record of profitable growth with >40% top-line CAGR between FY18 and FY21 at c.20% EBITDA margin. Oakley's investment will help the business to accelerate its growth, product diversification strategy and internationalisation.

70m+

People playing golf worldwide

Portfolio company: **Vice Golf**

Read the full story

A premium, digital-first

golf brand

Consumer sector

Our consumer investment portfolio

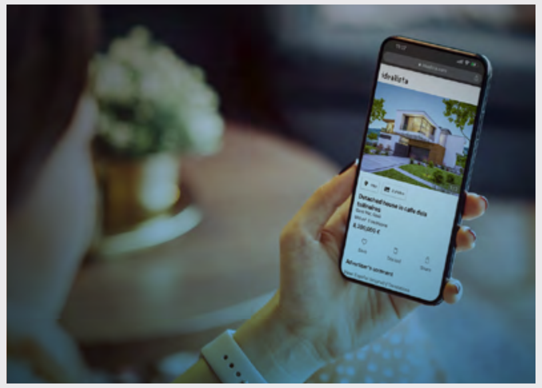
North Sails

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

North Sails Group overall had a very strong year in 2022 as it continued to recover from the effects of COVID, recording revenue growth of 13% versus the prior year and EBITDA margin of 9%, despite some headwinds caused by supply chain and foreign exchange. The growth was driven by consistently strong performance in the North Sails sailing and EdgeWater powerboats divisions.

£181.2m

OCI valuation[1]



idealista

The leading online real estate classifieds platform in Southern Europe.

idealista had a strong year of performance in 2022, with revenue and EBITDA up versus the prior year in all three of its core geographies: Spain, Italy and Portugal. A mix of net customer increases and price growth continues to drive growth in each market.

£59.7m

OCI valuation

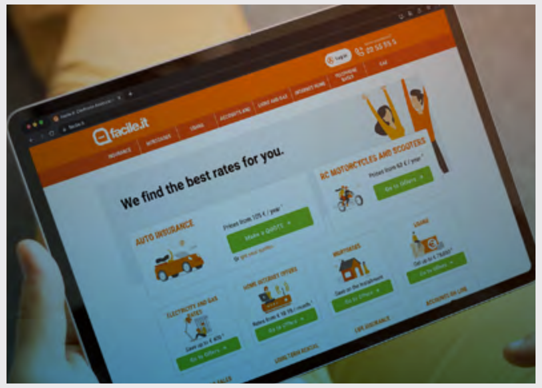
Time Out

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

During the period, Time Out announced its full year results for the 12 months to 30 June 2022. The period marked a turning point for the Group delivering positive Group Adjusted EBITDA, despite the impact of the pandemic during the financial year. This is a return to Time Out's pre-pandemic trajectory and demonstrates that the business is now in an even stronger position for future growth. Time Out Market continues to expand with new management agreements signed in Osaka, Cape Town, Vancouver, Riyadh and Barcelona.

£46.5m

OCI valuation[2]



Facile

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

Facile ended 2022 with revenue and EBITDA growth of 14% and 13% respectively versus the prior year. The business saw strong performance in its Mortgages, Gas & Power and Stores verticals, all of which achieved revenue growth in excess of 40% versus the prior year.

£45.6m

OCI valuation

1. Direct Debt and indirect investment via Fund II.
2. Direct and indirect investment via Fund I.

Consumer sector

Our consumer investment portfolio

Dexters

London's leading independent chartered surveyors and estate agents.

Despite softening in the sales market, Dexters delivered strong performance in the financial year ended September 2022, underpinned by continued steady growth in letting revenue and EBITDA. YTD December 2022 performance is in line with management's expectations, ending the year with a healthy sales pipeline and an all-time-high level of future locked-in lettings income. In early 2023, Dexters completed the acquisition of Marsh & Parsons estate agency, adding 30 offices to its portfolio.

£27.5m

OCI valuation

Iconic BrandCo

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

Alessi performed well in 2022, despite the macro-economic environment and the impact of reduced consumer confidence. Revenue was 8% ahead of the prior year, driven by growth in the core business, wholesale, B2B and retail channels as consumers returned to physical shopping. **Globe-Trotter** closed the nine-month period to FY23 (March YE) with revenue growth of 40% versus the prior year, driven by the recovery of the two main retail markets, the UK and Japan, and product development with the four wheel luggage now being the best-selling luggage item.

£22.9m

OCI valuation

WindStar Medical

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

WindStar Medical has navigated a challenging macro-environment over the past year, driven by lower retail footfall, global supply chain disruption and a reduced flu-season. In order to support growth, the company has broadened its management team, focused on simplifying operational processes and is reducing organisational complexity. The repositioning should allow WindStar to profit from continued underlying consumer healthcare sector growth trends.

£21.5m

OCI valuation

Vice Golf

The leading digitally-native golf brand.

Vice Golf performed well in 2022, achieving revenue and EBITDA growth of 34% and 21% respectively versus prior year (unaudited). Significant progress was made on initiatives aimed at diversifying and professionalising the business – July saw the roll-out of the first apparel line, successfully launching four collections exclusively sold DTC ('direct-to-consumer'), as well as successful expansion into South Korea via a new distribution agreement.

£13.2m

OCI valuation

Our consumer investment portfolio

7NXT

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

After an exceptionally strong 2021, performance across the 7NXT Group normalised in 2022. Gymondo, the Group's largest business, delivered a slight drop in revenue as subscriber growth stablised versus the prior year, which had benefitted from extraordinary customer interest for online fitness during the COVID lockdowns. In comparison to other online fitness subscription businesses, interest for Gymondo has been the highest in the DACH region throughout 2022.

£8.9m

OCI valuation

atHome

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

During the period, atHome Group reported revenue and EBITDA growth of 8% and 9% vs prior year, respectively. The group's core business – atHome Property – has continued to exhibit steady growth, with 11% revenue growth in the same period versus the prior year. atHome Finance and LuxAuto remain the number one destinations for consumers in Luxembourg looking to take out a mortgage and buy a second-hand car, respectively.

£8.6m

OCI valuation

Wishcard Technologies Group

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

In October 2022, Fund IV sold part of its stake in Wishcard to private equity investors EMZ and IK Partners. Fund IV will retain a residual shareholding in the business to benefit from continued upside. Wishcard continued to deliver strong performance in 2022, achieving 21% growth in voucher sales versus the prior year.

£7.5m

OCI valuation

Consumer ESG initiatives

Consumer products present one of the most tangible opportunities to drive change from an ESG perspective.

North Sails

An Ocean Positive brand

North Sails offers high-performance products for the world's sailors and yachtsmen.

North Sails is on a journey to become an 'Ocean Positive' brand by pursuing meaningful ocean regeneration and protection. Three focus areas have been identified which will help achieve this goal: reducing emissions, producing responsible products and ocean advocacy. Several R&D projects related specifically to sustainable materials are also underway, and a multi-year sustainability action plan has been developed.

The company now has a Chief Sustainability Officer, supported by a newly formed sustainability committee. With this new sustainability governance structure in place, the entire group is working towards B Corp certification, following in the footsteps of North Sails Apparel which obtained certification in 2021.

Dexters

Extraordinary opportunities for development

Dexters are London's leading independent Chartered Surveyors and estate agents.

Dexters is London's only major firm of residential Chartered Surveyors, and the only estate agent in the UK, to be certified as an 'employer-provider' able to offer employees nationally recognised development programmes and industry-specific qualifications, along with the on-the-job coaching that has made Dexters so successful.

The company's apprenticeship and training programme, Dexters Academy, provides Ofsted-accredited training, and is a key part of Dexters' 'spend your career with us' culture.

Alessi

Creating value for the local community

Alessi is one of the leading internationally renowned Italian design houses and factories. Since its founding in 1921, Alessi has always sought growth while simultaneously creating value for the local community. Joining the B Corp movement was a natural fit for Alessi back in 2017 and the company continues to focus on the impacts it generates on the environment, local community, and global customers.

2022 saw a continued focus on health and safety of its bespoke machinery, employee and community engagement, energy usage of the factory, and improvements to its cyber security and data privacy practices.

Education sector

First class opportunities

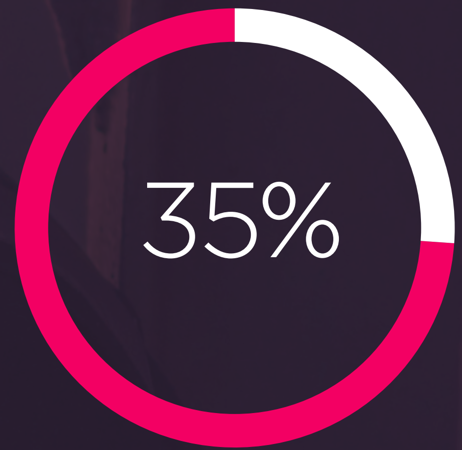
taking us forward with great confidence

Technology sector | Consumer sector | Education sector

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

Since investing in a premium private schools group in 2013, Oakley identified the opportunity to consolidate high-quality recurring revenue bases within the fragmented education sector, in which there are few assets of scale.

Total % of OCI Nav



Sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	OCI % of NAV
IU Group[2]	Fund III	–	243.5	20.9
Schülerhilfe	Fund III	31.0	58.9	5.0
Ocean Technologies Group	Fund IV	21.5	45.6	3.9
Bright Stars	Fund IV	27.8	36.8	3.2
ACE Education	Fund IV	10.8	13.8	1.2
Affinitas Education	Origin Fund	10.4	11.2	1.0
Total OCI valuation			**409.8**	

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

Education sector

Case study

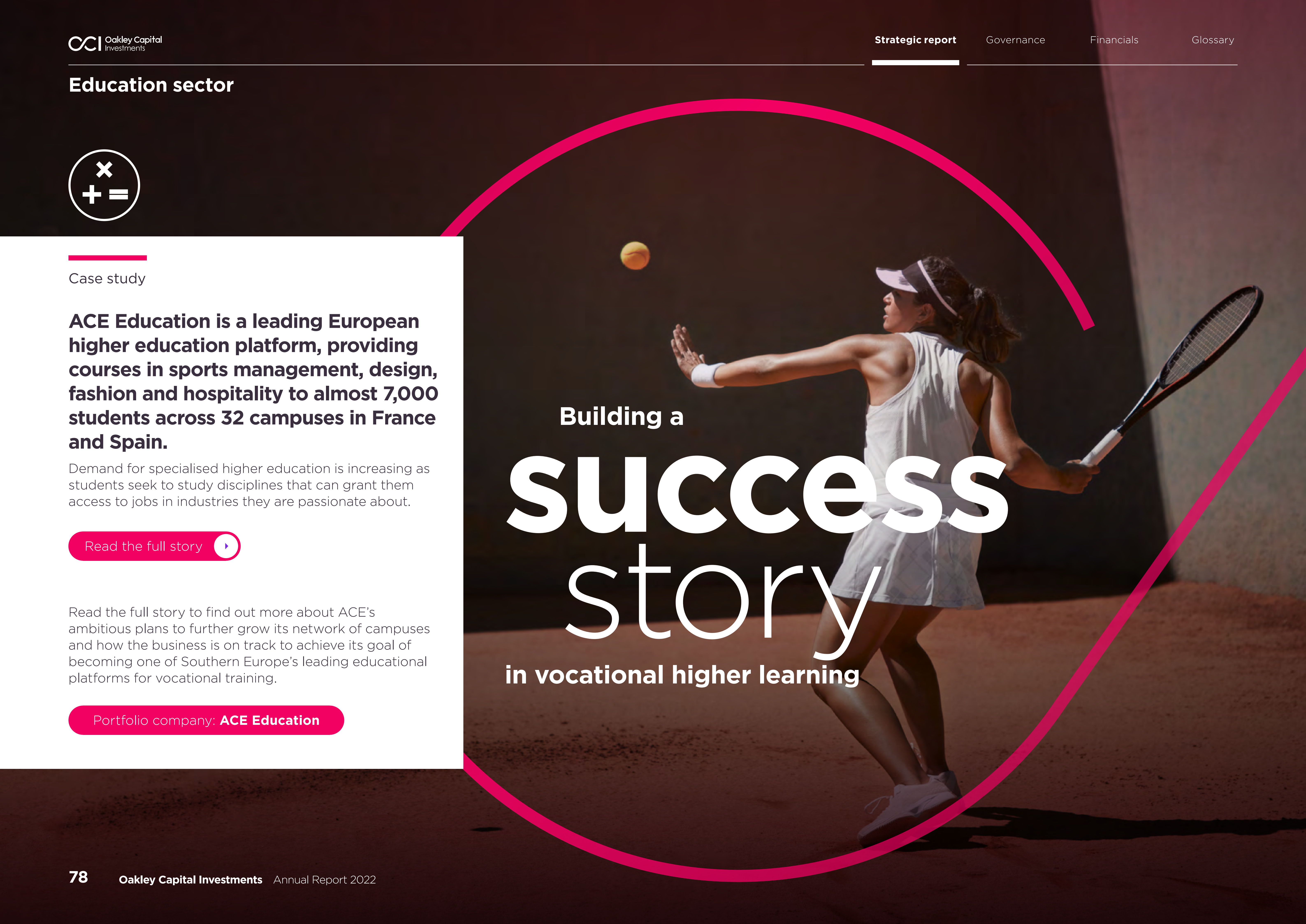
ACE Education is a leading European higher education platform, providing courses in sports management, design, fashion and hospitality to almost 7,000 students across 32 campuses in France and Spain.

Demand for specialised higher education is increasing as students seek to study disciplines that can grant them access to jobs in industries they are passionate about.

Read the full story

Read the full story to find out more about ACE's ambitious plans to further grow its network of campuses and how the business is on track to achieve its goal of becoming one of Southern Europe's leading educational platforms for vocational training.

Portfolio company: **ACE Education**



Building a success story in vocational higher learning

Education sector

Our education investment portfolio

IU Group

The largest and fastest-growing university group in Germany.

IU Group continued to perform well in 2022, achieving strong growth across its B2C and B2B offering. Revenue and EBITDA increased by 39% and 38% respectively versus the prior year. B2C DACH continued to show that private online education is resilient to economic downturns by growing its student numbers over 16% year on year, while B2B has reached 20k students.

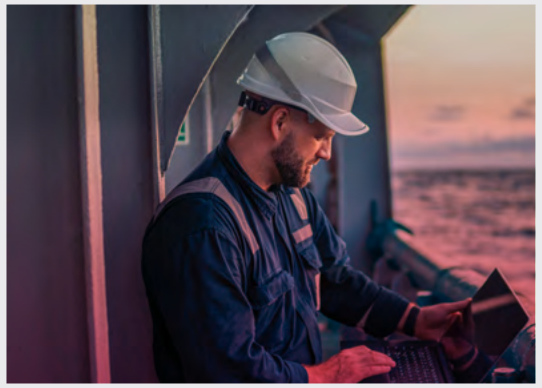
£243.5m
OCI valuation

Schülerhilfe

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

Schülerhilfe had a very strong 2022, with enrolments almost doubling versus the prior year and over 50% versus 2019 (pre-COVID). Some of this boost has come from a government voucher programme, which is now being wound down, and the business has been keenly tracking how these customers behave and convert to long-term customers over time.

£58.9m
OCI valuation



Ocean Technologies Group

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

Ocean Technologies Group continued to perform well in 2022, with run rate revenue up 4% versus the prior year. During the year, Ocean moved customers to higher priced packages by up-selling the Ocean Learning Platform and cross-selling Ocean's broader operational software product suite. The M&A agenda continues to progress as new potential additions to the group are assessed.

£45.6m
OCI valuation

Education sector

Our education investment portfolio

Bright Stars

A leading independent group of premium nurseries, providing pre-school childcare.

Bright Stars continued to trade well in the year to 2022, delivering revenue and EBITDA growth of 47% versus the prior year, driven by both acquisitions and organic growth. Bright Stars made 15 acquisitions during the year, bringing the total number of nurseries acquired since Oakley's initial investment to 39. The pipeline of acquisitions in the UK remains very strong.

£36.8m
OCI valuation

ACE Education

A leading higher education platform focused on sports management, design, fashion and hospitality.

ACE Education's 2022/23 enrolment campaign has performed strongly on the back of strong marketing and branding partnership investments, seven new campus openings in France and Spain and the expansion of ACE's apprenticeship offering. As a result, proforma enrolment growth for the Group, including the recent acquisitions of fashion and design schools EIDM and ENAAI, reached 47% versus the prior year.

£13.8m
OCI valuation

Affinitas Education

Building a global K12 schools group.

Affinitas has completed three acquisitions to date and signed one additional acquisition in Q4 2022. The group now comprises a total of ten premium, international schools across Spain and Mexico with more than 9,000 K12 students. Since acquisition, Affinitas has performed well, with the latest financial quarterly results up 2% and 3% on revenue and EBITDA, respectively versus budget. Affinitas maintains a large and growing pipeline of active K12 opportunities focusing on Europe and the Americas.

£11.2m
OCI valuation

Education ESG initiatives

As a values-led responsible investor, Oakley takes a long-term, sensitive approach to investing in education.

Bright Stars

Evaluating impacts and reducing waste

Bright Stars is one of the largest nursery operators in the UK, serving nearly 6,000 children at 49 nurseries across England.

The company is at the start of its sustainability journey, beginning to assess areas where its operations have the greatest environmental and social impact. In 2022, the company began to implement processes to be able to benchmark and track ESG performance across the group. The outcome of this is initiatives related to employee engagement, training and retention, as well as better understanding and identifying solutions for nappy and food waste.

IU Group

Breaking down barriers to education

IU Group's (IU) mission is to make education accessible to everyone.

With over 20 years of experience as an international university, through its digital education platform and scholarship programmes, IU empowers students to grow, regardless of social background and nationality. The scholarship programmes specifically target students from vulnerable groups to provide them with a high-quality education.

IU uses technology to reshape the education value chain and remove geographical barriers to entry, offering one of the largest vertically integrated education platforms globally. In 2022, IU launched the Study Access Alliance programme to provide 100,000 scholarships to students in non-OECD countries. As with all IU scholarships, the aim is to close the gap in access to higher education across the globe.

ACE Education

New technology enables better monitoring

ACE Education (ACE) is a private vocational higher education platform in France and Spain.

To improve transparency and management of education quality, ACE has developed an intranet which enables the company to monitor the performance of each of its schools on selected quality KPIs – these include Net Promoter Scores for both teachers and students, among several other metrics. The company also aims to incorporate environmental KPIs for each campus.

Progress is tracked on a continuous basis via dashboards showing campus-specific and aggregate data. The intranet offers ACE the opportunity to actively manage performance, provide students and staff with latest feedback and communicate new initiatives. It's also an effective way to track certain data required by the French government.

Letter from Oakley's Head of Sustainability

At Oakley, being a responsible investor means integrating Environmental, Social and Governance (ESG) themes into our strategy and that of our portfolio companies, to reduce risk and create long-term, sustainable value for the investors who have entrusted us with their capital.

Aga Siemiginowska
Head of Sustainability,
Oakley Capital

We are determined to

lead by example

Letter from Oakley's Head of Sustainability

With the full support of the OCI Board, we have made significant strides in embedding ESG into how we invest, how we engage with our portfolio and how we behave.

At Oakley, we invest in companies that benefit society, are good corporate citizens and good employers. We work with companies during our period of investment, to help root strong ESG foundations that will enable companies to continue to develop, and create long-lasting sustainable value after we have exited a business.

Although responsibility has always been at the core of how we operate, in 2020 we began to formalise our ESG and sustainability strategy through policy and framework developments. In 2021, we gained momentum both at the firm-level and through the development of a formal portfolio company engagement process. Over the course of 2022 we put that engagement process into practice, joined our portfolio companies in developing full fledged firm-level initiatives around our three key themes of energy & climate change, equality, diversity and inclusion (EDI), and cyber security, and communicated publicly on ESG for the first time, with the publication of our inaugural ESG Report.

We believe that transparency is at the core of being a responsible investor, and we have made great strides in this respect over the last two years. We recognise that we are still in the early stages of our journey and that there is a lot more we can, and hope to, do in the years ahead. As the ESG landscape shifts, evolves and becomes increasingly codified and regulated, our approach will continue to develop to strive to meet best practice and also act in the best interest of those who have entrusted us with their capital, as well as the companies we invest in.

ESG at Oakley

We are determined to lead by example. We recognise that for many of our portfolio companies, Oakley is the first stakeholder asking them to really commit to ESG, be it at a basic good hygiene level, or aligning their business strategy with their business case. This is a big ask. And we wouldn't feel comfortable making that ask if we weren't going through a similar process ourselves.

> **We believe that transparency is at the core of being a responsible investor,** and we have made great strides in this respect over the last two years.

2020

Formalisation of ESG and sustainability strategy

2021

Production of inaugural Sustainability Report

To that end, in 2022 we focused around our three main themes. On energy & climate change we partnered with a new adviser to help us measure our carbon footprint. The 2022 assessment builds on the 2019-2021 baseline we did last year, and now includes our scope 3 estimate. As we analyse this data we are assessing how to align our strategy with an ambitious yet achievable net zero approach.

We have made significant strides in equality, diversity and inclusion (EDI), which is a major challenge within private equity and the broader finance sector. The EDI Committee, under the leadership of the Steering Group, has developed approaches to areas such as recruitment, culture and career development, to ensure Oakley retains its values and continues to build an inclusive organisation as we grow.

Letter from Oakley's Head of Sustainability

And lastly, cyber security and data privacy. Cyber security is just as important to us as a firm as it is to our portfolio companies. During 2022 we invested further into the expansion of the IT team and completed a significant cyber security infrastructure upgrade with the help of our IT partners. We remain focused on the mitigation of firmwide risks through the implementation of appropriate policies, procedures and firm-wide training. We have also instructed an external independent adviser to conduct a cyber security review of the firm to give us a further assessment of systems and procedures to guard against a continually evolving threat.

Portfolio – active ownership and a conscious steward

Oakley has made incredible strides in developing, formalising and implementing an ESG programme that works both for Oakley and the companies we invest in.

As described previously, and as for Oakley as a firm, we have identified three portfolio-wide themes to monitor and manage across the portfolio, regardless of sector, geography or size. These three themes are:

- energy & climate change;
- diversity, equality & inclusion;
- cyber security & data protection.

At the same time, Oakley also developed its core ESG Key Performance Indicators, leveraging on emerging industry practice and regulatory frameworks. At a minimum, portfolio companies are expected to report on these KPIs annually. However, we are also mindful of the fact that our companies are at various stages of their ESG journey, and for some, this is the first time they have actively engaged on ESG. Therefore, Oakley works closely with companies to ensure that they develop ESG programmes that are suited to their business goals and strategy, while developing their reporting capabilities.

Following the implementation of a comprehensive ESG monitoring and transparency assessment, in line with developing market standards in 2021, the Sustainability Team undertook a comprehensive engagement programme in 2022. The team met with nearly all portfolio companies in the spring, to help develop ESG strategy and identify initiatives that would benefit both the business plan and external stakeholders. The annual ESG monitoring assessment and subsequent engagement is now a formal part of Oakley's engagement programme, and forms the foundation for Oakley to be an active owner and conscious steward of our investments.

Insightful discussions with portfolio company teams led to the development of company specific ESG Action Plans, focused on managing risk and driving value, for the majority of our investments.

A key outcome of Oakley's engagement process has been the realisation by many of our portfolio companies that ESG is not a stand-alone topic, but rather touches on all facets of good business practices. The approach being developed at Oakley aims to ensure that ESG isn't siloed, but rather seen as good operational practice during the ownership phase that will lead to continued and sustainable value creation.

Looking ahead

The past few years have seen Oakley develop and implement its ESG strategy, and 2022 was a particularly busy year, where we continued to finesse our approach and ride on the momentum we built. As we saw in 2022, unexpected macro level events will likely have an impact on most businesses across the economy. Further uncertainty in what the future brings makes it imperative that Oakley as a firm, and as an active owner, manages ESG risks and opportunities effectively.

Over the long term, we seek to continue to integrate ESG into the investment and portfolio engagement process, and be able to better measure the value created through effective and active ESG management. We are still at the start of our journey, and are excited and grateful by the support provided by the OCI Board.

Aga Siemiginowska
Head of Sustainability, Oakley Capital

ESG priorities

ESG at Oakley is set out as a proprietary framework to integrate good business practices, future-proof investments and provide transparency to stakeholders.

Based on the sectors Oakley primarily invests in, and using industry best practice as well as deep sector experience, they have identified the ESG topics which are most often relevant to their investments. This is the starting point when assessing ESG during due diligence, when engaging with portfolio companies and when defining firm-wide ESG priorities.

The materiality of ESG themes is assessed based on the likelihood a risk or opportunity will be realised, and the financial, reputational and regulatory impact it will have on the business and wider stakeholders.

Oakley has defined three portfolio-wide ESG priorities

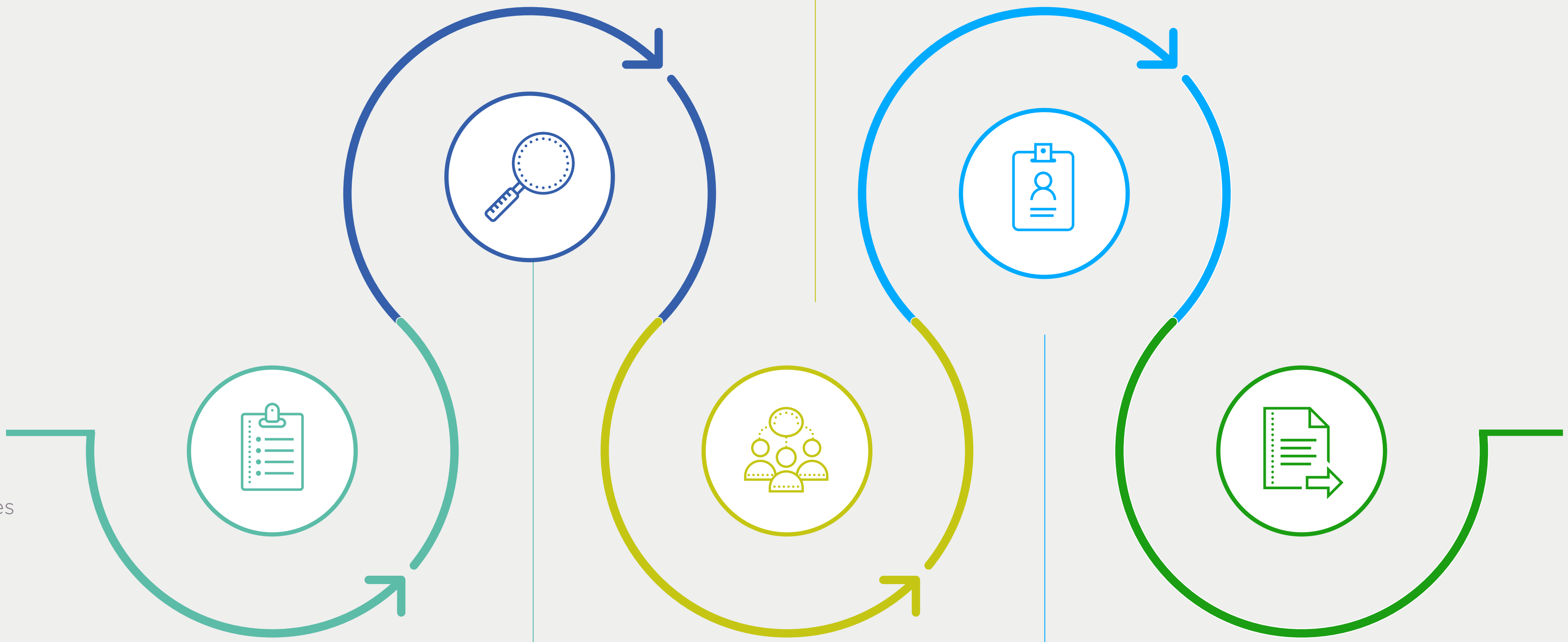
1. Energy & climate change

2. Diversity, Equality & Inclusion

3. Cyber security & data protection

Responsible investment process

The Sustainability Team collaborates with the Investment Team and provides support to company management throughout this process.



Initial screening

Preliminary assessment of ESG risks and opportunities

Due diligence

- Due diligence carried out using internal resources, or external consultants as appropriate, including:
  - Red flag assessment
  - Materiality assessment – identification of (company specific) ESG risks and opportunities

Onboarding programme

- ESG onboarding with Oakley team
- Addressing urgent issues identified as part of due diligence

Monitoring programme

- Active stewardship including engagement with company management on ESG topics
- Annual ESG monitoring and review of progress
- Company KPI reporting to Oakley
- ESG topics and progress discussed at Board meetings

Exit support

- Support in preparing for ESG due diligence from prospective investors
- ESG vendor due diligence as appropriate

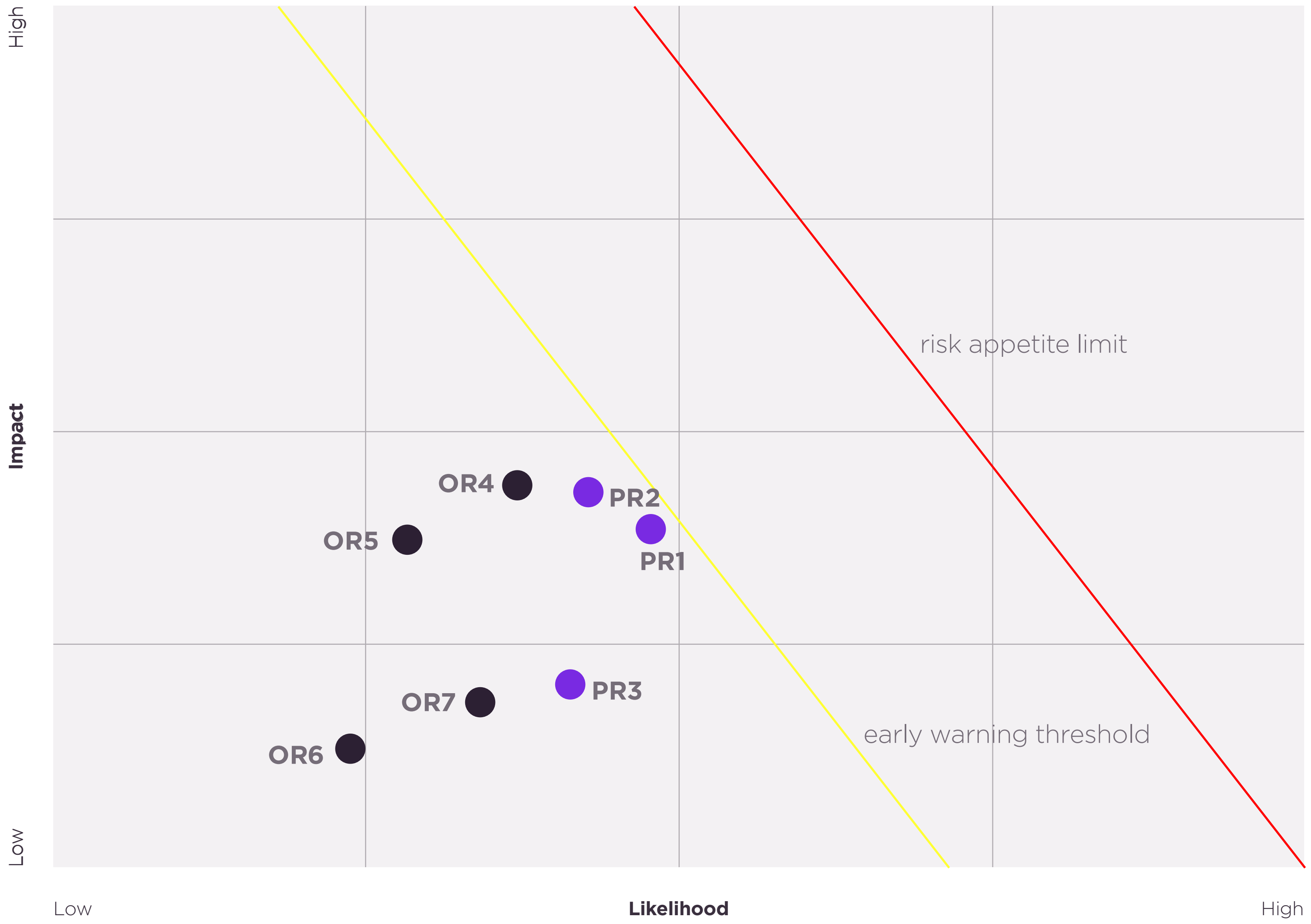
Our principal risks and uncertainties

Risk management is an integral part of our business and is key to Oakley's success.

We have a robust approach to risk management that involves ongoing risk assessments, communication with our Board of Directors and Investment Adviser, and the development and implementation of a risk management framework along with reports, policies and procedures. We also engage with external advisers and subject matter experts, as needed, to ensure that we have access to the most up-to-date information and insights.

Our approach is proactive and we are committed to continuously improving our risk management processes to ensure better alignment with the changing needs of our business and the environment in which we operate.

We continue to monitor relevant emerging risks and consider the market and macro impacts on our key risks.



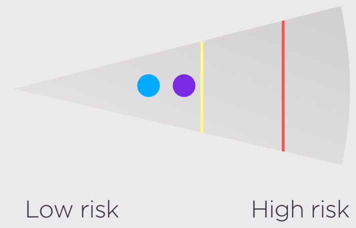
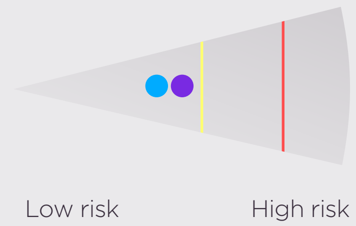
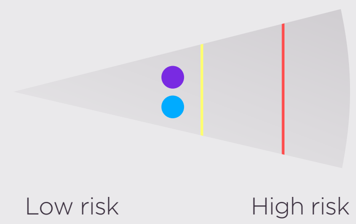
Key risks

PR1 Liquidity risk
PR2 Portfolio risk
PR3 Credit risk

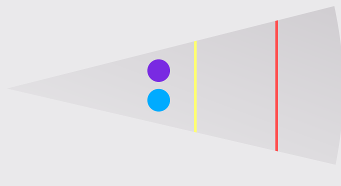
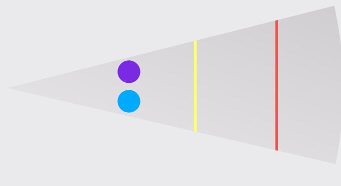
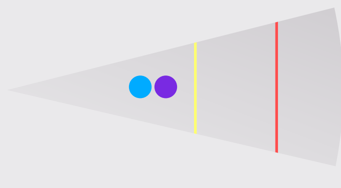
Other core risks

OR4 Performance risk
OR5 Operational risk
OR6 ESG risk
OR7 Cyber risk

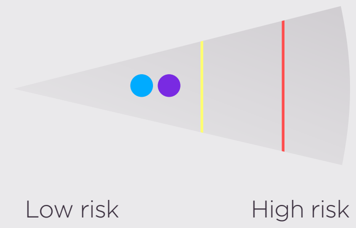
Principal risks

Risk	Potential impact	Mitigation	Positioning	Risk tolerance ● 2021 ● 2022
PR1 **Liquidity risk**	Liquidity risk refers to the potential failure of OCI to meet its funds commitment, be unable to pay the annual dividends, or conduct a share buy-back, which may ultimately impact the share price and decrease returns for shareholders.	The Board closely monitors cash flow forecasts and receives regular stress tests. Liquidity forecasts are carefully considered before commitments are made.	In 2022, OCI signed a revolving credit facility ('RCF') providing an additional £100 million of contingent liquidity. OCI has committed €800 million to Oakley Fund V and €30 million to Oakley PROfounders III during the year. At 31 December 2022, liquid reserves were £210 million, and outstanding commitments were £929 million.	
PR2 **Portfolio risk**	Portfolio risk encompasses valuation risks, the risk of a decline in the valuation of the privately held asset, resulting principally from a decline in multiples in the market, or from underperformance of the assets. In addition, concentration risk arises from weightings relating to sector, geography and currency.	Valuations are scrutinised by the Audit Committee on a quarterly basis and by the Independent Auditor on an annual basis. Ongoing performance of portfolio companies is monitored by the Board. Effectiveness of key controls at Oakley are considered including quarterly approval of valuations by the Valuation Committee and an annual third party independent valuation of each portfolio company. Metrics are established and monitored for investment concentration by sector, by size of individual commitment and by geography.	Inherent risks in valuations have increased as a result of macro-economic uncertainties, market volatility and higher interest rates. The portfolio has proved resilient with good earnings growth and multiples below industry peers. Exit valuations continued to exceed carrying amounts. OCI has diversified across the Oakley family of funds including the Origin Fund and Oakley Capital PROfounders III.	
PR3 **Credit risk**	This is the risk that a borrower will default on its debt obligations, either by failing to make timely payments or by not repaying the debt at all.	OCI has direct debt in North Sails and in Time Out. The Board monitors operating performance, quality of earnings, forecasts and balance sheet strength of counterparties in order to measure credit risk.	North Sails' financial performance has improved during the year with an increase in revenue and EBITDA growth. Time Out's performance also improved as it emerges from the challenges of the pandemic.	

Other core risks

Risk	Potential impact	Mitigation	Positioning	Risk tolerance ● 2021 ● 2022
OR4 **Performance risk**	This is the risk of OCI's shareholder return underperfoming against the market and peers with the potential impact of reduction in share price, reduced share liquidity and reputational damage.	Quarterly reporting of NAV combined with transparent communication in business progress are designed to fully inform investors, potential investors and the wider market. Confidence in the NAV is established through a robust valuation process. A share buyback programme has been utilised opportunistically to demonstrate confidence in NAV.	General market sell-offs and widening of discounts across the sector have impacted the OCI discount at year-end, despite strong NAV growth. Investor Relations activities and continued transparent reporting have been successful in broadening the shareholder base, increasing liquidity.	
OR5 **Operational risk**	OCI outsources operational and finance functions to Oakley. Inadequate or failed internal processes could lead to operational performance risk and regulatory risk.	The Board engages with Oakley via the Management Engagement Committee and Audit Committee to regularly review internal controls and processes. The Risk Committee receives a quarterly report on internal risk controls and a compliance report.	Oakley continues to demonstrate a strong commitment to risk management, strong controls and transparent reporting. No significant control weaknesses have been identified. Operational risks of OCI remain low.	
OR6 **ESG risk**	Failure to integrate ESG themes into investment strategy and operating models creates sustainability, reputational and performance risks.	OCI considers embedding ESG practices into its investing and operating models to be part of its overall strategy for success. The Board is encouraged by the manner in which ESG initiatives are being thoughtfully implemented across Oakley and continues to monitor progress. The Board received a number of internal and external training sessions across the ESG spectrum to ensre it remains abreast of market and regulatory expectations.	ESG initiatives have expanded across all aspects of the Oakley investment cycle from due diligence, investment management, value creation in the portfolio as well as across operating model in Oakley itself. Whilst greater focus is being placed on ESG by regulators and markets, resulting in increased risks and changing expectations, activities at Oakley are designed to keep the business at the forefront of development.	

Other core risks

Risk	Potential impact	Mitigation	Positioning	Risk tolerance ● 2021 ● 2022
OR7 **Cyber risk**	The risk of financial loss, disruption, damage to reputation and regulatory sanction arising from failure of its data and information technology systems.	The Management Engagement Committee considers IT controls and cyber security activities as part of its annual review of Oakley. The Risk Committee receives regular reports on cyber security initiatives at both the Oakley and the portfolio company levels, including the results of cyber security risk assessments.	Cyber security protocols continue to be expanded across OCI, Oakley and the portfolio companies.	

Emerging Risks

Macro-economic risk

Increased market volatility, sustained high inflation and interest rates, potential economic downturns and reduced liquidity continue to emerge as risk factors to the portfolio companies. These components therefore have the potential to adversely impact our financial performance and returns to shareholders. The Board continues to closely monitor macro trends and works with Oakley to consider the direct and indirect impacts and implement risk mitigation strategies to reduce exposure. The positioning of the portfolio and the resilient nature of its invested company earnings and revenues have allowed it to navigate these challenges well.

Geo political Risk

The war in Ukraine combined with posturing of various governments around the globe has recently elevated geo-political risk to the highest levels in decades. This has manifested in many different ways including: creating general investment uncertainty, protectionist behaviour and supply chain disruption.
The portfolio companies have de-minimus direct exposure to the war in Ukraine or the subsequent sanctions. The niches in which our portfolio of companies operate are supported by global trends which are unaffected by events of this nature, nor are the companies themselves reliant on complex supply chains. The Board continues to monitor geo-political activity and emergent government behaviour and consider its impact on OCI.

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

Engaging with our stakeholders

Our key stakeholder groups

The Board is committed to understanding our stakeholders' views and considering their interests in Board discussions, decision-making and reporting. This includes considering the effect of decisions in the long term, the fostering of the Company's business relationships with service providers, the impact of the Company's operations on the community and environment, and maintaining a reputation for high standards of business conduct.

Set out overleaf are examples of key topics of relevance to the stakeholder group and how their interests have been considered in decision-making.

Stakeholder reporting

Stakeholder group	How the Board engages	Key topics during the year	Considering stakeholder interests
Shareholders The support of our current and future shareholders is critical to the continued success of the business. We believe our shareholders are interested in our continued strong financial performance, our ability to continue delivering for them for the long term and the maintenance of high standards of conduct and corporate governance. The Board places a high degree of importance on engagement with shareholders, endeavouring to communicate clearly and regularly with existing and potential shareholders.	**Capital Markets Day:** This annual event consists of presentations to shareholders and analysts by members of the Board, senior managers from Oakley and some of the underlying portfolio investment companies. **Shareholder engagement:** The Board receives regular updates from its Investor Relations Team on their discussions with shareholders, and Board members also meet with individual shareholders from time to time. **Website:** OCI's Annual Report and Accounts, along with the half-year Financial Statements and other stock exchange releases are published on our website.	Quarterly NAV updates have been provided from 2022 to increase transparency. These announcements also shared Oakley Fund investment opportunities and key portfolio activity.	From Q1 2022, the Company issued quarterly NAV updates. This change enhances shareholder communications, transparency and engagement. Further, the Board continues to believe that digital format Annual Report and Accounts along with the Company's website, revised in 2022, support its transparency aims and help to inform stakeholders about OCI and broader private equity market activity. All members of the Board continue to be shareholders of OCI, which we believe strongly aligns their interests with other shareholders.

Stakeholder reporting

Stakeholder group	How the Board engages	Key topics during the year	Considering stakeholder interests
Oakley Capital OCI invests in the Oakley Funds and Oakley is OCI's Investment Adviser and Administrator. Maintaining a strong, collaborative relationship is critical to the delivery of OCI's strategy of delivering above market returns and democratising access to private equity.	**Regular reporting:** OCI receives regular reports (at least quarterly) from the Investment Adviser on the performance of the Funds, performance of Direct Investments, go-forward potential investments and a range of other matters. **Continuous dialogue:** The Board maintains open and constructive dialogue, engaging on key matters impacting both OCI and Oakley Capital. **Face-to-face meetings:** The Board and Investment Adviser meet face-to-face regularly, both for planned Board meetings as well as for ad-hoc matters.	The Management Engagement Committee conducted an annual review of the performance of Oakley Capital against the activities set out in the Service Level Agreements between the parties, as discussed in greater detail within the Management Engagement Committee Report. The Directors also considered the performance of investments, macroeconomic risk, including the continued impact of COVID and the Russia/Ukraine conflict on the portfolio, cyber-security, commitments to future Oakley Funds, including Fund V, along with liquidity, foreign exchange exposure; and ESG.	Oakley continued to enhance its risk reporting Management Information ('MI') during the year, resulting in improved and more insightful discussions within Risk Committee and Board meetings and, in turn, enhanced shareholder-aligned fund commitment decisions.
The community and environment Being a responsible investor, and taking into consideration ESG topics, are key topics for the Board and are central to the way both OCI and Oakley operate. The Directors believe that ensuring appropriate and robust assessment of ESG-related risks and opportunities will lead to more sustainable business, creating long-term, ongoing value.	**Regular updates:** OCI invests solely in the Oakley Funds, with Oakley being committed to its engagement on ESG topics. The Board receives regular updates from Oakley's Head of Sustainability and has been fully engaged with Oakley in its progress during the year.	Throughout the period. the Directors considered the Company's diversity, equality and inclusion assessment, its carbon footprint assessment and reports from the Adviser on the underlying portfolio companies ESG programmes. See the ESG section of this report, pages 82 to 86.	During the year, as well as engaging with the Investment Adviser on ESG, the Board implemented its own Social Responsibility programme, which focuses on supporting Bermuda-based charities and youth programmes. This includes two financial commitments to date, with further opportunities under consideration.

Stakeholder reporting

Stakeholder group	How the Board engages	Key topics during the year	Considering stakeholder interests
Service providers OCI engages a range of service providers. Ensuring continued effective working relationships with these providers, one of whom is also Oakley Capital, is key to delivering on our strategy and ensuring that we continue to operate effectively.	The Board as a whole, and the Management Engagement Committee specifically, ensures regular dialogue, engagement and oversight of its key service providers, including Oakley.	The appointment, remuneration and performance of all key service providers was considered during the year. Specifically, OCI changed its corporate secretarial service provider and continued to further develop the administration and operational services provided by Oakley.	At the end of 2021, the Board consolidated its administration and operational services to Oakley to enhance both efficiency and operational effectiveness. During 2022 the Management Engagement Committee conducted a review of Oakley against the service provisions and the agreed key performance indicators. The results were fully satisfactory, with only minor areas identified for enhancement. In addition, the Board and its Committees held regular discussions throughout the year, which focused on the service levels provided to the Company by its other service providers.

Section 172 of the Companies Act 2006

The Board is committed to promoting the long-term success of the Company while conducting its business in a fair, ethical and transparent manner. The Board recognises the intention and importance of Section 172 of the UK Companies Act 2006 ('Section 172') which requires directors to act in good faith and in a way that is the most likely to promote the success of the Company and has adopted the provisions albeit OCI is registered in Bermuda. Accordingly, the Directors consider the interests of the Company's stakeholders (as laid out above) and pay due regard to the:

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

(b) interests of the Company's employees;

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

(d) impact of the Company's operations on the community and the environment;

(e) desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) need to treat stakeholders fairly.

Governance

Composition of the Board

A highly skilled board

The Board comprises highly skilled professionals who bring a range of expertise, perspectives and corporate experience to their roles.

No changes were made to the Board during the year and, during the AGM, the shareholders resolved to re-elect each Director of the Company. In accordance with the Company's bye-laws and the principles of the AIC Code, all Directors of the Company wishing to continue as Directors will offer themselves for re-election at the 2023 AGM. The Company's bye-laws are located at: https://oakleycapitalinvestments.com/wp-content/uploads/2020/04/Bye-laws-of-Oakley-Capital-Investments-2020.pdf

The Board is comprised of 40% female and 60% male Directors, and of the five members of the Board, only one (Peter Dubens) is considered not to be independent. The Board's view is that Peter Dubens, and his alternate Director (David Till) cannot be viewed as being independent due to their involvement with Oakley, which provides the Company with investment advisory, administration and operational services.

The Board met formally ten times during 2022, in addition to the Board members' participation in the individual Committees as discussed elsewhere in this Report. This meeting frequency is expected to continue in 2023 and additional meetings are arranged as necessary for the Board to properly discharge its duties.

Biographies of the Directors, including details of their relevant experience and other current directorships, follow overleaf.

Robust oversight from

Independent Directors'

Board of Directors

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

Caroline Foulger

Independent Chair

Appointed to the Company's Board in June 2016 (and as Chair in September 2018), Caroline has been an independent Non-Executive Director in the financial services industry since 2013. Caroline has 25 years experience in public accounting, retiring from PwC as Partner after 12 years, primarily leading the insurance practice in Bermuda and servicing listed clients. Caroline is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of CPA Bermuda and a member of the Institute of Directors. Caroline is a resident of Bermuda. Caroline leads the Board's strategic and operational discussions as well as the oversight of key service providers. She leads the annual review of the Board and Committee effectiveness.

Directorships of publicly listed entities

- Atlas Arteria Holdings Limited
- Ocean Wilsons Holdings Limited
- Hiscox Limited (retired 31 May 2022)

Richard Lightowler

Senior Independent Director

Appointed to the Company's Board in December 2019, Richard has 25 years' experience in public accounting, 19 years as a Partner with KPMG in Bermuda. He was head of the KPMG Insurance Group in Bermuda for almost 14 years, a member of the firm's Global Insurance Leadership Team and Global Lead Partner for large international insurance groups listed on the New York and London Stock Exchanges. Richard brings with him a wealth of knowledge in financial services, expertise in best practice corporate governance, risk management and significant transactional and regulatory experience. Richard is a resident of Bermuda and is a Chartered Accountant in England and Wales.

Directorships of publicly listed entities

- Hansa Investment Company Limited
- Aspen Insurance Holdings Limited

Fiona Beck

Independent Non-Executive Director

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

Directorships of publicly listed entities

- Atlas Arteria Holdings Limited
- Ocean Wilsons Holdings Limited
- Ibex Limited

Board of Directors

Peter Dubens

Non-Executive Director

Appointed to the Company's Board in July 2007, Peter is the founder and Managing Partner of Oakley Capital. Peter founded the Oakley in 2002 to be a best-of-breed, entrepreneurially driven UK investment house, creating an ecosystem to support the companies in which Oakley invests, whether they are early-stage companies or established businesses. David Till serves as an alternate Director to Peter.

Directorships of publicly listed entities

- Non-Executive Chair of Time Out Group plc

Stewart Porter

Independent Non-Executive Director

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

Directorships of publicly listed entities

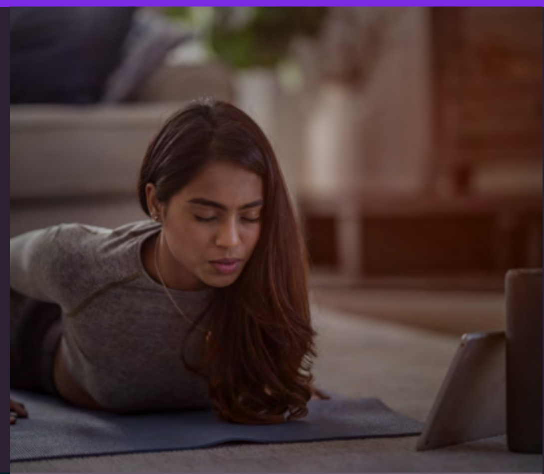
- None

Focus in 2022

The Board has considered and overseen a number of key actions throughout the year in accordance with its principles. At a high level, these actions include:

Strengthened

Negotiation of the credit facility to enhance the Company's liquidity position

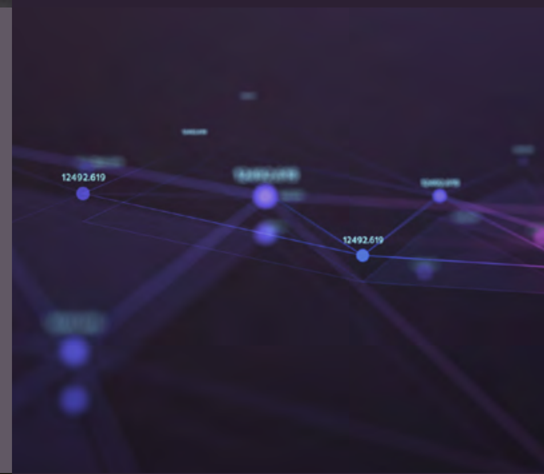


Secured

Securing the extension of the Chair's term

Approved

Approving and overseeing total share buy-backs of 2.2 million shares

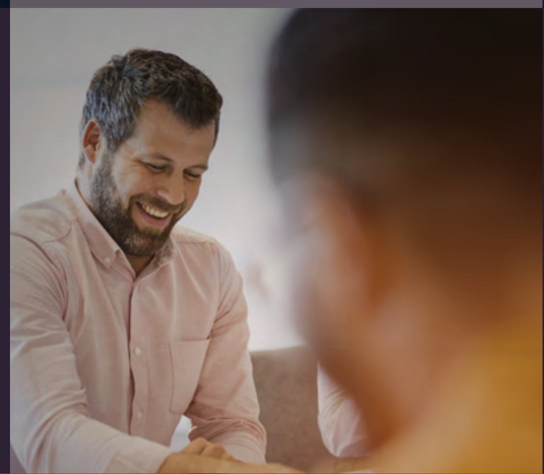


Committed

Committing €800 million to Oakley's Fund V

Approved

Approving a commitment to Oakley PROfounders III



Ratified

Ratifying the covenants to the Company's banking facility on a quarterly basis

Evaluated

Evaluating the roles, membership and terms of reference of each of the Committees

Corporate governance statement

Introduction from the Chair

In this statement, the Company reports on its compliance with the AIC Code of Corporate Governance (the 'AIC Code') and sets out how the Board has operated during the past year. The AIC Code sets out principles and provisions regarding matters including stakeholder engagement and the culture of the Company, against which the Company has reported on pages 91-94.

The Board is committed to providing leadership and strategic direction of the highest standard of corporate governance and accountability to shareholders. Through strong governance and active ongoing engagement with key service providers, the Board aims to continue to deliver long-term sustainable value for its shareholders.

Director independence

In accordance with the Listing Rules and considering the AIC Code, which the Board has chosen to comply with, the Board has reviewed the status of its individual Directors and the Board as a whole and has determined all Directors are considered independent with the exception of Peter Dubens and his alternate, David Till.

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

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

Managing conflicts of interest

Conflicts of interest is a standing agenda item at each of the Company's Board and Committee meetings, requiring Directors to disclose any new conflicts as may arise. All conflicts are maintained within the Company's conflicts of interest register. Conflicted Directors do not take part in the relevant discussion or decision and are not counted in any relevant voting.

Peter Dubens is a shareholder and a Director of several Oakley Group entities. Neither he nor his alternate, David Till, are permitted to vote on Board decisions which relate to these entities or on other matters which are deemed to have a potential conflict of interest.

In particular, the Board is responsible for making investment decisions into Oakley Funds, selecting and engaging service providers, monitoring financial performance, ensuring an adequate system of internal controls, setting and monitoring the Company's risk appetite, and ensuring that responsibilities to shareholders are understood and met.

> **At every Board or Committee meeting,** Directors are required to disclose any conflicts of interest that have arisen.

The Company voluntarily applies the FCA Listing Rules where appropriate. Listing Rule 9.8.4C requires the Company to include certain information in a single identifiable section of this Annual Report or a cross-reference table indicating where this information is set out. The Directors confirm that there are no disclosures to be made in this regard, save that:

(i) The Remuneration Committee determined that Peter Dubens is not entitled to a Directors' fee; and

(ii) the Company has entered into an Administration Agreement, Operational Services Agreement and Investment Adviser Agreement with Oakley Capital Limited, which is majority owned by Peter Dubens, a Director of the Company.

Each Director's shareholding in the Company is detailed as part of the Remuneration report and is considered for fair dealing purposes as a declared interest when a relevant event, such as a share buy-back, is under consideration.

Directors' terms of appointment

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

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

The Board's process for the appointment of new Directors and proposed reappointment of existing Directors is conducted in a transparent, engaged and open manner.

Corporate governance statement

The Nomination Committee oversees the nomination of Board members, as outlined in the Committee's report.

The tenure of the current Chair, Caroline Foulger, has been extended for a further three years. The Board recognises the value of refreshing its membership regularly and has established fixed tenure for all four independent Directors, which is renewable by mutual agreement. The Nomination Committee of the Board prefers to retain the flexibility to assess the balance of skills and experience of the Board as a whole, while also noting the benefits of Board member longevity through private equity investment cycles. Further information is contained within the Nomination Committee report.

Board training

To ensure the Directors continue to maintain a high degree of awareness and understanding of their duties, along with the risks and opportunities the Company faces, they are provided with a tailored training programme. Training is provided when Directors first join the Board and on an ongoing basis throughout their tenure. The Board also has continued access to the Company's various legal counsel, subject matter experts within Oakley and other specialists, as appropriate.

Board information and support

The Board receives, in a timely manner, information of an appropriate quality to enable it to adequately discharge its responsibilities. Papers are provided to the Directors in advance of the relevant Board or Committee meeting to allow for further enquiries prior to the meeting, should they so wish. Advanced issuance of materials also allows any Director who is unable to join on occasion to submit views in advance of the meeting.

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

Reports from the Committees of the Board

The Board has delegated specified areas of responsibility to its Committees. The terms of reference of all Committees are available on the Company's website here: https://www.oakleycapitalinvestments.com/about/board-and-governance/

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

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

Ongoing costs

For the period ended 31 December 2022, the Company's ongoing charges were calculated as 2.66% (2021: 2.22%) of NAV.

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

The AIC Code

The purpose of the AIC Code is to provide a framework of best practice in respect of the governance of investment companies. The Board considers on an ongoing basis the Principles and Provisions of the AIC Code of Corporate Governance. The AIC Code addresses the Principles and Provisions set out in the 2018 UK Corporate Governance Code (the 'UK Code'), as well as setting out additional Principles on issues that are of specific relevance to the Company.

The Board considers that reporting consistent with the Principles of the AIC Code, which has been endorsed by the Financial Reporting Council, will provide shareholders with a market-comparable assessment of its governance programme.

The Company sets out overleaf how it has complied with the Principles and Provisions of the AIC Code throughout the year ending 31 December 2022.

Corporate governance statement

Principle A

A successful company is led by an effective Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

Company position and update

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

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

The Company's objective and investment policy is included as part of this Annual Report. Refer to page 3 and page 130. To ensure there is continuous improvement in Board practices, the Nomination Committee performs an annual effectiveness assessment of the Board and each of its committees, with a focus on both risks and opportunities.

Principle B

The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.

Company position and update

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

OCI invests in Oakley Capital Funds, enabling investors, who may otherwise not have access to private equity, to share in the growth and performance of high-quality, private European companies in attractive sectors.

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

OCI is keenly focused on overseeing its Investment Adviser to ensure that it is driving sustainability considerations throughout the investment cycle.

Principle C

The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

Company position and update

Through the work of its regular Committee and Board meetings, the Board ensures frequent measurement against the Company's objectives. The adequacy, effectiveness and appropriateness of resources and controls are monitored and discussed regularly at Board meetings. The Directors' report outlines the activities of the Board in more detail. Refer to the various Board committees for the purpose and activities of the Committees.

Risk appetite is set at least annually, a risk report is issued quarterly and levels of risk are maintained within Board-approved limits.

If any risk is above the early warning threshold, mitigating control to reduce the risk will be prioritised.

The overall objective is to preserve value, make improvements for observed opportunities or inefficiencies, whilst monitoring and managing current and emerging risks.

Principle D

In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.

Company position and update

The Board is committed to maintaining the Company's reputation for high standards of conduct and engagement with its shareholders and stakeholders. Refer to stakeholder engagement reporting on pages 91-94.

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

The Board remains committed to transparent reporting in all communications including in Annual and Interim Report and Accounts via the Company website, through quarterly trading updates, and by means of annual shareholder meetings and Capital Markets Days.

Principle F

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information.

Company position and update

Caroline Foulger, as Chair, leads the Board of Directors with a culture of demonstrative challenge, openness and accountability. She was independent at appointment, and is considered by the Board to remain so, as assessed consistently with the circumstances listed in AIC Provision 13.

The responsibilities of the Board are set out in the Company's bye-laws, which are published on its website: https://www.oakleycapitalinvestments.com/media/x0bhfpdm/bye-laws-of-oakley-capital-investments-2020.pdf

The number of meetings of the Board and its committees, and the individual attendance by Directors, are reported on in the Nomination Committee's report to the Board, which is included in this Annual Report.

The effectiveness of the Chair is a component of the annual Board Effectiveness Review and the consideration of that is led by the Senior Independent Director.

Principle G

The Board should consist of an appropriate combination of Directors (and, in particular, independent Non-Executive Directors) such that no one individual or small group of individuals dominates the Board's decision-making.

Company position and update

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

Richard Lightowler serves as Senior Independent Director, providing an available path of intermediation for shareholders and other Directors, while also acting as trusted adviser and sounding board to the Chair.

Peter Dubens is the founder and Managing Partner of the Oakley group, and hence not considered independent. The Company implements a strict Conflicts of Interest Policy to mitigate any potential interference with Directors' exercise of judgement.

The culture of open and honest communication and forthright discussion means no individual or small group of Board members dominates decision-making.

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

Board leadership and purpose

Division of responsibilities

Composition, succession and evaluation

Audit, risk and internal control

Remuneration

Principle H

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

Company position and update

The Company regularly reviews and considers the number of listed board and chair positions each Director holds to ensure they have adequate time to dedicate to the Company.

A regular Board calendar is established to enable relevant meeting materials to be provided in advance. Meeting timetables allow sufficient time for agenda items and debate. Ad-hoc meetings may be arranged from time-to-time with advance materials for time-sensitive matters.

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

Operational Services and Administration Services are also now provided by the existing Investment Adviser, Oakley Capital. Clear separation is observed between the administration function, accounting and investment advisory services.

Principle I

The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

Company position and update

The Board has appointed Carey Olsen Bermuda for corporate secretarial services, and has its registered address at the Carey Olsen offices.

The Risk Committee ensures that all policies and procedures are reviewed at least annually and updated where appropriate.

Directors and Committees of the Board have access to independent professional advice, at the Company's expense, as appropriate.

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

The Company appointed its first employee in 2021 as 'Board Liaison Officer' to support the Board in its activities.

Corporate governance statement

Board leadership and purpose
Division of responsibilities
Composition, succession and evaluation
Audit, risk and internal control
Remuneration

Principle J

Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds and cognitive and personal strengths.

Company position and update

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

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

Principle K

The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.

Company position and update

The Board continues to consider its level of diversity of demographic, soft and hard skills, as well as a balance of appropriate experience and tenure. Each of the Directors retires and is subject to re-election at each AGM. Nomination decisions are taken by the Nomination Committee of the Board.

Refer to the Directors' report for the biography of each Director, pages 97-98. There were no changes made to Board composition in 2022.

All Directors were re-elected to the Board during the September 2022 Annual General Meeting. Further, the Company's Nomination Committee re-elected Caroline Foulger to perform the role of Chair, extending her tenure for a further three years, approximately six years after her first appointment to the Board. Due to the long-term nature of the Company's investments in the Oakley Funds, continuity and succession planning are important considerations that are considered and assessed by the Nomination Committee of the Board.

Principle L

Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.

Company position and update

Board and committee effectiveness is formally assessed at least annually.

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

Corporate governance statement

Board leadership and purpose
Division of responsibilities
Composition, succession and evaluation
Audit, risk and internal control
Remuneration

Principle M

The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.

Company position and update

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

The Company rigorously follows policy and procedure to ensure effectiveness of external audit and integrity of the Financial Statements and narrative reporting. Refer to the Audit Committee report on pages 109-111.

Principle N

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

Company position and update

The Company's financial position and prospects are reviewed on an ongoing basis; refer to the viability statement on page 128. This includes assessment and monitoring of emerging and principal risks relevant to the business model of the Company. The Annual and Half-year Reports published in 2022 provided fair, balanced and understandable commentary on the Company's position and prospects.

Principle O

The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.

Company position and update

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

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

The Audit Committee also maintains oversight of the Company's internal financial reporting controls.

Corporate governance statement

Principle P

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

Company position and update

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

The Company has adopted a policy whereby independent Directors are required to hold shares in the Company to the value of one year's fees within three years of appointment. As at 31 December 2022, all Directors met this requirement.

Principle Q

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

Company position and update

The Remuneration Committee reviews market appropriateness and fairness of Director remuneration at least annually. The annual fees were reviewed in November 2022 and increased to reflect the increased time commitments from the Non-Executive Directors and market conditions. Further detail is included within the Remuneration Committee's Remuneration report.

Principle R

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

Company position and update

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

Audit Committee report

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

Richard Lightowler
Chair of the Audit Committee

Other Audit Committee members:

Fiona Beck
Committee member

Caroline Foulger
Committee member

Achievements in 2022

- Introduction of quarterly NAV reporting from Q1 2022
- Robust review of valuation approach and assumptions in light of volatile macro-economic conditions. Conclusion that investments are fairly valued
- Concluded the selection process for new lead audit partner for 2022 onwards
- Through external training, developed competencies in ESG reporting, including the Task Force of Climate-related Disclosures

Objectives for 2023

- Continued oversight of valuation process supporting the integrity of reported NAV
- Oversight and assessment of quality of financial reporting, internal controls and external audit
- Continued focus on transparent reporting

Audit Committee report

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

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

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

The Audit Committee met four times during 2022. It formally reports to the Board on its proceedings after each meeting. Attendance is summarised as part of the report by the Nomination Committee of the Board.

Significant estimates

The most significant estimates in the Company's Financial Statements are the fair value of the Oakley Funds and the fair value of direct debt investments.

Key elements considered by the Audit Committee in its consideration of fair values of Oakley funds are:

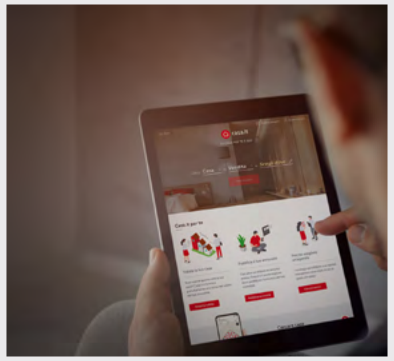
- valuation approach to underlying portfolio companies – understanding input data, assumptions and methodologies used;
- consistency in valuation approach;
- investments are valued in accordance with the International Private Equity and Venture Capital ('IPEV') Valuation guidelines;
- results of independent, third-party valuation engagement commissioned by the Investment Adviser which produces an annual independent valuation of each portfolio company;
- results of backtesting performed by the Investment Adviser comparing realisations against carrying values on disposal;
- internal controls, including the work of the Valuations Committee at the Investment Adviser; and
- results of the independent audit, including detailed discussions with the audit team.

This year was a period of significant economic and geopolitical volatility. The Committee focused on how these impacts had been addressed in the assumptions and methods used in the valuations. Specifically, the potential impacts of economic downturns and inflation on portfolio company operating performance and the impact of interest rates on valuation multiples.

In its consideration of the fair value of its direct debt investments, the Committee:

- obtains detailed valuation documents provided by the Investment Adviser which includes debt to equity analysis, trading performance of counterparties and fair value estimates;
- commissions an independent, third-party valuation of the debt; and
- considers the results of the work of the independent Auditor.

> **Underlying business performance of the Oakley Funds' portfolio companies** is a key focus for both the Committee and OCI's Auditor.



The Audit Committee concluded that the valuation process was effective in providing fair value estimates for both the fund and debt investments. It also noted that the valuation process, internal controls and accounting principles used were consistent with previous years. Except for the independent, third-party valuation reports and external audits which are performed at year end only, the valuation process is also consistent with the quarterly processes.

Financial reporting internal controls

Financial reporting and administration functions of the company are outsourced to Oakley through an Investment Advisory and Operational Services Agreement. The Committee is provided with documents detailing the key internal controls in the financial reporting process. Further, it has regular access to and discussions with the finance team of Oakley as part of the regular financial reporting process. The Committee also receives regular reporting from the Oakley compliance function. On at least an annual basis the Management Engagement Committee conducts a formal assessment of the performance of Oakley, including the operating effectiveness of financial reporting controls and reports back to the Board. Through these combined activities the Audit Committee is satisfied that financial reporting internal controls are adequate and effective.

Audit Committee report

During the year, the Audit Committee reviewed and approved the publication of the Quarterly NAV, the Half-year Report and the dividend declarations.

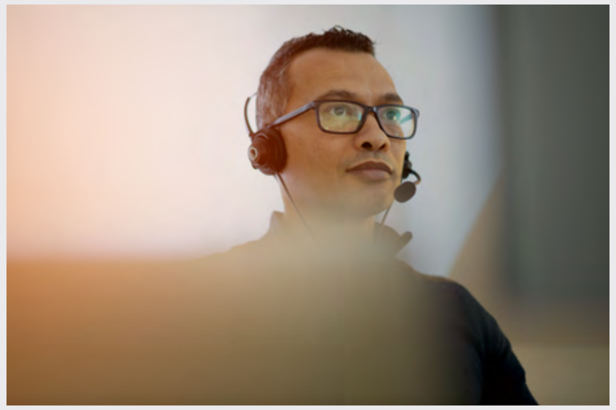
The Audit Committee approved the Annual report, confirming to the Board that financial and narrative reporting is fair, balanced and understandable.

Audit: independence and objectivity

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

KPMG Audit Limited ('KPMG' or the 'Auditor'), located in Hamilton, Bermuda, has been the Company's Auditor since 2007. The Audit Committee reviews their performance annually. The Audit Committee considers a range of factors in determining the quality of the audit firm, including independence and objectivity, quality of service, the Auditor's specialist expertise and the level of audit fee.

As a result of lead partner rotation requirements, a new lead audit partner has been appointed to conduct the 2022 audit. The Audit Committee considered the skills, competencies, experience and commitments in its selection of the successor lead audit partner.



The Company concluded a comprehensive review and tender process of KPMG as external Auditor in 2020 and continues to be satisfied with the team and quality of services provided by the external Auditor during 2022. At the AGM in September 2022, the Board resolved to reappoint KPMG as the Company's Auditor.

It was confirmed that KPMG were engaged to complete an audit of the Company's Financial Statements for the year ended 31 December 2022.

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

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

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

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

Internal control and risk management

The Audit Committee considers the potential need for an internal audit function on an annual basis and has to date concluded that adequate internal Oakley assurance processes exist to satisfy and validate the adequacy of internal controls.

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

The Company engages service providers to carry out all significant operating and financial reporting activities. The Management Engagement Committee monitors the performance of all key service providers, including a consideration of their internal controls and compliance activities. The Company receives direct reporting from the service providers on internal controls, the identification of any weaknesses or significant changes in process.

On behalf of the Board.

Richard Lightowler
Chair of the Audit Committee

Risk Committee report

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

Fiona Beck
Chair of the Risk Committee

Achievements in 2022

- Risk incident report clear of any material risk events for the year
- Enhanced reporting of macro economic and strategic risks faced by the company and reviewed risk appetites and thresholds
- Ensured contingent funding is put in place to support future fund commitments
- Brought focus to the cyber security agenda that Oakley manages

Objectives for 2023

- Active monitoring of liquidity and commitments
- Build on reporting of macro economic impacts on our portfolios
- Ensure the risk incident report remains clear of any material risk events for the year
- Build on the programme around regulatory, ESG and emerging risks
- Monitor Oakley cyber agenda across the business and portfolio

Other Risk Committee members:

Richard Lightowler
Committee member

Risk Committee report

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

Effective identification, management and mitigation of risk is essential for achieving the Company's strategic objectives. The Board of Directors is responsible for developing and maintaining the Company's risk management strategy, with oversight from the Risk Committee. The Risk Committee is responsible for implementing the risk management strategy, monitoring and reporting, managing risk tolerance, and ensuring the effective application of risk management in the Company's operations.

The Risk Committee was active in 2022 against a backdrop of challenging macro economic conditions and increased geo-political risk. The particular focus was to consider the effects of rising interest rates, inflationary pressures, economic slowdown, and foreign currency fluctuations on portfolio companies together with the resulting impact on operating and finance models and valuations.

Overall, the portfolio has remained resilient with low leverage relative to peers, they are typically asset light businesses with strong market positioning and many operate subscription-based pricing models allowing for pricing elasticity. These factors have enabled them to navigate the current market conditions.

At the Company level, short and long-term cash flow modelling and additional (extreme) stress-testing continues to show the Company operating within established liquidity risk tolerances. The newly established credit facility provides further headroom in the form of a £100 million contingent facility. In the context of geo-political risk, direct exposure to the Russia/Ukraine conflict has been minimal.

During the year, the Committee worked with the recently strengthened Oakley risk team to refresh the risk registers and risk reporting to the Board, including review of risk tolerances, enhanced dashboard reporting and regular quarterly reporting on both existing and emerging risks.

The Committee continues to work with Oakley on their cyber security risk agenda which covers the risks at both the Oakley level and portfolio company level.

Looking ahead to 2023, the Risk Committee will continue to support the Board in ensuring the Company operates within established risk tolerances in what is expected to remain a very volatile macro economic and geo-political environment. An important part of this is being mindful of, and pro-active with, emerging risks. Particular areas of focus for 2023 are expected to be:

- continued focus on cash flow management and liquidity risk
- monitor emerging risks with the objective of being at the forefront of ESG and regulatory best practice

The Chair of the Risk Committee is appointed by the Board of Directors. The role and responsibility of the Chair of the Risk Committee is to set the agenda for meetings of the Risk Committee and, in doing so, takes responsibility for ensuring that the Risk Committee fulfils its duties under its terms of reference.

The Risk Committee met twice during the year with quarterly reports supplied to the Board as part of the Board's active monitoring approach.

The Principal Risks and Uncertainties faced by the Company are described in the Strategic Report on pages 87-90. Note 5 to the Consolidated Financial Statements provides detailed explanations of the risks associated with the Company's investments.

On behalf of the Board.

Fiona Beck
Chair of the Risk Committee

> **The Risk Committee has been active during the year** against a backdrop of significant economic and geo-political volatility.

Management Engagement Committee report

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

Caroline Foulger
Chair of the Management Engagement Committee

Other Management Engagement Committee members:

Richard Lightowler
Committee member

Achievements in 2022

- Review of Oakley following consolidation of service provisions
- Oversight of the remediation of all material identified service provider development opportunities
- Solidified robust annual budget approval and challenge exercise

Objectives for 2023

- Continue to monitor the remuneration, performance and compliance with respective agreements of other key service providers
- Seek to negotiate enhanced commercial fund terms with Oakley on future investment opportunities where appropriate

Management Engagement Committee report

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

The purpose of the Committee is to review on a regular basis the appointment, remuneration and performance of the key service providers to the Company, with a key focus on Oakley, which is appointed as the Investment Adviser, Administrator and Operational Services Provider.

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

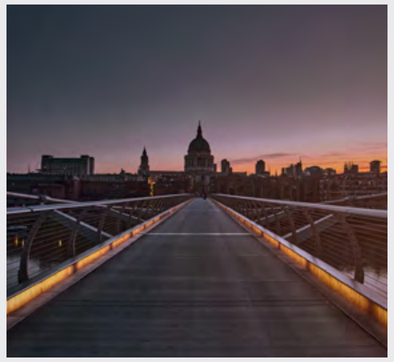
The Chair of the Management Engagement Committee is appointed by the Board of Directors.

The Management Engagement Committee met three times during the year. The Committee formally reports to the Board on its proceedings.

Investment Adviser, Operational Service Provider and Administrator

The Management Engagement Committee reviewed the performance and compliance with agreements with Oakley in 2022. Other service providers were considered and it was assessed that no specific review in 2022 was required as they are less material, and they would be reviewed on rotation.

“**The Management Engagement Committee reviewed the performance and compliance** with agreements with Oakley in 2022.



Factors assessed by the Committee during the year include:

- performance of Oakley was considered in light of Service Level Agreements in place for each type of service provided and overall performance during the year;
- the costs for services were considered and benchmarked to third-party comparators;
- ongoing oversight of investor relations, noting continued shareholding engagement throughout the year;
- compliance with contractual arrangements and duties, including an assessment of the internal control environment; and
- ESG and diversity considerations.

In reviewing the performance of Oakley, it is the opinion of the Committee that with due regard for i) the obligations under the Investment Advisory and Operational Services Agreement and the Administration Agreement and ii) the key performance indicators agreed in 2021, and having reflected on Oakley’s interactions with the Company during the period, there has been a marked trend in improvement in the quality and responsiveness of the services provided relative to previous years. This improvement is observed as being due to the recruitment of high-quality personnel to support the Oakley team servicing the Company and the increase in focus of specialists providing specific services to the Company and better organised and presented materials and solutions to the Company in satisfaction of the obligations.

Other key service providers

Although the selection and instruction of key third party service providers remain under the purview of the Board, in most instances, day to day relationships are managed by employees of the Investment Adviser on behalf of the Company.

Both the Committee and Board regularly had discussions regarding the performance of providers of legal, financial advisory, brokerage, communications and administration services.

On behalf of the Board.

Caroline Foulger
Chair of the Management Engagement Committee

Nomination Committee report

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

Caroline Foulger
Chair of the Nomination Committee

Achievements in 2022

- Enhanced the Board Effectiveness Review process
- Recommended and sought the reappointment of each of the Board of Directors
- Recommended the extension of the tenure of the Chair for a further three years
- Obtained shareholder support in all proposed re-elections at the AGM
- Review of Board skills matrix during the year

Objectives for 2023

- Recommend reappointment of Board Directors for the AGM
- Obtain shareholder support in all proposed re-elections at the AGM
- Continue to enhance Board effectiveness

Other Nomination Committee members:

Richard Lightowler
Committee member

Nomination Committee report

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

The purpose of the Committee is to facilitate the effective operation of the Board and its committees, and to oversee nominations, appointments and reappointments to the Board. In summary, the process includes, but is not limited to:

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

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

Members of the Committee vote on the election of new candidates, following which appointment is recommended to the full Board, and subsequently for re-election at the AGM of shareholders.

The Board considers diversity when making a new appointment and seeks to get a unanimous vote on the appointment of the proposed candidate. Caroline, as Chair of the Board, cannot vote on her own appointment.

The Company does not have a formal policy of tenure in place but assesses each Director's role on an individual basis based on their performance. In its review of the effectiveness of the Board, the Committee monitors Board and Committee meeting attendance.

There were no changes deemed appropriate or made in the composition of the Company Board during the course of 2022.

Early in 2023 a Board Effectiveness Review was undertaken for the 2022 year, with the results fed back to the Committee and areas for development considered for 2023.

Nomination Committee report

Board effectiveness

At the beginning of 2022, the Nomination Committee conducted an Effectiveness Review of the Board, the results of which demonstrate a strong overall performance, and an effective Board. Following this review, it was agreed to amend certain roles to align the total number of Directors to be consistent across each of the Committees, with the exception of the Audit Committee. The roles of each Committee were reviewed and amended to ensure that the responsibilities of each is sufficiently well defined and distinct from one another. It is the view of the Nomination Committee that not only are the roles and responsibilities of the committees well defined, and distinct, but that there is also the correct level of oversight of each of the areas.

To more evenly distribute roles across the Directors, the Nomination Committee recommended the appointment of Stewart Porter as Chair of the Governance, Regulatory and Compliance Committee, in place of Richard Lightowler. The Nomination Committee further recommended the appointment of Fiona Beck as the Chair of the Risk Committee in place of Caroline Foulger.

The Committee welcomes the development of the Listing Rules regarding the composition of the Board of Directors and requisite disclosures, which will apply from the 2023 year end. Next year's Annual Report will seek to address the enhanced disclosure requirements and set out the Board's approach to succession planning.

Independence

Recommendations to appoint or reappoint Directors to the Board are made with due consideration given to the independence of each Director.

The Chair's independence was specifically considered, in light of their six-year tenure as a Director, in addition to their appointment as Chair of Ocean Wilsons Holdings Limited as of May 2022. It is the view of the Nomination Committee and the Board that the Chair remains an independent party, and on this basis, a recommendation was made to the Board that a three-year extension to the Chair's tenure is in the best interests of the Company. This recommendation was made in advance of the 2022 AGM, with Caroline Foulger being re-elected to the Board.

Considering the Nomination Committee's assessment of the effectiveness of the Board, their respective time commitments, and skills and expertise, it was also recommended that all other Directors be put forward for re-election at the 2022 AGM, with each being re-elected.

The Nomination Committee discussed the appointment of an Independent Non-Executive Director during the course of 2022, however it was determined not to make such a recommendation at this time.

On behalf of the Board.

Caroline Foulger
Chair of the Nomination Committee

Board attendance

A summary of the Directors' attendance at Board and Committee meetings throughout 2022 is provided below. The number of meetings is shown in brackets.

Director	Board meetings	Audit Committee	Risk Committee	Management Engagement Committee	Governance, Regulatory and Compliance Committee	Nomination Committee	Remuneration Committee
Caroline Foulger	9(10)	4(4)	2(2)	2(2)	3(3)	3(3)	2(2)
Stewart Porter	8(10)	4(4)	2(2)	2(2)	3(3)	3(3)	2(2)
Fiona Beck	8(10)	4(4)	2(2)	2(2)	3(3)	3(3)	2(2)
Peter Dubens (or David Till as alternate)	9(10)	4(4)	2(2)	2(2)	1(3)	3(3)	2(2)
Richard Lightowler	8(10)	3(4)	1(2)	2(2)	2(3)	3(3)	2(2)

Governance, Regulatory and Compliance Committee report

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

Stewart Porter
Chair of the Governance, Regulatory and Compliance Committee

Achievements in 2022

- Ongoing monitoring of investors across the UK, US and EU sanctions and watch lists
- Detailed monitoring of ongoing obligations and Director responsibilities
- Enhancement of OCI's economic substance in Bermuda

Objectives for 2023

- Continuous improvement of the governance and compliance control and reporting framework
- Ensuring the Board effectively oversees and implements changes in regulation, governance and compliance requirements

Other Governance, Regulatory and Compliance Committee members:

Fiona Beck
Committee member

Governance, Regulatory and Compliance Committee report

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

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

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

The Committee met three times during the year. The Committee formally reports to the Board. Attendance is encouraged for all Board members, as it serves as a forum for regulatory awareness and training (aside from the annual training programme).

Diversity and inclusion

The Company continues to welcome and encourage inclusion and diversity across its key service providers and its Board, recognising the benefits brought through diversity of thought. The Board believes that a wide range of experience, perspectives, skills and personalities allows Directors to share varying perspectives and insights, helping to create an environment of balanced and inclusive decision-making.

The Committee actively engages with key service providers on diversity and inclusion, advocating for change and further enhancement of the groundwork laid over previous years.

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

The Company continues to welcome and encourage inclusion and diversity across its key service providers and its Board.

Governance

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

The Company's compliance with the AIC Code is summarised as part of the Corporate Governance report. refer to pages 99-108.

Regulatory and compliance

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

The Russian invasion of Ukraine presented a heightened sanctions risk to companies across a variety of sectors. The Committee has overseen a large-scale screening effort by the Oakley Compliance team, along with other relevant service providers to ensure no sanctions-related exposure vis-a-vis investors in the fund or the investments by the UK, US or EU. The Company is in a position to confirm that it has no direct operational or financial exposure to Russia.

The Committee further had an independent assessment conducted of the Company's

Governance, Regulatory and Compliance Committee report

Bermudan governance and compliance arrangements, which confirmed the robustness of its existing practices, and identified opportunities for marginal improvement. Following this assessment it was subsequently agreed to engage the independent consultants to conduct the review on an annual basis.

This serves as testament to the effectiveness of additional levels of oversight and robustness in the compliance control environment of the Company's key service providers.

Compliance with relevant London Stock Exchange and Bermuda law obligations is monitored on an ongoing basis, and presented to each Committee.

Tax compliance

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

The Committee has also commissioned a Company Tax Policy to aid behavioural compliance when travelling outside of Bermuda.

Stewart Porter
Chair of the Governance, Regulatory and Compliance Committee

Remuneration Committee report

> **The Committee's objective is to recommend the structure and quantum of director remuneration** that promotes independence and objectivity, attracts and retains high-quality, experienced skill sets and is reflective of contributions made by Board members.

Richard Lightowler
Chair of the Remuneration Committee

Other Remuneration Committee members:

Caroline Foulger
Committee member

Achievements in 2022

- Comprehensive review of remuneration model using independent external analysis as well as publicly available market data
- Change in denomination of Director fees to USD where appropriate
- Continued focus on conflict-avoidance and independence

Objectives for 2023

- Continue to observe and assess market-relevant remuneration practices to ensure a fair and competitive remuneration structure with a focus on maintaining objectivity

Remuneration Committee report

The Remuneration Committee provides for unbiased, fair and appropriate Director remuneration.

The purpose of the Committee is to determine and make recommendations to the Board regarding the remuneration of Directors of the Company, while ensuring no Director determines their own remuneration. Executives of Oakley Capital who serve on the Board are considered non-independent and do not receive remuneration in their capacity as Board members of the Company.

In fulfilling its purpose, the Committee has the objective of maintaining a competitive remuneration model that attracts and retains high-calibre candidates, is reflective of the amount and quality of contribution made by Board members and is designed to ensure Directors are free of conflict and act in the best interests of the Company.

During 2022 the Committee conducted a comprehensive review of remuneration. In performing the review the Committee obtained an independent market study on director remuneration models and trends; performed a broader market study, using publicly available data; considered the results of Board effectiveness surveys conducted over the past two years; and considered the time committed and responsibilities carried by individual Board members.

As a result of the review the Committee recommended to the Board:

- remuneration continued to be paid on a fixed fee basis;
- increases in fees paid to each independent Director;
- additional fees paid to the Board Chair and Audit Committee Chair in recognition of the additional time commitment and responsibilities of those two roles; and
- no fees paid to executive management of Oakley who serve on the Board.

In making the recommendation for increased fees the Committee noted that as OCI continues to grow the time commitment by each Director has increased significantly. The cyclical meetings are now much longer, with quarterly meetings now held over two days; additional meetings are held ahead of the release of quarterly valuations and the number of ad-hoc meetings and meetings with the Manager have also increased. During the year, the Board negotiated a €800 million commitment to Oakley Fund V and €30 million to Oakley Capital PROfounders III. The Board also negotiated a credit facility as part of its overall balance sheet management strategy and continues to spend time managing commitments, across six funds. It was agreed that, reflective of these increased commitments changes to remuneration be made effective April 1, 2022. The recommendations were approved by the Board.

The Committee will continue to perform an annual assessment of Director remuneration.

On behalf of the Board.

Richard Lightowler
Chair of the Remuneration Committee

The Committee undertook a comprehensive internal remuneration consultation during 2022.

Remuneration report

The annual fees for Non-Executive Directors who served in the period from 1 January 2022 to 31 December 2022 were reviewed in November 2022 given the increased time commitment. The fees as reviewed apply retroactively from 31 March 2022. Directors are remunerated in the form of fixed fees payable to the Director personally in US dollars. An additional fee is paid to the Chair of the Board and to the Audit Committee Chair (as premium in recognition of extra workload and responsibility, in line with market practices). The total amount of remuneration paid by the Company to its Directors during the year ended 31 December 2022 was £473,000 (2021: £370,000)[1].

Note, Peter Dubens and his alternate, David Till, serve without a fee. There are no long-term incentive schemes provided by the Company and, no performance fees are paid to Directors.

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

Directors' interests in shares of the Company

The Board has put in place a policy whereby each Director is required to buy and hold sufficient publicly traded stock in the Company to represent a minimum of one year's remuneration. Any newly appointed Director is required to purchase stock to that level within a reasonable amount of time (less than three years) from the date of appointment. All Directors are in compliance with the policy. The table below shows the number of shares each Director holds in the Company, as at 8 March 2023:

Director	**8 March 2023**	9 March 2022
Caroline Foulger	**142,000**	132,000
Peter Dubens	**18,242,581**	18,083,631
Stewart Porter	**56,793**	45,216
Richard Lightowler	**167,200**	155,000
Fiona Beck	**40,000**	40,000

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

1 Amounts converted from USD to GBP as appropriate

Directors' report

The Directors of the Company believe the direct relationship with the Investment Adviser continues to enhance long-term shareholder value.

Investment management and administration

The Company is a self-managed Alternative Investment Fund ('AIF'), and the Board has the ultimate decision to invest in (or take any other action) with respect to the Oakley Funds consistent with its Investment Policy.

Typically, the Company's decisions are made after reviewing the recommendations provided by the Investment Adviser.

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

The Company receives investment advisory, administration and operational services from Oakley Capital Limited ('Oakley', 'Oakley' or 'the Investment Adviser'). Oakley is incorporated in the UK and is authorised and regulated by the UK Financial Conduct Authority ('FCA') for the provision of investment advice and arranging of investments. Oakley makes investment recommendations to the Company along with structuring and negotiating deals for the Oakley Funds.

The Directors of the Company believe the direct relationship with Oakley continues to enhance long-term shareholder value, and build cost efficiencies and synergies which help the Company's performance and overarching objectives. The Management Engagement Committee formally reviews the performance of the Oakley at least annually.

Share issuance and buy-backs

No ordinary shares were issued during 2022, and no such issuances are currently expected as the Company is in the process of a buy-back programme. The Company conducts share buy-backs in the market with a view to addressing any imbalance between the supply of and demand for its shares, to increase the NAV per ordinary shares and/or to assist in narrowing the discount to NAV per ordinary share in relation to the price at which ordinary shares may be trading.

Such purchases of ordinary shares will only be made for cash at prices below the prevailing NAV per ordinary share. Any repurchased shares will be cancelled in full. Directors' powers of share issuance and/or buy-back will only be exercised if thought to be in the best interests of shareholders.

Directors' report

Share buy-backs during the year

Execution date/status	Number of shares	Buy-back price (pence)	Buy-back price discount to NAV (%)
28 March 2022	71,498	402	25.3%
3 May 2022	275,000	430	24.7%
4 May 2022	125,000	430	24.7%
5 May 2022	25,000	430	24.7%
9 May 2022	75,000	430	24.7%
28 June 2022	200,000	378.5	36.3%
29 June 2022	180,000	389	34.6%
8 August 2022	1,230,000	405	36.1%
Total	**2,181,498**	407[1]	33%[1]

1 The following figures represent the average for the buy back price and discount to NAV.

Substantial shareholdings

The table below shows the material shareholders with an interest of 3% or more in the Company's ordinary shares, as at 31 December 2022:

Shareholder	**% voting rights 31 December 2022**	% voting rights 31 December 2021
OCI Directors	**11.2**	10.8
Asset Value Investors	**9.6**	9.1
Lombard Odier Investment Managers	**6.9**	7.8
Hargreaves Lansdown Stockbrokers (Retail)	**6.6**	5.9
City of London Investment Management Company	**6.0**	6.3
Hawksmoor Investment Management (Retail)	**5.2**	5.2
Jon Wood and Family (Retail)	**4.5**	4.5
Interactive Investor (Retail)	**4.1**	3.8
Fidelity International	**3.6**	4.3
Carnegie Fonder	**2.8**	2.7

Most notably, the aggregate voting rights of the top ten shareholders have also fallen from 70% in 2019 to 60% in 2022.

The Board passed a resolution in March 2022 to increase the Company's authority to purchase its own shares up to an aggregate consideration of £20 million, which was announced via RNS on 10 March 2022. Subsequently, the Board approved eight share buy-backs of 2,181,498 shares in aggregate, for an aggregate consideration of £8,876,122 pursuant to the share buy-back programme. The has had an estimated positive impact on NAV per share of 2.5 pence.

Share capital and voting rights

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

176,418,438

ordinary shares, voting rights in issue and issued share capital

Directors' report

Dividend policy and distributions

The Board has adopted a dividend policy which considers the forecast profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves. The Company has experienced continued NAV growth in 2022 thanks to the resilient nature of the Oakley Funds' portfolio companies' business models and value creation strategies focused on earnings growth rather than valuation multiple expansion.

The Company declared a full-year dividend of 2.25 pence per share in respect of the year ended 31 December 2021, which was paid on 14 April 2022 and an interim dividend of 2.25 pence per share was paid by the Company in respect of the six months to 30 June 2022, on 13 October 2022.

Operational services fees

The Investment Adviser is appointed by the Company as a primary key service provider for a) investment advisory and operational services to the Company, in accordance with the Investment Advisory and Operational Services Agreement and b) administration services to the Company under the Administration Agreement.

No operational services fees were incurred during the year ended 31 December 2022.

> **The Investment Adviser has a policy of active portfolio management** and ensures that significant time and resource is dedicated to every investment.

Stewardship and delegation of responsibilities

The Company exercises its own voting rights in relation to Time Out Group plc, which at the reporting date is the Company's sole direct equity portfolio investments.

Under the Investment Advisory and Operational Services Agreement and the Administration Agreement, the Board has delegated to the Investment Adviser substantial authority for carrying out the day-to-day administrative and operational functions of the Company.

The Investment Adviser has a policy of active portfolio management and ensures that significant time and resource is dedicated to every investment. The Investment Adviser's executives are typically appointed to portfolio company boards to ensure the implementation and continued application of active, results-orientated corporate governance. The Investment Adviser is responsible for furnishing the Company with regular feedback on its activities, which allows the Board to track developments within the portfolio.

Annual General Meeting ('AGM')

An AGM was held on 30 September 2022, with the results published by RNS on the same day.

In compliance with the bye-laws of the Company, the AGM for 2023 will be conducted outside the UK and within 15 months of 30 September 2022, unless a longer period would not infringe the rules and regulations of the London Stock Exchange. Details of the AGM will be published separately to this report.

Capital Markets Day

The Board holds an annual Capital Markets Day in May consisting of presentations to shareholders and analysts by senior members of Oakley and management teams from a selection of the Oakley Funds' portfolio companies.

Public reporting

The Company's Annual Report and Accounts, along with the interim results, quarterly trading updates and ad-hoc RNS releases, are prepared in accordance with applicable regulatory requirements and published on the Company's website.

Corporate and social responsibility

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

Refer to pages 82-86 for further details.

Compensation for loss of office

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

Directors' report

Financial prospects and position

In compliance with Provision 36 of the AIC Code, the Board has assessed the prospects of the Company over a period in excess of the 12 months required under the going concern assessment. The Board has considered the sustainability and resilience of the Company's business model over the long term. This period of assessment of long-term prospects is greater than the period over which the Board has assessed the Company's viability. The Board considers three years as the most appropriate time period to assess the long-term viability of the Company, as required by the AIC Code. This time period has been chosen as a period over which the Board can reasonably, and with a sufficient degree of likelihood, assess the Company's prospects and over which the existing Oakley Fund commitments are expected to be largely drawn.

The Board has established procedures which provide a reasonable basis to make proper judgements on an ongoing basis as to the principal risks, financial position, and prospects of the Company. Regular reporting to the Risk Committee of the Board provides for ongoing analysis and monitoring against risk appetite.

Strategic considerations of the Board as it relates to financial prospects of the Company include:

- Use of leverage: The Company agreed a £100 million revolving credit facility with major lenders to increase OCI's flexibility and liquidity.
- Foreign exchange risk hedging: The Company had not to date hedged its foreign exchange exposure due to the unpredictable timing and quantum of private equity fund capital calls and distributions.
- Cash management: Cashflow forecasts are regularly monitored to ensure the Company can meet ongoing commitments to the Funds.
- The extent to which the assets on the balance sheet of the Company are marketable or convertible to cash.
- Commitment to future Oakley Funds: Contributions based on analyses of liquidity forecasts and investment opportunities.
- Share buy-backs. The Company periodically utilises surplus cash balances to implement share buy-backs for cancellation.

Viability statement

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

Going concern

Following the assessments performed and given the nature of the Company and its investments, the Directors, after due consideration, conclude that the Company will be able to continue for the foreseeable future (being a period of 12 months from the date of this report).

Furthermore, the Directors are not aware of any material uncertainty regarding the Company's ability to do so.

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

Directors' report

Service providers and significant agreements

The Company engages service providers to perform certain functions. The Board collectively and collaboratively promotes open and direct dialogue with service providers through formal meetings and calls, as well as informal communications throughout the year.

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

- Oakley as Investment Adviser, Administrator and Operational Services Provider under the terms of such relevant respective agreements
- Carey Olsen as Company Secretary
- Conyers Dill and Pearman as legal advisers to the Company as regards to Bermudian law
- KPMG Audit Limited as appointed Auditor to the Company and the Oakley Funds
- Liberum Capital Limited as Broker and Financial Adviser.

The Management Engagement Committee's role is to review on a regular basis the appointment, remuneration and performance of the key service providers to the Company, with a key focus on Oakley.

Disclosure of information to the Auditor

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

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

Donations

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

Post balance sheet events

Since 31 December 2022, there have been no significant post balance sheet events except for the following event identified:

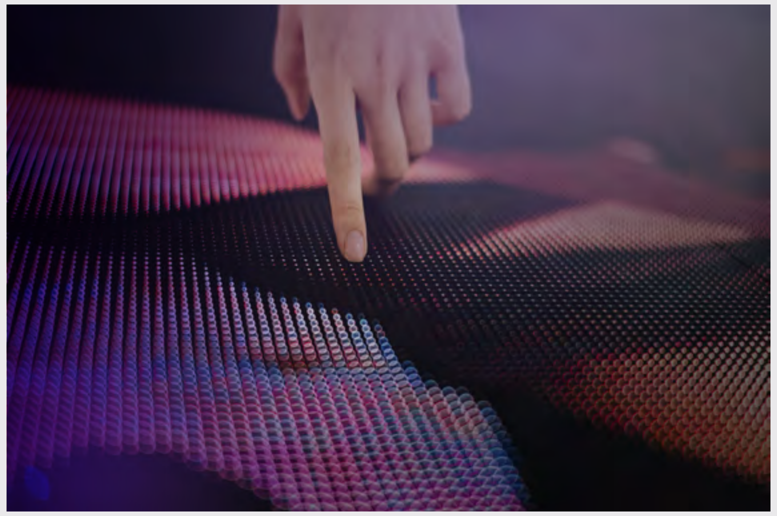
Dividends – on 8 March 2023, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2022. This is due to be paid on 21 April 2023 to shareholders registerd on or before 17 March 2023.
The ex-dividend date is 16 March 2023.

Commitment – on 31 January 2023, Oakley Fund V had its final close with final commitments amounting to €2,851 million.

On behalf of the Board.

Caroline Foulger
Chair

8 March 2023



Investment policy

The Company invests in the Oakley Funds. The Funds typically invest in high growth European businesses, across three complementary sectors: Technology, Consumer and Education.

The Company provides its shareholders with access to private equity investments by investing primarily in the Oakley Funds and Co-investment opportunities. Over more than 20 years, Oakley has built a strong track record investing in three core sectors: Technology, Consumer and Education.

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

From time to time, Oakley may invite one or more Limited Partners in the Oakley Funds to directly invest alongside the Oakley Funds on substantially the same terms as the relevant Oakley Fund. In such event, Oakley would make available to the Company copies of the due diligence and analysis prepared by Oakley and any other third parties in relation to such direct investment opportunities. The Board would then determine whether or not, and to what level, the Company should directly invest.

The complete investment policy detailed in OCI's prospectus.

Reinvestment

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

- by way of commitment to any Oakley Fund;
- in cash deposits and cash equivalents; or share buy-backs.

Borrowing powers of the Company

The Company has in place a revolving credit facility and has the power to borrow money where necessary (whether via its revolving credit facility or otherwise) to further the aims of the business.

Changes to the investment policy

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

> **The Company provides its shareholders with access to private equity investments** by investing primarily in the Oakley Funds.

Statement of Directors' responsibilities

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

Bermuda company law requires the Directors to produce financial statements for each financial year for the benefit of shareholders. The Directors have prepared the Consolidated Financial Statements in accordance with International Financial Reporting Standards ('IFRS').

Consistent with the common law requirements to exercise their fiduciary duties, the Directors will not approve the Consolidated Financial Statements unless they are satisfied that it presents fairly, in all material respects, the state of affairs of the Company and of the profit or loss of the Company for the year.

In preparing the Consolidated Financial Statements, the Directors are required to:

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

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

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

The Directors are responsible for ensuring that:

(i) proper accounting records are kept which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company; and

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

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement of the Directors in respect of the Annual Report

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

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

Affirmed independently and collectively by:

Caroline Foulger
Richard Lightowler
Fiona Beck
Stewart Porter
Peter Dubens

Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive ('AIFMD') requires certain disclosures to be made in the Annual Report of the Company. Many of these disclosures are also required by the Listing Rules and/or accounting standards and are presented in other sections of this Annual Report. This section completes the disclosures required specifically under the AIFMD.

Status and legal form

The Company is a self-managed non-UK Alternative Investment Fund ('AIF'). It is a closed-ended investment company incorporated in Bermuda and its ordinary shares are traded on the Specialist Fund Segment of the London Stock Exchange's Main Market. The Company's registered office is: 11 Bermudiana Road, Pembroke HM08, Bermuda.

Investment policy

For details of the investment policy, refer to page 130.

Liquidity management

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

The Company maintains an adequate level of liquidity to ensure that it can meet its capital commitments to the Oakley Funds throughout the private equity fund cycle. Cash flow modelling is performed on an ongoing basis to enable the Company to manage its liquid resources and to ensure it is able to pay commitments as they fall due.

Fees, charges and expenses

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

Fair treatment of shareholders and preferential treatment

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

Remuneration disclosure

The Company's remuneration process is overseen by the Remuneration Committee.

The total amount of remuneration paid by the Company to its Directors during the year ended 31 December 2022 was £473,000 (2021: £370,000). Where appropriate, Director remuneration is paid in USD and are converted here to GBP.

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

Shareholder information

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

Financial calendar

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

January	Publication of Q4 2022 trading update
March	Final results for the year announced, Annual Report published
April	Payment of final dividend Publication of Q1 2023 trading update
May	Capital Markets Day
July	Publication of Q2 2023 trading update
September	Interim results announced, Interim Report published
October	Payment of interim dividend
	Publication of Q3 2023 trading update

Share dealing

Investors wishing to purchase or sell shares in the Company may do so through a stockbroker, financial adviser, bank or share-dealing platforms. To purchase this investment, you should read the Key Information Document ('KID') before the trade can be executed. This is available on the Company's website at: https://www.oakleycapitalinvestments.com/media/41jnr5qm/oci-kid-document-uk-priip-december-2022.pdf

OCI shares can be purchased through a range of broker platforms including but not limited to: Selftrade, Transact Online, iDealing.com, Hargreaves Lansdown, Interactive Investor, Charles Stanley Direct, AJ Bell Youinvest and ComDirect.

Dividend

The final dividend proposed in respect of the year ended 31 December 2022 is 2.25 pence per share.

Ex-dividend date (date from which shares are transferred without dividend)	16 March 2023
Record date (last date for registering transfers to receive the dividend)	17 March 2023
Dividend payment date	21 April 2023

Important information

Past performance is not a reliable indicator of future results. There is an inherent risk in investing, with no guaranteed return on any investments made. The value of OCI shares can fall as well as rise and you may get back less than you invested when you decide to sell your shares.

Rights attaching to shares

The rights attaching to the shares are set out in the bye-laws of the Company. All or any of the special rights for the time being attached to the shares or any class of shares may be varied, modified or abrogated either with the consent in writing of the shareholders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. There are no restrictions on the transfer of ordinary shares other than those which may be imposed by law from time to time. There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. In accordance with the Market Abuse Regulation and the Company's share dealing code, Board members and certain employees of the Company's service providers are required to seek approval to deal in the Company's shares.

At a general meeting of the Company, every holder of shares who is present in person or by proxy shall, on a poll, have one vote for every share of which they are the holder.

All the rights attached to a treasury share[1] shall be suspended and shall not be exercised by the Company while it holds such treasury shares and, where required by the Act, all treasury shares shall be excluded from the calculation of any percentage or fraction of the share capital or shares of the Company. As at 31 December 2022, the Company did not hold any treasury shares.

1. A share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

Consolidated Financial Statements

Independent Auditor's Report

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Oakley Capital Investments Limited (the "Company"), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

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

Key audit matters

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

Independent Auditor's Report

The key audit matter	How the matter was addressed in our audit
Valuation of the Funds As discussed in the accounting policies on pages 144 to 147 and in Notes 6 and 8 to the consolidated financial statements on pages 152 and 154, the Company holds investments in private equity partnerships (the "Funds") at 31 December 2022 of £875.8 million, where quoted prices do not exist. The Funds are carried at their estimated fair values based upon the principles of the International Private Equity and Venture Capital Association ("IPEV") valuation guidelines and IFRS 13. The valuation of the Funds held in the Company's investment portfolio is the key driver of its net asset value and total return to shareholders. The Funds hold equity investments in unquoted portfolio companies. The valuations of these portfolio companies are complex and require the application of judgment by Oakley Capital Limited (the "Investment Adviser"). The fair values of these portfolio companies are principally based upon the market approach, which estimates the enterprise value of the portfolio company using a comparable multiple of revenues or EBITDA, information from recent comparable transactions, or the underlying net asset value. **The risk** The significance of the Funds to the Company's consolidated financial statements, combined with the judgment required in estimating their fair values means this was an area of focus during our audit.	We obtained management's schedule of investments comprising the fair value of the Company's investments in the Funds and performed the following procedures: • Compared the Company's valuations to the audited financial statements of the Funds as at 31 December 2022; • Inspected the components of the Funds' net assets to confirm the reported net asset values in the Funds' audited financial statements were representative of fair value under IFRS; • Inspected the disclosures made about the Funds in the notes to the consolidated financial statements for compliance with IFRS; and • Monitored any events that emerged in the post balance sheet period (up to the date of signing the Company's consolidated financial statements) that would have a potential impact on the value of the Funds held at the year-end. Through our involvement in the Funds' audit engagements, we selected all unquoted equity investments held indirectly through the Company's investments in the Funds and performed the following audit procedures: • Attended valuation meetings during the year where we received detailed updates on investments from the Investment Adviser; • Obtained the Investment Adviser's models and the independent external valuation report used for valuing the unquoted equity investments; • Conducted procedures to satisfy ourselves of the qualifications, independence and expertise of the valuation specialists engaged by the Funds; • Independently sourced multiples for comparable companies and transactions used by the Investment Adviser, and considered whether those companies and/or transactions are comparable to the investee companies and compared them to multiples used by the Investment Adviser; • KPMG valuation specialists challenged the Investment Adviser's methodologies followed, and key assumptions used in determining the fair value of unquoted equity investments in the context of the IPEV valuation guidelines; • Obtained management information, including forecasts for revenues and EBITDA and actual net debt amounts at the balance sheet date, which are the key inputs used in the valuation models by the Investment Adviser and compared this information to that used in the models; • Obtained an understanding of matters that may affect the fair value of the unquoted investments through discussions with the Investment Adviser and independent research into investee companies and industry trends; • Obtained independent confirmations of the existence and accuracy of the unquoted equity investments from third parties; • Recalculated the mathematical accuracy of the valuation models; and • Monitored any events that emerged in the post balance sheet period (up to the date of signing each Fund's financial statements) that would have a potential impact on the value of the unquoted equity investments held at the year-end.

Independent Auditor's Report

The key audit matter	How the matter was addressed in our audit
Valuation of the unquoted debt securities In addition to investments in the Funds, the Company holds investments in unquoted debt securities at 31 December 2022 of £159.9 million. The fair value of the unquoted debt securities is derived using a discounted cash flow calculation based on expected future cash flows to be received, discounted at an appropriate rate. Expected future cash flows include interest received and principal repayment at maturity. **The risk** The unquoted debt securities were an area of audit focus on the basis that: • The securities are of material significance to the Company's consolidated financial statements; • Judgment is required by the Investment Adviser in selection of an appropriate market related risk-adjusted discount rate; and • Judgment is also required in determining the timing and amounts of prospective cash flows of the debt securities.	We engaged KPMG valuation specialists to assist in testing the valuation of the unquoted debt securities. In coordination with our valuation specialists, we selected all unquoted debt securities held by the Company at year end and performed the following audit procedures: • Obtained independent loan confirmations from third parties to support the completeness, existence, and accuracy of the debt securities; • Inspected loan agreements to support the loan terms and inputs to discounted cash flow calculation; • Obtained the Investment Adviser's models and the independent external valuation report (where available) used for valuing the debt securities at year end and checked their mathematical accuracy; • Conducted procedures to satisfy ourselves of the qualifications, independence and expertise of the external valuation specialists engaged by the Company; • Performed a sensitivity analysis over the discount rates being applied to the expected cash flows in the fair value calculations provided to us by management; • Challenged the reasonableness of the assumptions made by the Investment Adviser and their expert regarding the timing and amounts of expected future cash flows; and • Monitored any events that emerged in the post balance sheet period (up to the date of signing the consolidated financial statements) that would have had a potential impact on the value of the unquoted debt investments held at the year end.

Independent Auditor's Report

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

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

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

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

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

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

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

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

KPMG Audit Limited

Chartered Professional Accountants

Hamilton, Bermuda

8 March 2023

Consolidated Financial Statements

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Income			
Interest income	13	**14,467**	10,073
Net realised gains on investments at fair value through profit and loss	6, 7	**139,297**	56,593
Net change in unrealised gains on investments at fair value through profit and loss	6, 7	**74,473**	191,335
Net foreign currency gains/(losses)		**1,189**	(5,787)
Other income		**553**	271
Total income		**229,979**	252,485
Expenses	14	**(7,019)**	(3,751)
Profit attributable to equity shareholders/total comprehensive income		**222,960**	248,734
Earnings per share			
Basic and diluted earnings per share	16	**£1.26**	£1.38

The Notes on pages 144 to 163 are an integral part of these Consolidated Financial Statements.

Consolidated balance sheet

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Investments	6, 8	**1,060,989**	798,658
		1,060,989	798,658
Current assets			
Trade and other receivables	11	**729**	123
Cash and cash equivalents	10	**109,848**	163,178
		110,577	163,301
Total assets		**1,171,566**	961,959
Liabilities			
Current liabilities			
Trade and other payables	12	**4,076**	508
Total liabilities		**4,076**	508
Net assets attributable to shareholders		**1,167,490**	961,451
Equity			
Share capital	18	**1,764**	1,786
Share premium	18	**172,102**	181,013
Retained earnings		**993,624**	778,652
Total shareholders' equity		**1,167,490**	961,451
Net asset per ordinary share			
Basic and diluted net assets per share	17	**£6.62**	£5.38
Ordinary shares in issue at 31 December ('000)	18	**176,418**	178,600

The Notes on pages 144 to 163 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements of Oakley Capital Investments Limited (registration number: 40324) on pages 140 to 163 were approved by the Board of Directors and authorised for issue on 8 March 2023 and were signed on their behalf by:

Caroline Foulger
Director

Richard Lightowler
Director

Consolidated Financial Statements

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2021		1,806	188,144	538,000	727,950
Profit for the year/total comprehensive income		–	–	248,734	248,734
Ordinary shares repurchased and cancelled		(20)	(7,131)	–	(7,151)
Dividends		–	–	(8,082)	(8,082)
Total transactions with equity shareholders		(20)	(7,131)	(8,082)	(15,233)
Balance at 31 December 2021		**1,786**	**181,013**	**778,652**	**961,451**
Profit for the year/total comprehensive income		**–**	**–**	**222,960**	**222,960**
Ordinary shares repurchased and cancelled	18	**(22)**	**(8,911)**	**–**	**(8,933)**
Dividends	19	**–**	**–**	**(7,988)**	**(7,988)**
Total transactions with equity shareholders		**(22)**	**(8,911)**	**(7,988)**	**(16,921)**
Balance at 31 December 2022		**1,764**	**172,102**	**993,624**	**1,167,490**

The Notes on pages 144 to 163 are an integral part of these Consolidated Financial Statements.

Consolidated statement of cash flows

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Purchases of investments		**(243,979)**	(120,227)
Sales of investments		**212,320**	80,949
Accrued interest repayments and other income		**690**	3,627
Expenses paid		**(6,890)**	(3,630)
Bank and other interest received		**261**	389
Net cash from (used in) operating activities		**(37,598)**	(38,892)
Cash flows from financing activities			
Purchase of ordinary shares	18	**(8,933)**	(7,151)
Dividends paid	19	**(7,988)**	(8,082)
Net cash from (used in) financing activities		**(16,921)**	(15,233)
Net increase (decrease) in cash and cash equivalents		**(54,519)**	(54,125)
Cash and cash equivalents at the beginning of the year		**163,178**	223,090
Net increase/(decrease) in cash and cash equivalents		**(54,519)**	(54,125)
Effect of foreign exchange rate changes		**1,189**	(5,787)
Cash and cash equivalents at the end of the year	10	**109,848**	163,178

The Notes on pages 144 to 163 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

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

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

Fund group name	Country of establishment	Limited partnerships included
Fund I	**Bermuda**	Oakley Capital Private Equity L.P.[1]
Fund II	**Bermuda**	OCPE II Master L.P. Oakley Capital Private Equity II-A L.P.[1] Oakley Capital Private Equity II-B L.P. Oakley Capital Private Equity II-C L.P.
Fund III	**Bermuda**	OCPE III Master L.P. Oakley Capital Private Equity III-A L.P.[1] Oakley Capital Private Equity III-B L.P. Oakley Capital Private Equity III-C L.P.
Fund IV	**Luxembourg**	Oakley Capital IV Master SCSp Oakley Capital Private Equity IV-A SCSp[1] Oakley Capital Private Equity IV-B SCSp Oakley Capital Private Equity IV-C SCSp
Origin Fund	**Luxembourg**	Oakley Capital Origin Master SCSp Oakley Capital Private Equity Origin A SCSp[1] Oakley Capital Private Equity Origin B SCSp Oakley Capital Private Equity Origin C SCSp
Fund V	**Luxembourg**	Oakley Capital V Master SCSp Oakley Capital V-A SCSp[1] Oakley Capital V-B1 SCSp Oakley Capital V-B2 SCSp
Oakley Capital PROfounders Fund III	**Luxembourg**	PROfounders III-A SCSp Oakley Capital PROfounders III SCSp[1]

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

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

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

Notes to the Consolidated Financial Statements

2. Basis of preparation

The Consolidated Financial Statements of the Company have been prepared on a going concern basis and under the historical cost convention, except for financial instruments at fair value through profit and loss, which are measured at fair value.

The Directors are cautious of the state of the global economy and the local trading environments of its investments, but are confident the Company has sufficient cash reserves to meet all liabilities as they fall due for the foreseeable future.

The Board of Directors have assessed if it is appropriate to adopt the going concern basis of accounting in preparing these Consolidated Financial Statements. As part of this assessment, the Board of Directors have considered a wide range of information relating to the present and future conditions, as well as the impact on investment and sale expectations for each of the Funds, cash flow projections and the longer-term strategy of the Company.

As part of the assessment, the Board of Directors:

- Assessed liquidity, solvency and capital management. The Company considered liquidity risk as the risk that the Company may encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations would have to be settled in a manner disadvantageous to the Company. Unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current cash flow projections and barring unforeseen events, the Company expects to be able to meet its obligations as they fall due.

  As at 31 December 2022, cash and cash equivalents of the Company amounted to £109,848,000. The Company had total unfunded capital and unquoted debt security commitments of £931,919,000 relating to the Funds where a proportion of the commitments are expected to be called over the next four to five years. Under the Company's bye-laws, the Company is permitted to borrow up to 25% of total shareholders' equity which would amount to approximately £291,872,250 for the year ending 31 December 2022. As at 31 December 2022, the Company had a £100 million revolving credit facility arranged in the year which was undrawn at 31 December 2022. The Directors consider the Company to have sufficient resources and liquidity and can continue to operate for a period of at least 12 months.
- Considered the estimates inherent to the valuations of the Funds and the unquoted debt securities. The Company's approach to valuations was consistent with the prior period's approach. In addition, key assumptions and estimates relating to the valuation of the unquoted debt instruments were considered. This included assessment of counterparty risk, interest rates and future cash flow projections.
- Assessed the operational resilience of the Company's critical functions which includes monitoring the performance of the Company's key service providers.

The Board of Directors considers it appropriate to prepare the Consolidated Financial Statements of the Company on the going concern basis.

The judgements, assumptions and estimates involved in the Company's accounting policies that are considered by the Board of Directors to be the most important to the Company's results and financial condition are the fair valuation of its investments and the assessment that the Company meets the definition of an investment entity and are detailed further in Notes 3.2 and 4.

2.1 Basis for compliance

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

2.2 Functional and presentation currency

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

3. Significant accounting policies

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

3.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

Several amendments and interpretations apply for the first time effective 1 January 2022 but do not have a material effect on the Company's Consolidated Financial Statements and did not require retrospective adjustments.

Notes to the Consolidated Financial Statements

3. Significant accounting policies continued

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

A number of new amendments and interpretations are effective for annual periods beginning after 1 January 2023 and early application is admitted, however the Company has not early adopted the new or amended standards and they are not expected to have a significant impact on the Consolidated Financial Statements.

3.2 Basis for consolidation

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The Consolidated Financial Statements include the financial statements of the Company and its wholly owned subsidiary, after the elimination of all intercompany balances and transactions.

IFRS 10 exempts investment entities from consolidating controlled investees.

The Company meets the definition of an investment entity, as the following conditions are met:

- The Company obtains funds from investors and provides investment management services
- The business purpose of the Company is to invest into private equity funds and to purchase, hold and dispose of investments directly in portfolio companies with the goal of achieving returns from capital appreciation and investment income.

The Company also has further typical characteristics of an investment entity as defined by IFRS:

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

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

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

As at 31 December 2022 the Company's Limited Partner ownership in the Funds are:

- Fund I ownership of 70.4% (2021: 70.4%)
- Fund II ownership of 36.2% (2021: 36.2%)
- Fund III ownership of 40.7% (2021: 40.7%)
- Fund IV ownership of 27.4% (2021: 27.4%)
- Origin Fund ownership of 28.2% (2021: 27.0%)
- Fund V ownership of 29.2% (2021: nil)
- Oakley Capital PROfounders Fund III ownership of 39.7% (2021: nil).

3.3 Investments

(a) Classification

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

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

(b) Recognition and measurement

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

Notes to the Consolidated Financial Statements

3. Significant accounting policies continued

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

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

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

(c) Derecognition

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

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

3.4 Cash and cash equivalents

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

3.5 Trade receivables

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

3.6 Trade payables

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

3.7 Interest income

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

3.8 Expenses

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

3.9 Foreign currency translation

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

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

Notes to the Consolidated Financial Statements

3. Significant accounting policies continued

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

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

3.10 Share capital

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

3.11 Earnings per share

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

4. Critical accounting estimates, assumptions and judgement

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

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

(a) Fair valuation of investments

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

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

(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.

However, an investment entity is still required to consolidate a subsidiary which is itself not an investment entity where that subsidiary provides services that relate to the investment entity's investment activities. The Company controls no such subsidiary.

The Board of Directors has concluded that the Company meets the definition of an investment entity as its strategic objective is to invest in the Funds on behalf of its investors for the purpose of generating returns in the form of investment income and capital appreciation. This conclusion is further detailed in Note 3.2.

Notes to the Consolidated Financial Statements

5. Financial risk management

5.1 Introduction and overview

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

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

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

Key risks and uncertainties of the Company are assessed on a scale, considering their impact and likelihood. The Committee monitors detailed and, wherever possible, quantifiable indicators of the Company's exposure to risk, segmented into seven core categories, summarised on pages 87-90. Consideration has been given to the risks posed by the ongoing risks posed by Russia's invasion of Ukraine and these risks have been considered not material to the Company's ongoing activities.

5.2 Credit risk

The Company is subject to credit risk on its unquoted investments and cash. The majority of the Company's cash balances were held with Barclays and Butterfield Bank, with a minority also held with HSBC. Barclays and HSBC are rated A1 and Butterfield Bank is rated at A3 by Moodys (2021: Barclays and HSBC A1 and Butterfield A3).

In accordance with the Company's policy, the Investment Adviser monitors the Company's exposure to credit risk on cash on a quarterly basis and the Risk Committee regularly reviews the Company's exposure to credit risk. The credit quality of the unquoted direct debt investments for North Sails and Time Out, which are held at fair value, remained stable during the year. As at 31 December 2022, no direct debt investments held were overdue or impaired.

5.3 Liquidity risk

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

The unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current cash flow projections and barring unforeseen events, the Company expects to be able to honour all capital calls by the Funds. Furthermore, OCI agreed a £100 million revolving credit facility with major lenders, thereby increasing OCI's flexibility and liquidity. The Board of Directors' assessment of liquidity risk is further detailed in Note 2.

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

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

Notes to the Consolidated Financial Statements

5. Financial risk management continued

5.4 Market risk

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

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

	2022				2021			
	Pound £'000	**Euro £'000**	**Dollar £'000**	**Total £'000**	Pound £'000	Euro £'000	Dollar £'000	Total £'000
Fixed and floating rate debt and cash	**202,455**	**67,062**	**257**	**269,774**	205,348	88,476	21	293,845
Non-interest-bearing Fund and equity investments	**25,289**	**875,774**	**–**	**901,063**	39,450	628,541	–	667,991
Total	**227,744**	**942,836**	**257**	**1,170,837**	244,798	717,017	21	961,836

(a) Interest rate risk

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

The Company's unquoted debt securities carry fixed rates of interest ranging from 6.5% to 10% (2021: 6.5% to 10%). These loans are subject to interest rate risk as increases and decreases in interest rates will have an impact on their fair value. A 100 basis point increase in interest rates would result in a decrease in the fair value of those loans of £1,476,354 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2021: £1,646,952).

The impact of an increase in interest rates of 100 basis points on cash and deposits, based on the closing consolidated balance sheet position over a 12-month period, would have been £1,133,037 on the profit and loss in the consolidated statement of comprehensive income (2021: £1,757,137). A decrease in interest rates of 100 basis points on cash and deposits would have an equal and opposite effect.

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

Notes to the Consolidated Financial Statements

5. Financial risk management continued

(b) Currency risk

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

	2022 Euro £'000	2021 Euro £'000
Assets:		
Financial assets at fair value through profit and loss	**87,577**	62,854
Cash and cash equivalents	**6,732**	7,436
Total assets	**94,309**	70,290
Impact on profit (loss)	**94,309**	70,290

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

(c) Price risk – market fluctuations

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

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 10% change in the price of those investments would have a £2,528,864 (2021: £3,945,029) direct impact on the profit and loss in the consolidated statement of comprehensive income and the net assets attributable to shareholders in the consolidated balance sheet. The impact on net assets per ordinary share is £0.01 (2021: £0.02).

For the investment in the Funds, the market risk is deemed to be the change in fair value. A 10% change in the fair value of those investments would have a £87,577,400 (2021: £62,854,146) direct impact on the profit and loss in the consolidated statement of comprehensive income and the net assets attributable to shareholders in the consolidated balance sheet. The impact on net assets per ordinary share is £0.50 (2021: £0.35).

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

Limitations of sensitivity analysis

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

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

5.5 Capital management

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

The Company's objectives when managing capital are to safeguard the Company's assets to achieve positive returns. In order to maintain or adjust the capital structure, the Company may issue shares or may return capital to shareholders through the repurchase of shares or by paying dividends. The effects of the issue, the repurchase and resale of shares are described in Note 18.

Notes to the Consolidated Financial Statements

6. Investments

Investments as at 31 December 2022:

	2021 Fair value £'000	Purchases/ capital calls £'000	Total sales/ distributions* £'000	Realised gains (losses)** £'000	Interest and other £'000	Net change in unrealised gains (losses)*** £'000	2022 Fair value £'000
Oakley Funds							
Fund I	28,897	-	-	112	-	(12,014)	16,995
Fund II	46,004	-	-	(1,122)	-	843	45,725
Fund III	324,071	42,978	(102,951)	88,662	-	79,835	432,595
Fund IV	215,996	57,206	(89,792)	60,329	-	10,856	254,595
Origin Fund	13,573	21,825	(12,715)	3,368	-	12,060	38,111
Fund V	-	99,608	-	(11,344)	-	(2,913)	85,351
Oakley Capital PROfounders III	-	3,143^	-	(708)	-	(33)	2,402
Total Oakley Funds	628,541	224,760	(205,458)	139,297	-	88,634	875,774
Quoted equity securities							
Time Out Group plc	39,450	-	-	-	-	(14,161)	25,289
Total quoted equity securities	39,450	-	-	-	-	(14,161)	25,289
Unquoted debt securities							
Fund I	7,089	7,346	(7,346)	-	500	-	7,589
NSG Apparel BV	54,263	10,016	(166)	-	5,120	-	69,233
Oakley NS (Bermuda) LP	69,315	-	-	-	8,590	-	77,905
Time Out	-	5,000	(40)	-	239	-	5,199
Total unquoted debt securities	130,667	22,362	(7,552)	-	14,449	-	159,926
Total investments	798,658	247,122	(213,010)	139,297	14,449	74,472	1,060,989

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

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

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

^ The sole capital call in the year for PROfounders III for €3,543,766 was called on 30 December 2022 and remained unpaid as at 31 December 2022. This capital call was paid shortly after 31 December 2022 within the required notice period.

Notes to the Consolidated Financial Statements

6. Investments continued

Investments as at 31 December 2021:

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

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

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

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

The Fund I unquoted debt security is a direct investment into Fund I and the Time Out Group Plc quoted equity security is a direct investment into a portfolio company of Fund I. The NSG Apparel BV and Oakley NS (Bermuda) LP unquoted debt securities are investments into or related to a portfolio company of Fund II. The Total Sales/Distributions on unquoted debt securities include accrued interest repayments of £447,247 (2021: £3,627,000).

Notes to the Consolidated Financial Statements

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

	2022 £'000	2021 £'000
Net change in unrealised gains (losses) on investments at fair value through profit and loss:		
Funds	**88,634**	175,825
Quoted equity securities	**(14,161)**	15,510
Total net change in unrealised gains (losses) on investments at fair value through profit and loss	**74,473**	191,335
Net realised gains (losses) on investments at fair value through profit and loss:		
Funds	**139,297**	56,593
Total net realised gains (losses) on investments at fair value through profit and loss	**139,297**	56,593

8. Disclosure about fair value of financial instruments

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

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

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

The determination of what constitutes 'observable' requires significant judgement by the Company.

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

The following table analyses the Company's investments measured at fair value as of 31 December 2022 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	**–**	**875,774**	**875,774**
Quoted equity securities	**25,289**	**–**	**25,289**
Unquoted debt securities	**–**	**159,926**	**159,926**
Total investments measured at fair value	**25,289**	**1,035,700**	**1,060,989**

The following table analyses the Company's investments measured at fair value as of 31 December 2021 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	628,541	628,541
Quoted equity securities	39,450	–	39,450
Unquoted debt securities	–	130,667	130,667
Total investments measured at fair value	39,450	759,208	798,658

Level I

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

Level II

The Company did not hold any Level II investments as of 31 December 2022 or 31 December 2021.

Notes to the Consolidated Financial Statements

8. Disclosure about fair value of financial instruments continued

Level III

The Company has determined that Funds and unquoted debt securities fall into Level III. Funds and unquoted debt securities are measured in accordance with the IPEV Valuation Guidelines with reference to the most appropriate information available at the time of measurement. The Consolidated Financial Statements as of 31 December 2022 include Level III investments in the amount of £1,035,700,000 representing approximately 88.71% of shareholders' equity (2021: £759,208,400; 78.96%).

Funds

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

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

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

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

As at 31 December 2022, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	Fund IV €'000	Origin Fund €'000	Fund V €'000	PROfounders Fund III €'000
Investments	23,940	48,383	586,655	379,659	72,552	172,325	1,670
Loans	-	-	(17,143)	(75,998)	(27,221)	(92,011)	-
Accrued carried interest	-	-	(86,334)	(19,506)	(3,463)	-	-
Other net assets	(4,776)	3,178	4,627	2,924	1,107	15,928	1,039
Total value of the Fund attributable to the Company (€'000)	19,164	51,561	487,805	287,079	42,975	96,242	2,709
Total value of the Fund attributable to the Company (£'000) at year-end exchange rate	16,995	45,725	432,595	254,595	38,111	85,351	2,402

Notes to the Consolidated Financial Statements

8. Disclosure about fair value of financial instruments continued

As at 31 December 2021, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	Fund IV[1] €'000	Origin Fund[1] €'000
Investments	39,367	51,125	486,070	381,603	40,541
Loans	–	–	(39,645)	(104,340)	(33,136)
Accrued carried interest	–	–	(69,333)	(26,394)	(482)
Other net assets	(4,986)	3,612	8,488	6,122	9,227
Total value of the Fund attributable to the Company (€'000)	34,381	54,737	385,580	256,991	16,150
Total value of the Fund attributable to the Company (£'000) at year-end exchange rate	28,897	46,004	324,071	215,996	13,573

1 The Fund IV and Origin Fund loans and accrued carried interest balances as at 31 December 2021 have been revised. There is no net impact on the total value of the Fund attributable to the Company.

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

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

Unquoted debt securities

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

Unobservable inputs for Level III investments

Funds

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

The underlying portfolio companies owned by the Funds may include both quoted and unquoted companies. Quoted portfolio companies are valued based on market prices and no unobservable inputs are used. Unquoted portfolio companies are valued by the Investment Adviser based on a market approach for which significant judgement is applied. Consideration has also been given by the Investment Adviser to the impact of Russia's invasion of Ukraine for the valuations at 31 December 2022.

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the year ending 31 December 2022, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 9.4% movement in net assets attributable to shareholders (2021: 8.4%). A 10% decrease to the fair value of the unquoted portfolio companies held by the Funds would have an equal and opposite effect.

Unquoted debt securities

In arriving at the fair value of the unquoted debt securities, the key inputs used by the Company are future cash flows expected to be received until maturity of the debt securities and the discount factor applied. The discount factor applied is an unobservable input and ranges between 6.5% and 10% considering contractual interest rates charged on debt, risk free rate and assessment of credit risk.

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the year ending 31 December 2022, a 1% increase to the discount factor would result in a 0.1% movement in net assets attributable to shareholders (2021: 0.2%). A 1% decrease to the discount factor would have an equal and opposite effect. Refer to Note 5.4(a).

Notes to the Consolidated Financial Statements

8. Disclosure about fair value of financial instruments continued

Transfers between levels

There were no transfers between the Levels during the year ended 31 December 2022 (2021: none).

Level I and Level III reconciliation

The changes in investments measured at fair value, for which the Company has used Level I and Level III inputs to determine fair value as of 31 December 2022 and 2021, are as follows:

Level I investments: Quoted equity securities	**2022 £'000**	2021 £'000
Fair value at beginning of year	**39,450**	23,940
Purchases	**-**	–
Net change in unrealised gains (losses) on investments	**(14,161)**	15,510
Fair value of Level I investments at end of year	**25,289**	39,450

Level III investments:	**Funds £'000**	**Unquoted debt securities £'000**	**Total £'000**
2022			
Fair value at beginning of year	**628,541**	**130,667**	**759,208**
Purchases	**224,760**	**22,362**	**247,122**
Proceeds on disposals (including interest)	**(205,458)**	**(7,552)**	**(213,010)**
Realised gain on sale	**139,297**	**-**	**139,297**
Interest income and other fee income	**-**	**14,449**	**14,449**
Net change in unrealised gains (losses) on investments	**88,634**	**-**	**88,634**
Fair value at end of year	**875,774**	**159,926**	**1,035,700**

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

Other financial instruments

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

	2022 £'000	2021 £'000
Cash and cash equivalents	**109,848**	163,178
Trade and other receivables	**729**	123
Trade and other payables	**(4,076)**	(508)

Notes to the Consolidated Financial Statements

9. Segment information

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

- Fund investments
- Direct Investments.

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

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

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

There have been no transactions between the reportable segments during the financial year 2022 (2021: none).

The segment information for the year ended 31 December 2022 is as follows:

	Funds investments £'000	Direct investments and loans £'000	Total operating segments £'000	Corporate £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	139,297	–	139,297	–	139,297
Net change in unrealised gains (losses) on financial assets at fair value through profit and loss	88,634	(14,161)	74,473	–	74,473
Interest income	–	14,206	14,206	261	14,467
Net foreign currency gains (losses)	–	–	–	1,189	1,189
Other income	–	243	243	310	553
Expenses			–	(7,019)	(7,019)
Profit (loss) for the year	227,931	288	228,219	(5,259)	222,960
Total assets	875,774	185,215	1,060,989	110,577	1,171,566
Total liabilities	–	–	–	(4,076)	(4,076)
Net assets	875,774	185,215	1,060,989	106,501	1,167,490
Total assets include:					
Financial assets at fair value through profit and loss	875,774	185,215	1,060,989	–	1,060,989
Cash and Other	–	–	–	110,577	110,577

Notes to the Consolidated Financial Statements

9. Segment information continued

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

	Funds investments £'000	Direct investments and loans £'000	Total operating segments £'000	Corporate £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	56,593	–	56,593	–	56,593
Net change in unrealised gains (losses) on financial assets at fair value through profit and loss	175,825	15,510	191,335	–	191,335
Interest income	–	9,684	9,684	389	10,073
Net foreign currency gains (losses)	–	–	–	(5,787)	(5,787)
Other income	–	271	271	–	271
Expenses	–	–	–	(3,751)	(3,751)
Profit (loss) for the year	232,418	25,465	257,883	(9,149)	248,734
Total assets	628,541	170,117	798,658	163,301	961,959
Total liabilities	–	–	–	(508)	(508)
Net assets	628,541	170,117	798,658	162,793	961,451
Total assets include:					
Financial assets at fair value through profit and loss	628,541	170,117	798,658	–	798,658
Cash and Other	–	–	–	163,301	163,301

Notes to the Consolidated Financial Statements

10. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and demand balances at banks	**109,848**	117,622
Short-term deposits	**-**	45,556
	109,848	163,178

11. Trade and other receivables

	2022 £'000	2021 £'000
Prepayments	**419**	123
Amounts due from related parties	**310**	–
	729	123

12. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	**37**	165
Amounts due to related parties	**3,768**	240
Other payables	**271**	103
	4,076	508

Amounts due to related parties includes €3,543,766 payable to PROfounders III's sole capital call which was called on 30 December 2022. This was paid shortly after 31 December 2022 within the required notice period.

13. Interest income

	2022 £'000	2021 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	**261**	389
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	**14,206**	9,684
	14,467	10,073

14. Expenses

	2022 £'000	2021 £'000
Operating expenses	**7,019**	3,751
	7,019	3,751

The following expenses are included in operating expenses:

The main drivers behind the movement in operating expenses were the additional costs incurred in relation to the revolving credit facility which added one-off fees and also recurring interest costs during the year. The increase in scope of services provided by Oakley, which included the independent valuations function, has also led to an increase in recharged expenses.

(a) Administration Fees

Oakley Capital Limited ('the Administrator') were appointed by the Company to provide administration services at prevailing commercial rates from 1 July 2021.

Administration fees for the year ended 31 December 2022 totalled £200,000 (2021: £306,000). There were no administration fees payable to the Administrator as at 31 December 2022 (2021: £nil).

(b) Recharged expenses

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

For the year ended 31 December 2022, the Administrative Agent recharged £2,808,000 (2021: £1,556,000). The amount outstanding as at 31 December 2022 was £616,426 (2021: £213,000) and is included in 'Trade and other payables' in the consolidated balance sheet.

(c) Directors' fees

For the year ending 31 December 2022, the Company paid Directors' fees of £132,000 (2021: £100,000) to the Chair of the Board and £341,000 (2021: £270,000) to other Board members. No fees were payable as at 31 December 2022 (2021: none).

Notes to the Consolidated Financial Statements

14. Expenses continued

The members of the Board of Directors are considered to be Key Management Personnel. No pension contributions were made in respect of any of the Directors and none of the Directors receive any pension from any portfolio company held by the Funds. During the year one of the Directors served without a fee (2021: one). No other fees were paid to the Directors (2021: £nil).

For the years ended 31 December 2022 and 2021 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2022	2021
Shares at the beginning of the year	**18,411**	18,363
Shares acquired during the year	**238**	48
Shares at the end of the year	**18,649**	18,411
Dividends paid to Directors (£'000)	**832**	827

(d) Auditor's remuneration

The Company's auditor is KPMG. During the year ending 31 December 2022, the Company paid KPMG audit fees of £160,000 (2021: £142,958) and other advisory services fees of £20,590 (2021: £8,554).

(e) Other expenses

For the year ended 31 December 2022, the Company incurred costs of £1,360,000 in relation to entering into the £100 million multicurrency revolving credit facility as disclosed in Note 21.

15. Withholding tax

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

The Company may, however, be subject to foreign withholding taxes in respect of income derived from its investments in other jurisdictions. For the year ended 31 December 2022, the Company was not subjected to foreign withholding taxes (2021: nil).

16. Earnings per share

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

	2022	2021
Basic and diluted earnings per share	**£1.26**	£1.38
Profit for the year ('000)	**222,960**	248,734
Weighted average number of shares in issue ('000)	**177,518**	179,745

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

17. Net asset value per share

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

	2022	2021
Basic and diluted net asset value per share	**£6.62**	£5.38
Net assets attributable to shareholders ('000)	**£1,167,490**	£961,451
Number of shares in issue at year end ('000)	**176,418**	178,600

Notes to the Consolidated Financial Statements

18. Share capital

(a) Authorised and issued capital

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

During the year ending 31 December 2022, the Company purchased the following ordinary shares:

	Number of ordinary shares	**Purchase price (£'000)**
25 March 2022	**71,498**	**290**
29 April 2022	**35,000**	**152**
29 April 2022	**240,000**	**1,042**
3 May 2022	**100,000**	**434**
3 May 2022	**25,000**	**109**
4 May 2022	**25,000**	**109**
6 May 2022	**75,000**	**326**
27 June 2022	**200,000**	**761**
28 June 2022	**180,000**	**704**
5 August 2022	**1,230,000**	**5,006**

During the year ending 31 December 2021, the Company purchased the following ordinary shares:

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

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

As at 31 December 2022, the Company's issued and fully paid share capital was 176,418,438 ordinary shares (2021: 178,599,936).

	2022 '000'	2021 '000'
Ordinary shares outstanding at the beginning of the year	**178,600**	180,600
Ordinary shares purchased	**(2,182)**	(2,000)
Ordinary shares outstanding at the end of the year	**176,418**	178,600

(b) Share premium

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

19. Dividends

On 25 March 2022, the Board of Directors declared a final dividend for 2021 of 2.25 pence per ordinary share resulting in a dividend of £4,018,499 paid on 14 April 2022 (2021: On 11 March 2021, the Board of Directors declared a final dividend for 2020 of 2.25 pence per ordinary share resulting in a dividend of £4,063,499 paid on 15 April 2021).

On 23 September 2022, the Board of Directors declared an interim dividend of 2.25 pence per ordinary share resulting in a dividend of £3,969,415 paid on 13 October 2022 (2021: On 9 September 2021, the Board of Directors declared an interim dividend of 2.25 pence per ordinary share resulting in a dividend of £4,018,499 paid on 14 October 2021).

Notes to the Consolidated Financial Statements

20. Commitments

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

	Original commitment €'000	**2022 €'000**	2021 €'000
Fund I	202,398	**2,834**	2,834
Fund II	190,000	**13,300**	13,300
Fund III	325,780	**50,496**	101,806
Fund IV	400,000	**180,000**	248,000
Fund V	800,000	**685,061**	–
Origin Fund	129,300	**89,216**	115,077
PROfounders Fund III	30,000	**26,456**	–
Total outstanding commitments (€'000)	2,077,478	**1,047,363**	481,017
Total outstanding commitments (£'000)	1,842,307	**928,802**	404,295

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

	Original commitment £'000	**2022 £'000**	2021 £'000
Fund I*	7,346	**-**	1,138
Time Out	8,000	**3,000**	–
Oakley NS (Bermuda) LP	54,700	**117**	118
Total outstanding commitments (£'000)	70,046	**3,117**	1,256

21. Debt facility

On 24 June 2022 OCI entered a £100 million multicurrency revolving credit facility agreement with a consortium of lenders. The facility had a term of 12 months with the option for all parties to agree an extension for a further 12 months. As at 31 December 2022 the facility was undrawn.

22. Related parties

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

One director of the Company, Peter Dubens, is also a director of the Investment Adviser, an entity which provides services to, and receives compensation from, the Company and is also the sole shareholder of the Administrative Agent which is considered a related party to the Company given the direct control this Director has over this entity. The agreements between the Company and these service providers are based on normal commercial terms and are disclosed in Note 14.

23. Events after balance sheet date

The Board of Directors has evaluated subsequent events from the year end through 8 March 2023, which is the date the Consolidated Financial Statements were available for issue. The following event has been identified for disclosure:

Dividends – on 8 March 2023, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2022. This is due to be paid on 21 April 2023 to shareholders registerd on or before 17 March 2023. The ex-dividend date is 16 March 2023.

Commitment – on 31 January 2023, Oakley Fund V had its final close with final commitments amounting to €2,851 million.

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Chair

Richard Lightowler
Senior Independent Director

Fiona Beck
Independent Director

Stewart Porter
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St Helier
Jersey JE1 1ES
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Glossary and Alternative Performance Measures

Administrative Agent	Oakley Capital Limited ('OCL'), in respect of the Company.
AIF	Alternative Investment Fund; as at 31 December 2022, Oakley Capital Investments Limited is a non-EU AIF.
Attribution analysis: movement in NAV and investments	1. Realised gains/(losses) represent the change in realised gains/(losses) during the year and is adjusted to remove the impact of reclassifications from unrealised gains/(losses) to realised gains/(losses) which occurred upon realisations during the year. Unrealised gains/(losses) have also been adjusted accordingly. 2. Realised gains/(losses) include realised gains/(losses) on underlying fund portfolio investments sold in the period, and income and expenses of the underlying fund during the period. 3. Unrealised gains/(losses) include FX on the conversion of period end fund holdings from the Funds' reporting currency (euros) to pounds, plus unrealised gains/(losses) on the Funds' portfolio investments and any change in OCI's share of fund holdings. Changes in Provisional Profit Allocation ('Carry') are apportioned across the realised and unrealised gains. 4. Distributions include redemptions, loan repayments (including accrued interest and arrangement fees) and transfers.
Attribution analysis: movement in portfolio companies	Realised and unrealised gains/(losses) are presented for the portfolio companies and direct equity investments only. This chart, therefore, excludes realised and unrealised gains/(losses) on the other assets/(liabilities) of the Funds, including income and expenses of the underlying fund, FX on the conversion of period end fund holdings from the Fund's reporting currency (euros) to pounds and any change in OCI's share of fund holdings.
Auditor	KPMG Audit Limited or such other auditor as appointed from time to time.
Average Entry Multiple	The average EV/EBITDA multiple of Oakley's current portfolio, weighted by OCI's look-through Fair Value at year end.
Board/Directors	The Board of Directors of the Company.
Carry Vehicles	The Oakley Funds' Carry Vehicles are Oakley Capital Founder Member Limited in respect of Fund I, Oakley Capital Founder Member II LP in respect of Fund II, OCPE III Founder Member LP in respect of Fund III, Oakley Capital IV FM SCSp in respect of Fund IV, Oakley Capital Origin FM SCSp and Oakley Capital Fund V FM SCSp in respect of Fund V in respect of the Origin Fund and Oakley Capital Fund V FM SCSp in respect of Fund V.
Commitments	The amount committed by an investor to the Funds whether or not such amount has been advanced in whole or in part.
Company/OCI	Oakley Capital Investments Limited, a company incorporated with limited liability in Bermuda and registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 31 December 2022, i.e. the investment cost net of amounts realised from partial exits and refinancings, where applicable.
DACH region	Austria, Germany and Switzerland.
Discount to NAV	The amount by which the net asset value per share exceeds the share price, calculated as the share price divided by the net asset value per share.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.
EV/EBITDA multiple	The EV/EBITDA multiple compares a company's Enterprise Value ('EV') to its annual EBITDA. The EV/EBITDA multiple in the report is weighted by OCI's look-through Fair Value of the underlying investments at year end.
Exchange rate	The GBP:EUR exchange rate at 31 December 2022 was £1: €1.1276.
Five-year p.a. total return	Annualised Total NAV Return per Share calculated over a five-year period.

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Fund facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
Fund I/Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II/Oakley Fund II	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. and OCPE II Master L.P.
Fund III/Oakley Fund III	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. and OCPE III Master L.P.
Fund IV/Oakley Fund IV	Those limited partnerships constituting the Fund known as Oakley Capital IV, comprising Oakley Capital IV-A SCSp, Oakley Capital IV-B SCSp, Oakley Capital IV-C SCSp and Oakley Capital IV Master SCSp.
Fund V/Oakley Fund V	Those limited partnerships constituting the Fund known as Oakley Capital V, comprising Oakley Capital V-A SCSp, Oakley Capital V-B1 SCSp, Oakley Capital IV-B2 SCSp, Oakley Capital V-C SCSp and Oakley Capital V Master SCSp.
General Partners ('GP')	Oakley Capital I Limited in respect of Fund I (previously Oakley Capital GP Limited), Oakley Capital II Limited in respect of Fund II (previously Oakley Capital GP II Limited) and Oakley Capital III Limited in respect of Fund III (previously Oakley Capital GP III Limited), all exempted companies incorporated in Bermuda. Oakley Capital IV S.à r.l. in respect of Fund IV, Oakley Capital Origin S.à r.l. in respect of the Origin Fund and Oakley Capital Fund V S.a r.l. in respect of Fund V, private limited liability companies incorporated in Luxembourg.
IFRS	International Financial Reporting Standards. The Consolidated Financial Statements and Notes have been prepared in accordance with IFRS.
Investment Adviser	Oakley Capital Limited, a company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority; or any successor as Investment Adviser of the Oakley Funds.
IPO	Initial Public Offering.
IRR	The gross Internal Rate of Return of an investment or Fund. It is the annual compound rate of return on investments. Gross IRR does not reflect expenses to be borne by the relevant fund or its investors, including performance fees, management fees, taxes and organisational, partnership or transaction expenses.
Look-through	OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio of OCI's commitments to the respective Oakley Fund to total commitments to that Fund), applied to each investment's fair value as held in the relevant Oakley Fund, net of any accrued performance fees relating to that investment, and converted using the year-end EUR:GBP exchange rate.
LTM	Last twelve months.
LTM EBITDA growth	Organic EBITDA Increase over the last 12 months of the year ended 31 December 2022, weighted by OCI's look-through Fair Value of the underlying investments at year end.
MM	Money Multiple which is Total Value divided by Total Cost Invested, illustrating return on capital.
NAV	Net Asset Value is the value of the Company's total assets less total liabilities.
Oakley	The Investment Adviser, being Oakley Capital Limited.
Oakley Funds	Fund I, Fund II, Fund III, Fund IV, Origin Fund, Fund V and PROfounders III and (as applicable) any successor Funds.

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Oakley Group	Oakley Capital Limited as Investment Adviser and Administrative Agent, Oakley Capital Holdings S.à r.l., the General Partners, the Fund IV and Origin Fund AIFM and any other AIFM and General Partner of successor Oakley Funds or any additional management or holding entities formed under the control of the current Oakley Group.
OCI	Oakley Capital Investments Limited.
Ongoing charges	Ongoing charges are calculated in accordance with the guidelines issued by the Association of Investment Companies ('AIC'). They comprise recurring costs, including the operating expenses of the Company, operational services fees paid to the Administrative Agent and OCI's share of the management fees paid by the underlying Oakley Funds. The calculation specifically excludes expenses, gains and losses relating to the acquisition or disposal of investments, performance-related fees (such as carried interest) and financing charges. This calculation cannot be directly reconciled to OCI's Financial Statements due to the inclusion of OCI's share of the management fees paid by the underlying Oakley Funds which is not directly included in OCI's Financial Statements.
Origin Fund	Those limited partnerships constituting the Fund known as the Origin Fund, comprising Oakley Capital Origin A SCSp, Oakley Capital Origin B SCSp, Oakley Capital Origin C SCSp and Oakley Capital Origin Master SCSp.
PROfounders III	Those limited partnerships constituting the Fund known as PROfounders III, comprising PROfounders Capital III SCSp and PROfounders Capital III-A SCSp.
Realised Gross Money Multiple	The combined Total Proceeds divided by the combined Total Cost of all the Investment exited in the year.
SFS	The Specialist Fund Segment is a segment of the London Stock Exchange's regulated Main Market.
Total NAV per share return	A measure showing how the Net Asset Value ('NAV') per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. Calculated as: (increase in NAV per share + dividends)/opening NAV per share.
Total Portfolio	The Total Portfolio is the fair value of OCI's investments, made up of the Oakley Funds' investments on a look-through basis, and OCI's Direct Investments. This can be reconciled to the NAV as below:

	£m
Total Portfolio	£1,042.8
Other Oakley Fund assets/(liabilities)	(£167.1)
Other Direct Investments	£185.2
Cash and Other	£106.6
NAV	**£1,167.5**

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

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