Oakley Capital Investments

Oakley Capital Investments / Annual Report 2023

Investing for long term growth

What's in this report?

Introduction

We are investing for long-term growth. Oakley Capital Investments (OCI) is a Specialist Fund Segment listed company, offering investors access to long-term capital appreciation through its investment in the Oakley Capital Funds.

OCI offers shareholders consistent returns in excess of the FTSE All-Share Index over the long-term by providing exposure to private equity returns, where value is typically created through market growth, consolidation and performance improvements.

Performance highlights as at 31 December 2023

Creating value
Net Asset Value (NAV)

£1,207m

See At a glance

Resilient performance
Total NAV Return per Share

4%

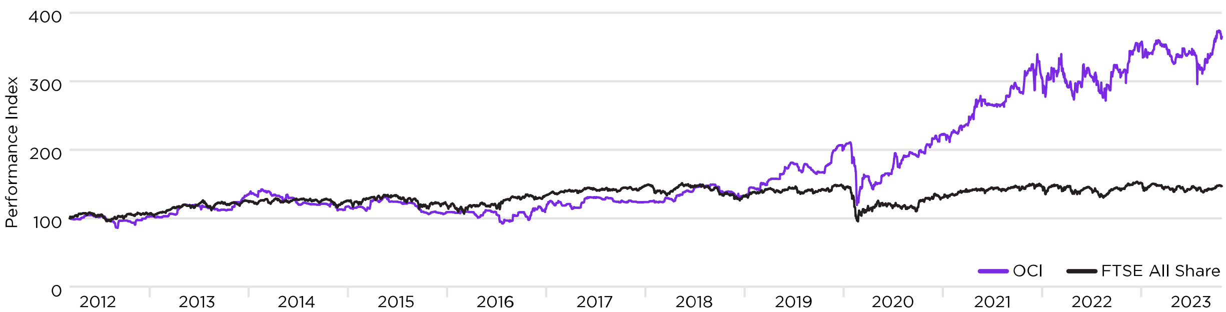
See KPIs

Delivering returns
Total Shareholder Return

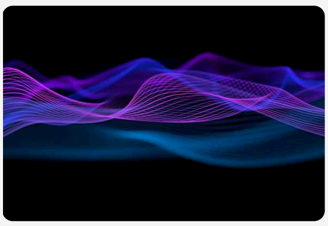
18%

See KPIs

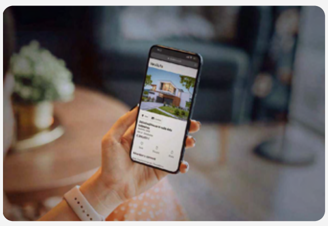
OCI long-term shareholder return vs indices



Features of 2023's report



Why invest in OCI? →
Consistent returns driven by profit growth in a high-quality portfolio



Portfolio activity →
An active year for investments by the Oakley Funds

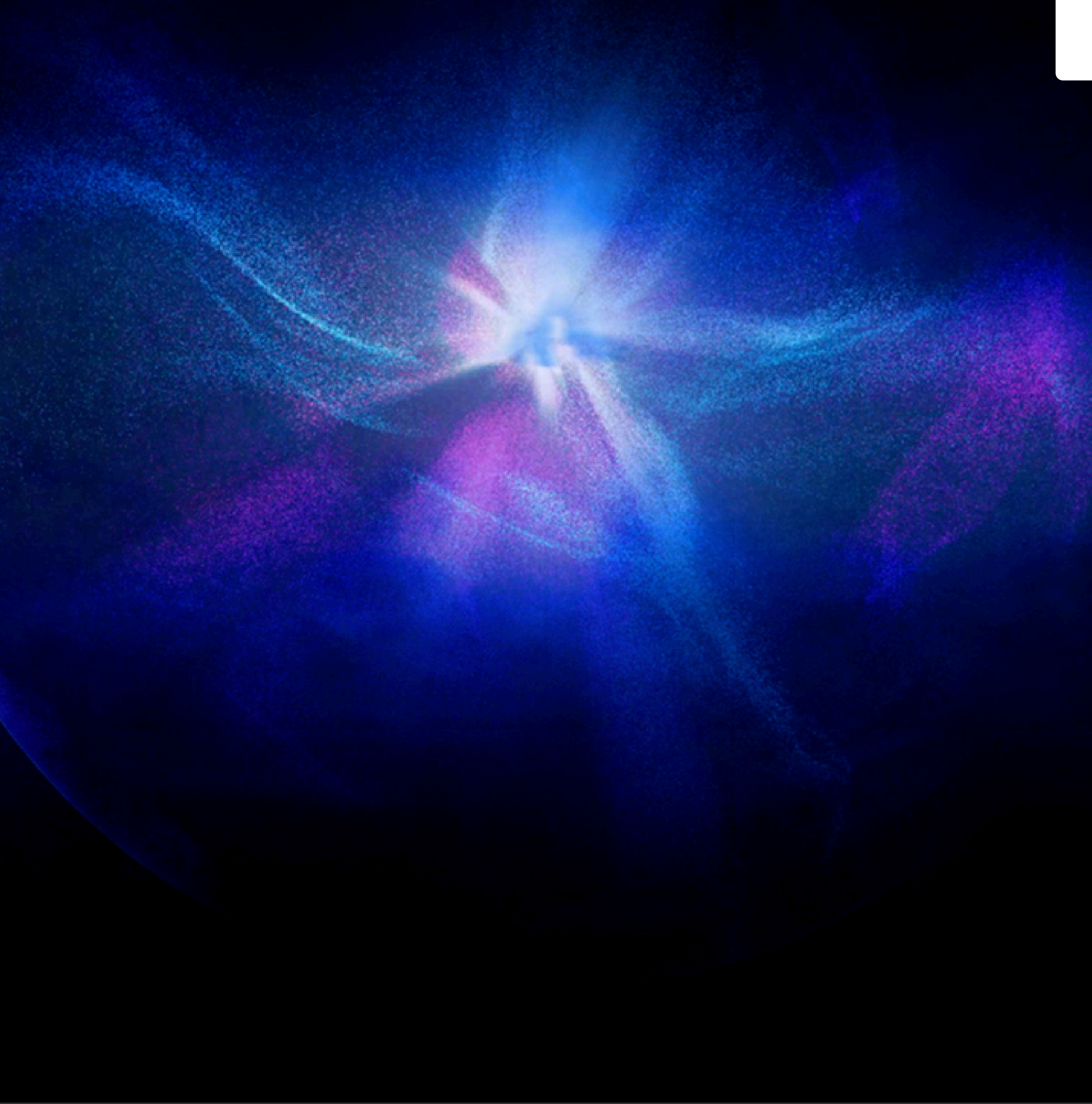
Chair's statement →
NAV growth underpinned by consistently strong earnings across the underlying portfolio

At a glance

Our purpose

OCI exists to provide investor access to private equity and the strong investment returns it generates.

Watch video: What is Private Equity?



Our objective

OCI's objective is to generate long-term superior returns in excess of the FTSE All-Share Index by providing investors with public access to private equity returns from a diversified portfolio of fast-growing, unquoted companies.

2023: OCI performance

Creating value
Net Asset Value
£1,207m
See OCI NAV

Resilient performance
Total NAV Return per Share
4%
See KPIs

Delivering returns
Total Shareholder Return
18%
See KPIs

2023: Balance sheet and distributions

Increased cash position
Cash
£207m
See balance sheet

Consistent returns
Dividend per share
4.5p
See Chair's statement

Investing in growth
Outstanding fund commitments
£1,015m
See KPIs

2023: Portfolio performance

Delivering growth
LTM EBITDA growth
14%
See Portfolio KPIs

Strong investment portfolio
EV/EBITDA ratio
16.4x
See Portfolio KPIs

Exceptional returns
Realised gross Money Multiple
13.7x
See Portfolio KPIs

Strategic report / Why invest in OCI?

Available to all

Historically, private equity has been walled off from retail investors – it's right there in the name. But listed private equity means anyone can access this market. Private equity invests its funds in privately owned businesses across all sectors, from recognisable household names to companies with significant growth potential. The private equity funds' adviser helps these companies maximise their value during the shareholding period.

Buying shares in a listed private equity company provides access to the performance of the private companies they back. OCI's partnership with Investment Adviser, Oakley Capital, has delivered sustained, strong performance over the years and has helped build credibility for the listed private equity sector. An important contribution to the democratisation and availability of this wider asset class.

Watch video: What is listed private equity?

Strategic report / Why invest in OCI?

Valuable partner

The success of OCI's investment adviser, Oakley Capital ('Oakley'), 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.

Watch video: Finding the best investments

Strategic report / Why invest in OCI?

Sector-focused growth across the cycle

Returns are primarily driven by profit growth in a diversified portfolio of fast-growing private businesses across four defined Oakley investment strategies.

Their business models are predominantly focused on tech-enabled services and resilient, recurring revenues that have delivered strong trading performance.

The Oakley Funds' portfolio has enjoyed strong, sustained 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.

Watch video: How do you create value?

OCI KPIs

The total NAV Return per Share, including dividends, was 4% for the year to 31 December 2023. The total return includes 42 pence of valuations gains in the underlying portfolio companies offset by 12 pence of unrealised foreign exchange loss due to the 2% movement in EUR:GBP.

NAV per Share

684p

Importance

Represents the underlying value of each share.

Performance

Driven by the growth of the underlying investments, OCI's NAV per Share has increased to 684 pence in the year, net of a 4.5 pence dividend paid to shareholders.

Total NAV Return per Share

4%

Importance

Represents shareholder value creation through dividends and NAV growth.

Performance

While the total NAV Return per Share decreased compared to prior years, the financial performance in the underlying portfolio companies remained strong, increasing OCI's valuation gains by 42 pence during the year. This was offset by 12 pence of foreign exchange loss.

Total Shareholder Return

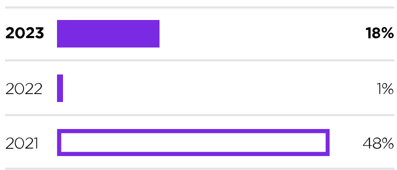
18%

Importance

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

Performance

Total Shareholder Return was 18% for the year compared to 4% 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.

Oakley Funds KPIs

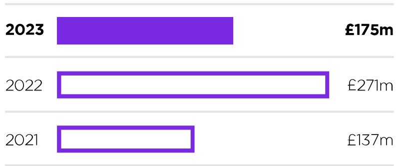
Oakley originates proprietary opportunities for its Funds across its four focus sectors: Technology, Consumer, Education and Business Services.

Invested by OCI during the year[1]

£175m

Importance
Demonstrates the activity during the year through capital deployment for future returns.

Performance
£175 million was deployed into investments during the year, including Fund V's reinvestment in IU Group, new platform and follow-on deals, and venture investments across the growth cycle.



Proceeds to OCI during the year[1]

£266m

Importance
Represents the value realised by OCI from its investments in the Oakley Funds. Generates cash to meet the commitments of existing and future funds and to manage share buy back programme.

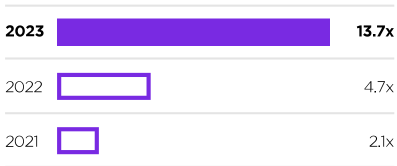
Performance
OCI's look-through share of proceeds was higher than in prior years following an exit and refinancings that totalled £266 million.

Realised gross Money Multiple

13.7x

Importance
Demonstrates the underlying gross returns of the Oakley fund investments during the year.

Performance
During the year, Oakley Fund III exited IU Group achieving a 13.7x realised gross money multiple.



1. Time Out has been excluded from the metric as it is still held by OCI directly.

Please see Glossary for definition of OCI's key performance indicators.

Oakley PE Portfolio KPIs

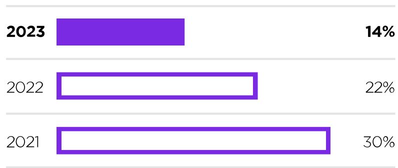
OCI's underlying private equity ('PE') portfolio[1] of asset-light, tech-enabled businesses continued to deliver earnings growth despite the macro-economic environment.

LTM EBITDA growth

14%

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

Performance
Despite the macro-economic uncertainties and market volatility during the year, the underlying portfolio companies remained resilient resulting in a weighted average EBITDA growth of 14%.

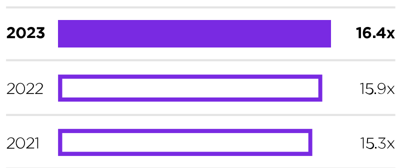


EV/EBITDA ratio

16.4x

Importance
Helps investors determine the value of the Company's underlying portfolio.

Performance
The weighted average EV/EBITDA multiple of OCI's underlying investments increased to 16.4x in the year, reflecting a change in Oakley's portfolio mix.

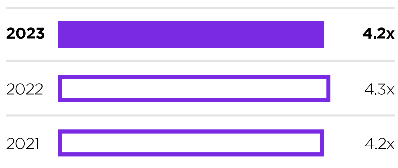


Net debt/EBITDA ratio

4.2x

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 remained broadly stable in the year demonstrating the stability and resilience of OCI's underlying portfolio of investments during a time of high interest rates.



1. Oakley PE Portfolio KPIs do not include Oakley Venture Funds (Touring Fund I and PROFounders III).

Please see Glossary for definition of OCI's key performance indicators.

Other metrics

Average entry multiple

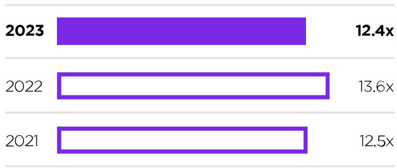
12.4x

Importance

Refers to the price the Company paid for the underlying investments at entry.

Performance

The average entry multiple reduced from 13.6x in the period as a result of Oakley's strong origination network enabling access to deals at lower multiples.



Five-year CAGR

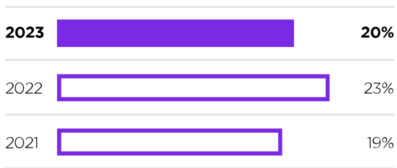
20%

Importance

Annualised Total NAV Return per Share calculated over a five-year period. A measure of consistent quality growth of the portfolio.

Performance

The continued growth of the underlying tech-enabled portfolio continued to deliver a five-year CAGR above 20% for OCI.



Discount to NAV

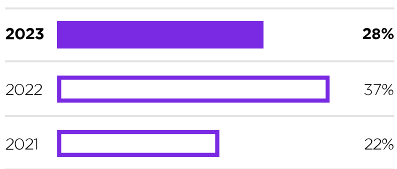
28%

Importance

Relationship of NAV return to shareholder return.

Performance

OCI's discount to NAV has reduced from 37% to 28% over the last twelve months (LTM), driven by continued strong asset growth and effective communications and transparency.



Please see Glossary for definition of OCI's key performance indicators.

Business model / Understanding Oakley

Who we are

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

This section explains the relationship between OCI and Oakley, and the unique network that underpins our investment approach.

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

See Oakley Capital Investments

Oakley Capital Investments

Oakley Capital ('Oakley')

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

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

See Oakley Capital

Oakley Capital

Business model / OCI

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, mergers and acquisitions (M&A) and performance improvements.

Our purpose

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

Our purpose →

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.

Why invest in OCI? →

Our Board's oversight

An independent Board focused on governance, transparency and shareholder interests.

Governance →

Our ESG-focused Board

To support growth in a responsible, sustainable manner, encouraging Oakley Capital to integrate ESG (environmental, social and governance) into the investment and portfolio engagement process.

Sustainability and ESG →

Business model / Oakley Capital

The Oakley difference

OCI's Investment Adviser is Oakley Capital, a pan-European private equity firm, which specialises in investing in and developing fast-growing companies across four sectors – Technology, Consumer, Education and Business Services.

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 underpin the valuations of our companies.

The Oakley difference / Strong focus on four sectors with underlying growth drivers

Technology →

Business migration to the cloud
Companies looking to deliver efficiency and productivity gains through digitisation.

Consumer →

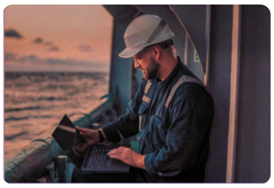
Consumer shift to online
Several regions and sectors are ripe for digital disruption.

Education →

Growing global demand for high-quality accessible learning
Online platforms and market consolidation are delivering provision at scale.

Business Services →

Providing mission-critical tech-enabled services
Help businesses succeed in an increasingly complex, data-driven economy.



Total invested in 2023

£175m

The Oakley difference / A differentiated 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 since inception

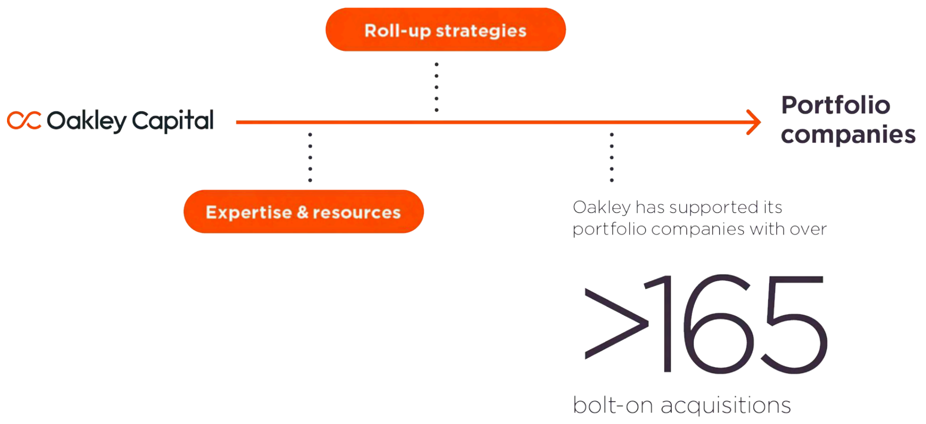
>75%
Uncontested deals since inception

The Oakley difference / Proven value creation strategies

Oakley value creation strategy

1. Buy and build

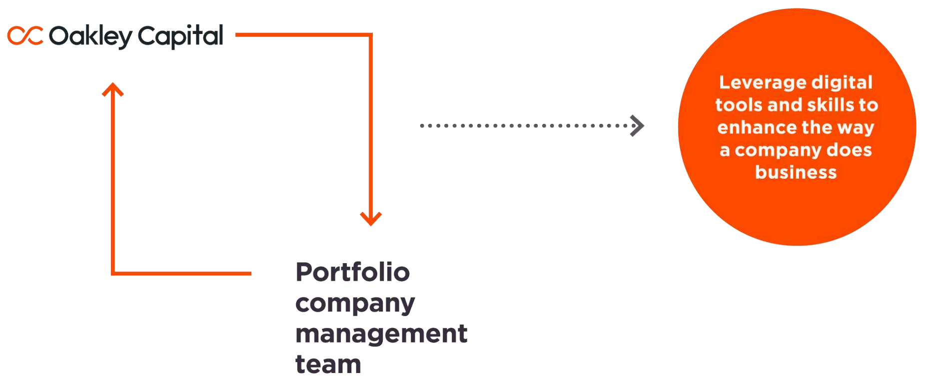
Oakley provides the expertise and resources to help portfolio companies source and execute acquisitions. These include transformative deals that enable them to scale up quickly and expand into new products or markets, as well as roll-up strategies that add smaller acquisitions to a larger platform and enable consolidation in fragmented markets. To date, Oakley has supported its portfolio companies with over 165 bolt-on acquisitions.



Oakley value creation strategy

2. 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.



Oakley value creation strategy

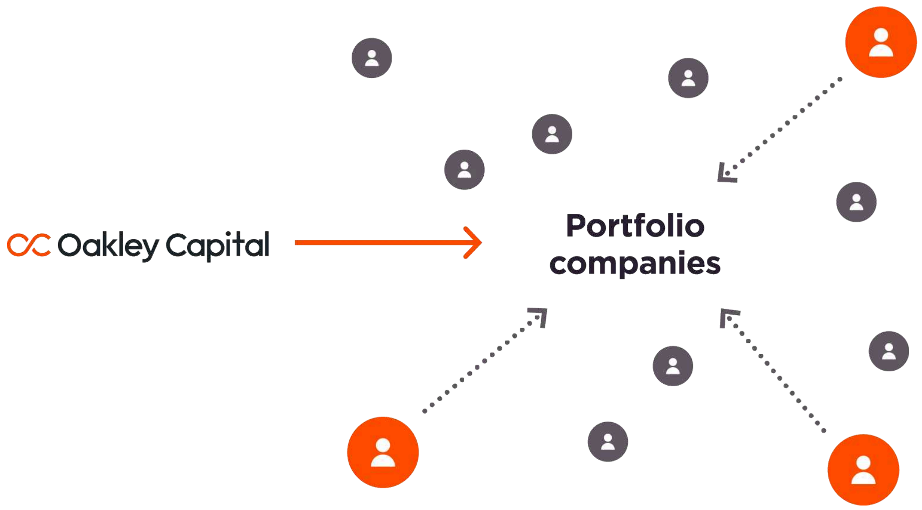
3. Performance improvement

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.

Oakley value creation strategy

4. 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 formulating a succession plan.

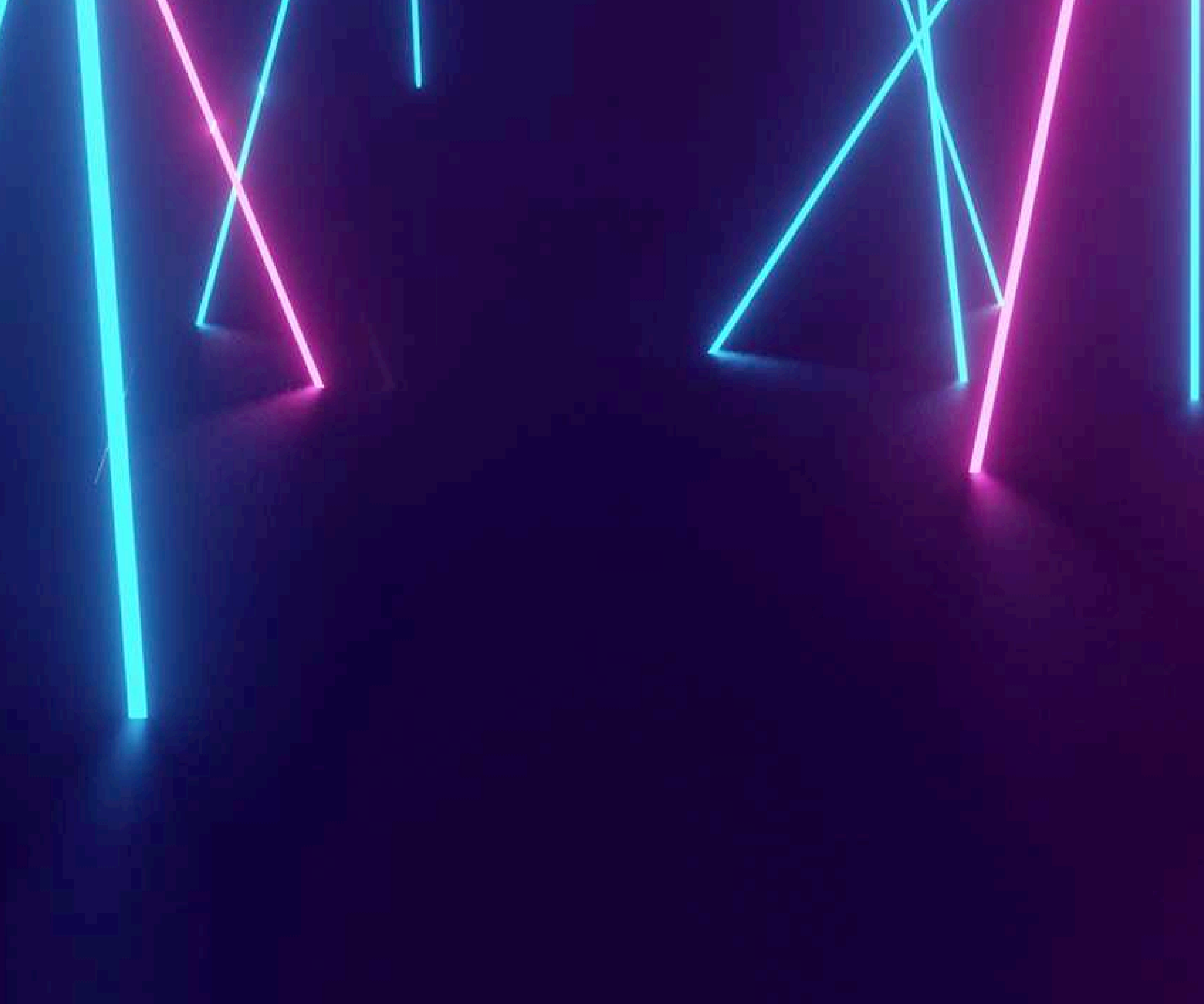


Strategic report / Portfolio activity

Key new investments: Total £175m

This section summarises new Oakley fund investments in 2023, with amounts shown being those made by OCI on a look through basis (as explained in the Glossary).

See Glossary



Portfolio activity / New investments

2023

February / Fund IV / Investment

Fund IV increased its investment in Bright Stars to take advantage of a promising pipeline of acquisition opportunities.

Bright Stars

£5m

See more about Bright Stars

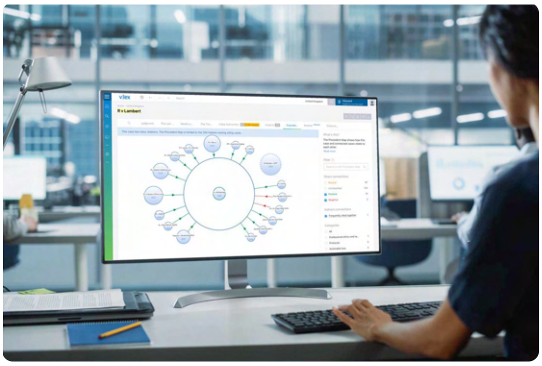
March / Origin Fund / Investment

Origin Fund portfolio company vLex completed the bolt-on acquisition of Fastcase, a leading US legal intelligence business.

vLex

£7m

See more about vLex



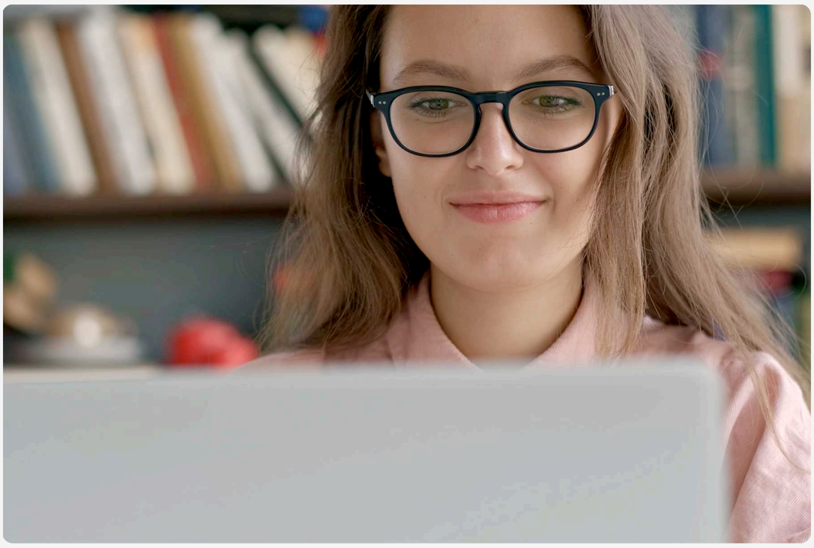
March / Fund IV / Investment

Fund IV acquired a minority stake in Thomas's, a group of premium co-educational independent schools in London.

Thomas's

£14m

See more about Thomas's



June / Fund V / Investment

Fund V invested in IU Group, the largest, and fastest-growing university in Germany and a global leader in education technology, alongside Oakley's continuation fund.

IU Group £66m

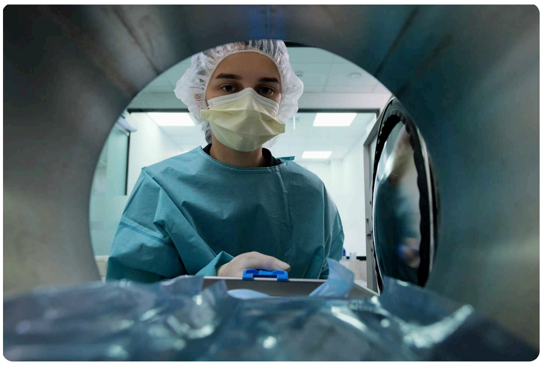
See more about IU Group

August / Fund IV / Investment

Fund IV portfolio company Affinitas completed the bolt-on acquisition of Torrequebrada International College (CIT), a leading K12 school.

Affinitas Education £8m

See Affinitas case study



December / Fund V / Investment

Oakley Fund V acquired Flemming Dental, Excent, and Artinorway Group in a carve-out from European Dental Group, a leading pan-European oral care and services provider, to form one of the leading dental laboratories groups in Europe, Liberty Dental Group.

Liberty Dental Group £33m

See Liberty case study

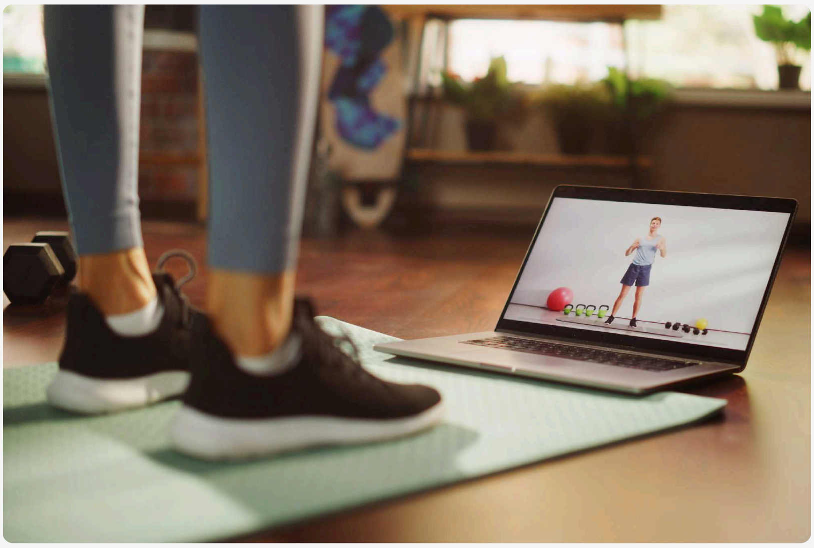
December / Origin I / Investment

7NXT, which owns and operates fitness platform Gymondo, completed the bolt-on acquisition of 7Mind, a leading player in the German digital healthcare sector with a focus on promoting digital mental wellbeing.

Gymondo

£4m

See Gymondo case study



December / Fund IV / Investment

Fund IV made a second additional investment in Bright Stars during the year to take advantage of a promising pipeline of acquisition opportunities.

Bright Stars

£4m

See more about Bright Stars

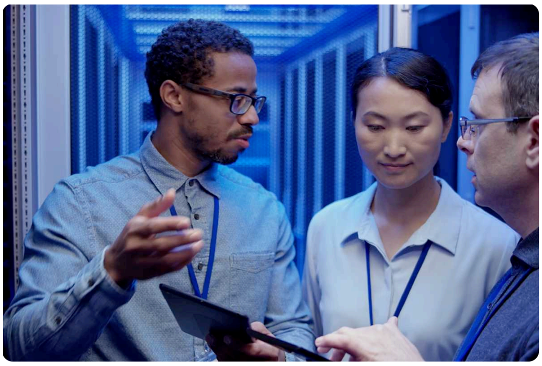
December / Origin I / Investment

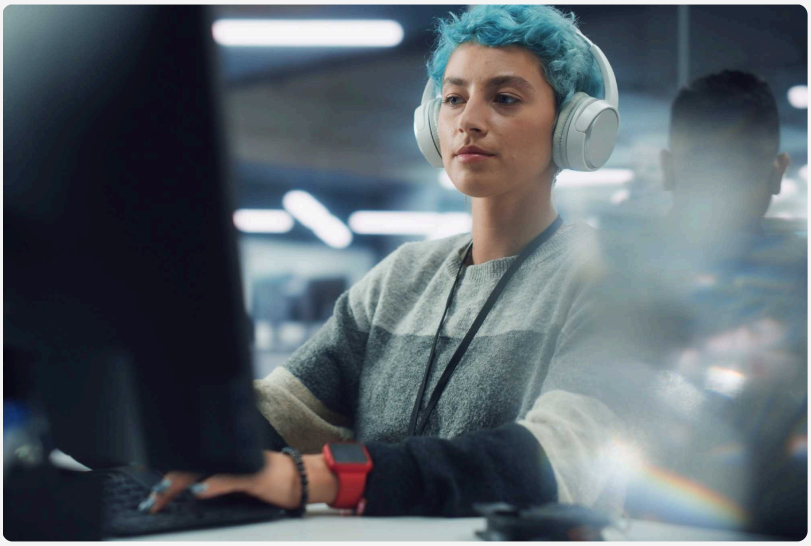
Fund IV acquired a stake in Webcentral DEH ('Webcentral'), a leading Australian domains, hosting and e-mail provider, in a carve-out from its parent, Webcentral Limited.

Webcentral

£3m

See more about Webcentral





Touring I / Investments

Touring I acquired four AI-powered investments during the year.

Touring I
£24m

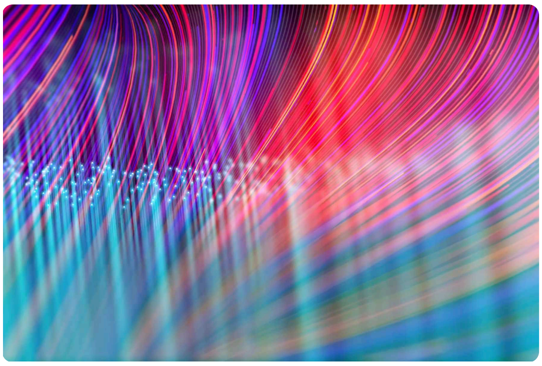
See more about Touring I

PROfounders III / Investments

PROfounders III acquired two investments during the year.

PROfounders III
£1m

See more about PROfounders III



Strategic report / Portfolio activity

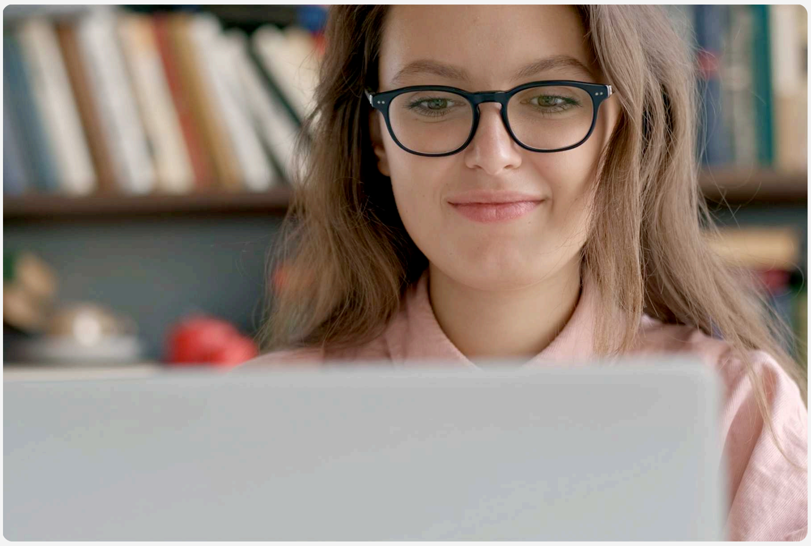
Key realisations and refinancings: Total £266m

This section summarises Oakley fund realisations and refinancings in 2023, with amounts shown being those realised by OCI on a look through basis (as explained in the Glossary).

See Glossary

Portfolio activity / Realisations and refinancings

2023



June / Fund III / Disposal

Fund III exited its stake in IU Group, the largest, fastest growing university in Germany, to Oakley's continuation fund, backed by co-investors, and to Oakley Fund V.

IU Group
£240m

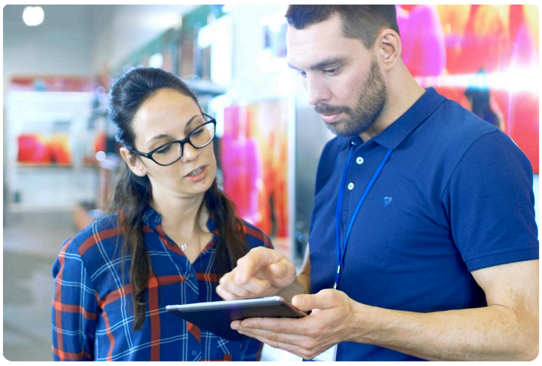
See more about IU Group

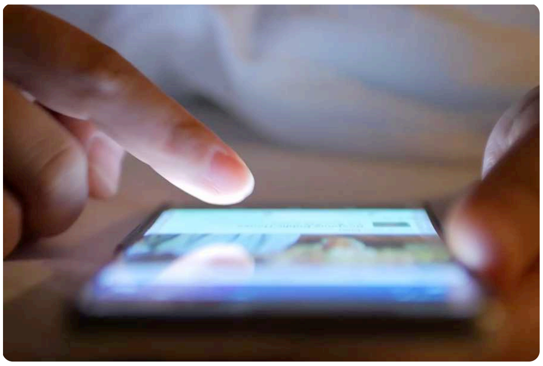
November / Fund III / Refinancing

As a result of continued strong performance and cash generation, Cegid completed a refinancing during the year.

Cegid
£22m

See more about Cegid





December / Fund IV / Refinancing

idealista continued its strong performance in 2023, delivering growth across all three of its core geographies of Spain, Italy and Portugal, and as a result, completed a refinancing.

idealista
£4m

See more about idealista

Chair's statement

Delivering an 18% return for shareholders

"OCI continues to offer one of the most accessible ways to gain exposure to this asset class through one of Europe's best performing private equity ("PE") managers. As a Board we are proud of not only OCI's consistent performance but the role it plays in democratising PE."

Caroline Foulger Chair

2023 marks yet another year of market and macro-economic uncertainty. It is therefore testament to OCI's resilience and the active management by its Investment Adviser Oakley Capital that, in spite of the unsettled nature of the global economy and investor sentiment, the Company continued to deliver. OCI's underlying, diversified private equity portfolio of 28 companies collectively achieved another year of double-digit earnings growth, helping Net Asset Value (NAV) grow 4% to reach £1.2 billion. Most importantly, total shareholder return was 18%, taking OCI's annualised five-year total shareholder return to 24%. The gain this year is more than double the performance of the FTSE All-Share Index and OCI again ranks as one of the leading investment company performers.

With dysfunctional public equity markets and cost of debt remaining high, the importance of and opportunities for private equity (PE) has never been greater. OCI continues to offer one of the most accessible ways to gain exposure to this asset class through one of Europe's best performing private equity ("PE") managers. As a Board we are proud of not only OCI's consistent performance but the role it plays in democratising PE. To this end our focus remains on strong governance, transparent communication, the optimisation of OCI's performance through effective cash management and taking continued steps to rationalise the portfolio with the active management of the two direct investments, building on the progress we made in 2023.

Consistent performance
Total Shareholder Return

18%

See OCI NAV

Strong earnings growth
Organic LTM EBITDA growth

14%

See Investment Adviser's report

Valuations

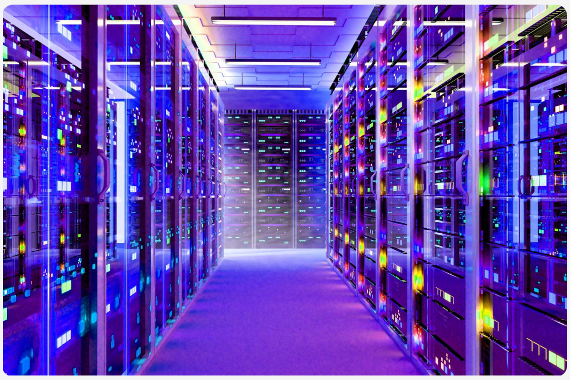
OCI's 4% increase in NAV during the period is modest compared to its historic performance. It reflects a cautious approach to trading outlook and portfolio company valuation multiples. Performance across the portfolio was robust with around two thirds of the companies owned for more than 12 months increasing in value, thanks largely to growth in earnings.

The Board is focused on ensuring the integrity of valuations, strong governance and controls, and effective cash management to ensure we meet our commitments and are able to continue to invest for future growth. The Board remains confident that the Investment Adviser's process for determining NAV continues to be robust and rigorous, underpinned by regular, quarterly assessments of the entire portfolio and validated by an annual review from an independent third party. The Board is further reassured by the historic trend for Oakley to exit businesses at or above their carrying value, which to date averages a premium of 35%.

Overall, the underlying, largely tech-enabled portfolio was held at an 16.4x EBITDA multiple. That compared with year-end multiples of c.28x for the Nasdaq and c.25x for the S&P 500.

The Board continues to have full confidence in Oakley and its Fund strategy, with commitments at year end totalling just over £1 billion (£929 million at the beginning of the year), now spread across 8 Funds, including Origin II and Touring which were launched in 2023.

Caroline Foulger Chair



Portfolio Transactions

In a period when market-wide M&A activity slumped amid high borrowing costs and economic uncertainty, the Board is pleased to see the Investment Adviser continuing to deliver, with a string of new investments across its four core sectors. Market disruption can generate attractive opportunities as company founders look for alternative sources of finance as well as expert know-how on M&A, internationalisation and other growth levers, and situations like these favour highly experienced, focused investors such as Oakley.

Direct investments

The Board continues to work towards the resolution and value maximisation of OCI's two direct investments of Time Out and North Sails. As explained in more detail in the Direct investments section, steps taken in 2023 included facilitating the closure of Fund I which rationalised OCI's Time Out holdings in a single direct stake, giving us greater autonomy over our holding and converting OCI's outstanding North Sails loans and accrued interest into preferred equity. This was done in conjunction with a wider organisational and capital restructure of the North Sails Group which improves OCI's overall security, creates an incentive for redemption and helps simplify the North Sails' capital structure, enhancing the attraction of the business to future investors.

It is important to note that these two companies have emerged strongly from the pandemic. The organisational changes made by Oakley over the last few years have led to improved performance and profitability and we are encouraged by the prospects for both companies, which were two of the biggest contributors to NAV growth in the period.

Strategic report

Robust investment strategy
Invested during the year

£175m

See New investments

Strong returns
Proceeds received during the year

£266m

See Oakley Funds

Cash and commitments

The Board continues to have full confidence in Oakley and its Fund strategy, with commitments at year end totalling just over £1 billion (£929 million at the end of December 2022), now spread across eight Funds, including Origin II and the new Touring strategy, which were launched in 2023. OCI is invested across the Oakley family of Funds which now spans the full life cycle of a business, from venture, growth and mid-market, providing diversified exposure to a broad range of businesses across four core sectors. As in prior years, our commitments are expected to be drawn over the next five years. OCI's cash at 31 December 2023 was £207 million, which, together with a renewed and expanded credit facility of £175 million and proceeds from anticipated future realisations, provide OCI with sufficient liquidity to meet expected drawdowns over the next few years.

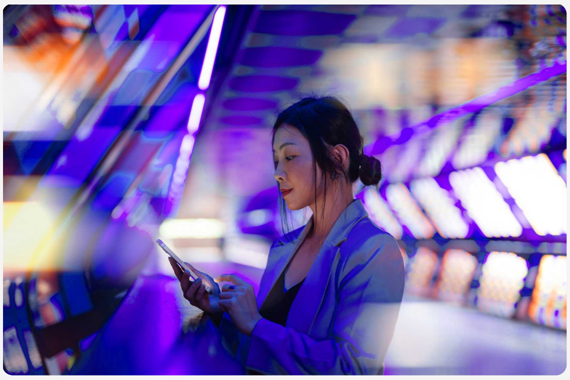
Responsible investing

The Board and Oakley remain firmly committed to delivering an investment strategy and process that generates financial returns in a sustainable way. During the period, we were pleased to see the Investment Adviser continuing to add skills and capabilities to further expand and professionalise the Oakley platform to better meet the needs of portfolio companies. Oakley has set itself – and its investee companies – ambitious targets to measure and ultimately reduce their carbon footprint and further develop their equity, diversity and inclusion. The Board both encourages and welcomes this focus as we are very conscious of the need to build resilience into the portfolio business models and that our retail and institutional investors pay close attention to climate risks and the measures that companies are taking to mitigate them. I recommend that you read Oakley's second annual Sustainability Report, which lays out the Investment Adviser's ambitions in greater detail.

Effective communications

In order to aid investment decision-making and attract a wider audience to listed PE, we continue to focus on and develop how and what we communicate. Our aim is to provide greater clarity on our process and the activities and prospects of the underlying Funds and in doing so fulfil our mission of democratising access to private equity.

This year saw the relaunch of our website and social media channels, a revised Factsheet and the publication of our inaugural digital first, web-based annual report. We are pleased to be one of the first investment companies adopting this digital format, which has allowed us to provide more detail and disclosure, in a dynamic and accessible format. These efforts are driving the Company's growing appeal to private investors, who through the three largest retail trading platforms now own over 16% of OCI shares, a number that has trebled in the last three years. It is gratifying to see these communication initiatives receive external validation of our approach through awards and commendations, including Investment Company of the Year 2023 at the Investment Week awards.



> **These efforts are driving the Company's growing appeal to private investors, who through the three largest retail trading platforms now own over 16% of OCI shares, a number which has trebled in the last 3 years.**

Caroline Foulger Chair

Discount

OCI's share price ended the year trading on a 28% discount to its NAV per Share, narrower than the sector average and lower than 37% a year ago. While the continuing discount is disappointing, the Board is confident that our sustained focus on driving consistent performance, on strong governance, on transparency and communications, and on scale and liquidity will reduce and then eventually close this discount over time. A greater understanding of the strength of our underlying portfolio companies – their recurring revenues, their asset-light business models, their use of low leverage and their market-leading positions – will hopefully lead to greater confidence in their ability to perform and grow in value in spite of a prevailing market backdrop.

Dividend
Full-year dividend per share

4.5p

Why invest in OCI?

Share ownership
Value of shares bought back since 2020

£57m

Shareholder information

Capital allocation

OCI's purpose is to deliver sustained and above market capital growth. To do so we prioritise new investments for future returns, taking advantage of Oakley's pipeline of investment opportunities by consistently allocating capital to the Oakley Funds.

A share price discount of the current scale presents a secondary investment opportunity and the Board has demonstrated its commitment to buying back shares to enhance shareholder value. Since 2020, the Company has purchased £57m of its shares, the 2nd highest of any listed PE company and >20% of all shares bought back in the sector. While OCI's current cash is required to meet commitments made over the last three years, we regularly review anticipated fund drawdowns and projected liquidity, to determine if cash is available for further buy-backs and will continue to do so as part of our active consideration of capital allocation to maximise value to shareholders.

Reflecting our capital growth model and in line with dividend payments over recent years, total dividends of 4.5 pence per share were paid during the period.

Outlook

The many sources of market uncertainty somewhat eased towards the end of 2023, but we believe will persist in some form in 2024 and beyond. The Board draws confidence from OCI's sustained strong performance through this period, delivering NAV growth that is underpinned by a portfolio consistently delivering strong corporate earnings. It is an endorsement of OCI's strategy of investing behind Oakley Funds, and an endorsement of the Investment Adviser's 20 year track record and we are optimistic about the future.

Caroline Foulger Chair
13 March 2024

Oakley PE Portfolio overview

A strong, tech-enabled portfolio The Oakley PE Funds invest primarily in unquoted, pan-European businesses across four sectors: Technology, Consumer, Education and Business Services.

We set out below the private equity portfolio overview. See Touring I and PROFounders III for Oakley's venture fund strategies.

Total OCI portfolio
Portfolio value

£1,197.2m

(Dec 2022: £1,213.8m)

Technology →
Portfolio value

£274.9m

Cegid	£95.8m
WebPros	£68.9m
Ocean Technologies Group	£53.7m
Contabo	£33.0m
Seedtag	£10.0m
ECOMMERCE ONE	£8.0m
Webcentral	£3.2m
Daisy	£2.3m

Consumer →
Portfolio value

£506.8m

North Sails	144.4 / 49.9	£194.3m
Time Out		£74.9m
idealista		£67.8m
Facile		£52.3m
Dexters		£31.7m
Iconic BrandCo		£20.8m
WindStar Medical		£19.3m
Gymondo		£14.8m
Vice Golf		£13.9m
Wishcard Technologies Group		£8.7m
atHome		£8.3m

Direct investments

Education →
Portfolio value

£246.1m

IU Group	£85.2m
Schülerhilfe	£63.4m
Bright Stars	£41.6m
K12 Investments[1]	£38.7m
ACE Education	£17.2m

Business services →
Portfolio value

£169.4m

Phenna	£81.6m
TechInsights	£43.2m
Liberty Dental Group	£32.9m
vLex	£11.7m

The Total Portfolio is the fair value of OCI's investments, comprising 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. The portfolio overview charts above exclude the venture fund portfolio investments of Oakley Capital PROfounders III and Oakley Touring I, which amounted to £2.5 million and £24.7 million respectively.

1. Please refer to Education portfolio section.

The largest contributors to NAV growth in the portfolio are summarised below.

Education IU Group

The largest and fastest-growing university group in Germany.

IU has continued its growth trajectory in 2023, with revenue and adjusted EBITDA up >30% and >35% against the prior year, respectively. Intake in Germany continues to grow against the prior year, with total students now at >140k. IU also continued its growth in B2C International during the year.

The integration of LIBF (The London Institute of Banking & Finance, UK) and UFred (University of Fredericton, Canada) add-ons is ongoing with the first students having signed up for fully UK accredited IU online degrees.

iu GROUP

See Education sector

NAV per Share uplift

+10p

Fair value

£85.2m

Consumer North Sails

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

North Sails achieved revenue and EBITDA growth of 18% and 32% respectively versus prior year. All divisions of the group are performing ahead of their prior year performance with the exception of Actionsports, which experienced softer performance due to a broader market slowdown that is expected to normalise in 2024. The Apparel division continues to grow, with EBITDA more than double the prior year-end position; Sails remains strong, with year-end revenues up by 16% on prior year partly due to consistently high order intake. The Masts business also continues to trade well, in part due to higher productive hours in the factory. As a result of North Sails' strong performance, the group was one of the three largest contributors to NAV growth in the portfolio during the year.

In 2023, North Sails completed a refinancing process with a new bank syndicate on a five year term.

NORTH SAILS

See Consumer sector

NAV per Share uplift

+9p

Fair value

£194.3m

Consumer idealista

The leading online real estate classifieds platform in Southern Europe.

idealista concluded 2023 with strong growth at both revenue and EBITDA level. Growth is coming from all three of idealista's core geographies of Spain, Italy and Portugal.

In each market is coming from a well-balanced mix of price (ARPA), volume (number of agent customers) and ancillary services.

idealista

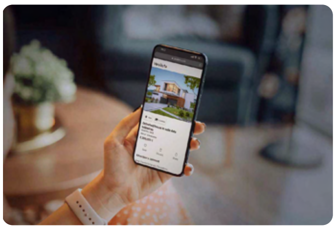
See Consumer sector

NAV per Share uplift

+7p

Fair value

£67.8m



Investment Adviser's report

Oakley is well positioned to continue delivering strong results

"Oakley has not been immune to the macro and market turmoil of the last few years. Yet we believe the Firm has navigated this period well. Oakley's portfolio of investments have consistently generated double digit earnings growth, including 14% in 2023, underpinning valuation uplifts."

Steven Tredget Partner at Oakley Capital

Watch video: Annual results 2023

Uncertainty is the only certainty

It is an understatement to say that the global economy has suffered a few shocks over the last few years, including a pandemic, geopolitical conflict and surging inflation. Some data points clearly illustrate the enormous challenges that governments, companies and investors have faced: the largest drop in US GDP in over 70 years in Q1 2020; the Nasdaq's 150% rebound in the 18 months to October 2021; Eurozone inflation surging to 11% in 2022. This incredible volatility across economies and markets has hurt corporate earnings and valuations, and in turn impacted M&A: global dealmaking shrank 17% in 2023, according to data released by the London Stock Exchange Group.

Private equity has not escaped this turmoil as deals from financial sponsors fell 30% this year compared to the last. The industry and the companies it backs operate in the same global economy and are subject to the same macro and market pressures. Reliance on cheap debt to drive returns has led many to question whether private equity can continue to thrive in an era of higher borrowing costs. The challenge for the industry now is to demonstrate that its tools and USPs, including a focus on control investments, strong governance and long-term, patient capital, can continue to deliver strong outcomes for all stakeholders, including investors and founders, in spite of the economic backdrop.

LTM EBITDA growth

14%

See Funds overview

Realised gross Money Multiple in the period

13.7x

See New investments

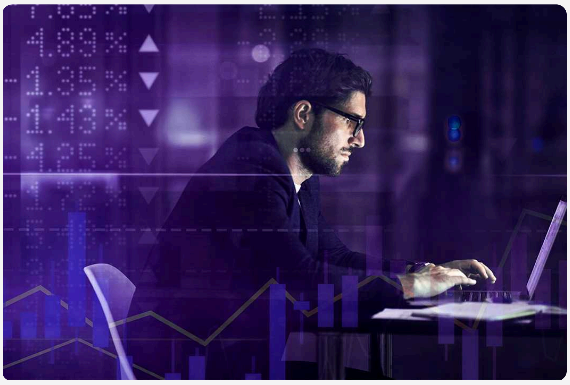
Oakley's consistent performance

Like other investors, Oakley has not been immune to the macro and market turmoil of the last few years. Yet we believe the Firm has navigated this period well. Oakley's portfolio of investments have consistently generated double digit earnings growth, including 14% in 2023, underpinning valuation uplifts. This growth is spread equally across our core sectors of Technology, Education, Consumer and now our recently created fourth core sector, Business Services. Indeed, it is this diversification that helps deliver downside protection as well as consistent performance and strong investment returns. Standout performers include IU Group, which saw further strong enrolments, reaching the milestone of 140,000 students during the period; North Sails, which generated strong growth led by its sails, masts and apparel business; testing, inspection, certification and compliance leader Phenna, which saw robust organic growth and continued to successfully deliver on its buy-and-build strategy with 10 new bolt-ons during the period; and online property portal idealista, which generated strong growth across its core markets in Southern Europe. All these businesses are benefitting from the enduring tailwinds we often talk about, including the shift to online solutions, business outsourcing and demand for quality education.

Meanwhile, Oakley's businesses have remained highly attractive to other investors despite the wider drop-off in M&A, including IU Group, which welcomed new blue-chip investors alongside Oakley Fund V, including Goldman Sachs Asset Management, TPG GP Solutions, HarbourVest Partners, Glendower Capital and Pantheon.

How has this performance been sustained? Quite simply, by sticking to the same origination, investment and value creation strategies: focusing on repeatable playbooks where we can apply our track record and experience to new investments, pursuing repeat partnerships with successful entrepreneurs, and strengthening our position as partner of choice for exceptional founders and management teams. Furthermore, if you look at any Oakley investment, you will also find a common set of characteristics that define our businesses and provide an inbuilt resilience that helps them sustain their performance through economic cycles: mostly digital-first, asset-light businesses, with highly predictable cash flows, operating in non-cyclical markets and with low levels of debt. Looking ahead we are confident that this remains a recipe for future success.

Instead of using debt to drive returns, we rely instead on value creation drivers such as M&A, digitalisation, internationalisation and talent acquisition.



Avoiding a debt trap

The point about debt becomes especially important during periods of high inflation and borrowing costs. Over the last two years, central banks have hiked interest rates at pace. This has pushed up borrowing costs for consumers and businesses alike, in turn dampening spending, investment, earnings and valuations. It makes M&A harder. It creates problems for companies that are overleveraged. And interest rates may yet remain higher for longer, as renewed tensions in the Middle East interrupt global trade and higher deficits in Western economies push up bond yields. The good news for Oakley is we do not overleverage our companies, with average net debt/EBITDA of 4.2x times across the portfolio, offering a substantial equity cushion, and with appropriately flexible covenants. Our newly-appointed Capital Markets Director works closely with our chief financial officers to help them manage their capital structures efficiently and prudently. In short, instead of using debt to drive returns, we rely instead on value creation drivers such as M&A, digitalisation, internationalisation and talent acquisition. This means our companies and in turn our returns are less impacted by higher borrowing costs.

Our new portfolio companies are all founder-led, reinforcing our reputation as the partner of choice for entrepreneurs.

The partner of choice for founders

Oakley closed a record €4.8 billion from investors in 2023. This success means we have ample capital to pursue attractive investment opportunities at a time when other investors may lack the necessary resources and when founders and management teams may be looking for alternative sources of capital to debt, as well as growth expertise to see them through an uncertain economic environment. In 2023 we signed six new deals. Thomas's London Day Schools extends our track record as one of Europe's leading investors in education assets, and adds to our existing K12 portfolio, including Affinitas and nursery group Bright Stars, both of which also continued to deliver on their successful M&A strategy, with Affinitas adding two schools in Spain taking its total to 16 private, English language schools with c.13,000 students. While Bright Stars added 10 early years sites during the year, taking the total since Oakley's acquisition to 54. We are particularly attracted to education businesses given strong pricing power, the growing global demand for quality education and learning, and the fragmented nature of the underlying market. But it is also the unique nature of these businesses and the priorities of the founders leading them, who care deeply about brand reputation and quality teaching, that make Oakley the ideal partner: they appreciate our specialist education skill set and track record, as well as our own entrepreneurial ethos and empathetic approach to partnerships.

Other investments include a carve-out to create Liberty Dental Group, the start of a buy-and-build strategy to create a leading dental labs group in Europe; Alerce, a leading logistics software business in Spain, where we see the opportunity to pursue a similar consolidation strategy to enterprise software business Grupo Primavera (now part of Cegid); Webcentral, a web hosting business in Australia that will serve as the foundation for further add-ons; and our investment in UK auto repair chain Steer Automotive Group, which we announced post-year end. All these investments have several important characteristics in common. They all operate in fragmented markets where we see the opportunity to pursue consolidation strategies, an effective method of deploying capital in which Oakley excels and has consistently demonstrated the ability to support management teams with building pipelines, as well as M&A execution and post-acquisition integration. During the period, we helped our companies with 22 bolt-ons, taking the total to 165+ since inception.

Just as importantly, our new portfolio companies are all founder-led, reinforcing our reputation as the partner of choice for entrepreneurs. In the case of Webcentral, this will be our fifth collaboration with veteran hosting entrepreneurs Jochen Berger and Tom Strohe, following our successful, repeat partnerships with Intergenia, HEG, WebPros and Contabo, and once again demonstrating Oakley's ability to leverage its network for attractive deal opportunities.

All these investments have several important characteristics in common. They all operate in fragmented markets where we see the opportunity to pursue consolidation strategies.

Investing in our platform

Along with deploying capital, for Oakley, 2023 was also a year to invest in our operating platform, further professionalising our organisation to better serve the founders and management teams we partner with. During the year we expanded our Sustainability team to help our portfolio companies better deliver on our ESG priorities, namely building cyber resilience, addressing carbon footprints and boosting employee diversity. In addition to our new Capital Markets Director, we also hired for new positions, including a Head of Data to drive the better capture and analysis of data across our businesses and our organisation, and a Head of Origination to identify fresh investment opportunities, including for our existing portfolio companies.

During the year we also launched our new partnership with Touring Capital, which invests behind AI-powered software companies, and has already made five platform investments. The team behind Touring have previously helped to build three global venture investing platforms, including M12, Microsoft's venture fund, and are already busy identifying investment opportunities as well as lending their expertise to our management teams. Leveraging their AI expertise will help us navigate this exciting new technology, which is predicted to transform the way we all work and live.

More fundamentally, adding these skills to Oakley reinforces our attraction as the ideal partner to help founders and management teams build successful businesses, as well as the employer of choice for ambitious recruits.

Outlook

The latest economic data suggests uncertainty won't go away in 2024. Investors already grappling with the macro and market disruptions we previously discussed may now also have to contend with political uncertainty, with no less than 50 elections around the world due to be held this year, including the hotly-contested US presidential race as well as a UK general election. In this environment, we remain confident that Oakley's tried and tested origination and investment strategies coupled with our effective active management will continue to help our portfolio companies thrive and keep delivering the earnings growth that has underpinned our strong investor returns in recent years.

Steven Tredget
Partner at Oakley Capital

Oakley Fund strategies

OCI is a cornerstone investor in the Funds managed by Oakley Capital, which partners with high-growth European businesses across four complementary sectors.

OCI offers shareholders the opportunity to invest in a diversified portfolio of fast-growing private businesses across four defined Oakley investment strategies. The Touring Fund was launched in 2023 and OCI invested for the first time in a growth tech specific strategy.

Oakley Fund strategies

Investing across the company life cycle

Strategy	**Venture Capital**	**Growth Tech**	**Small-mid Buyout**	**Mid Buyout**
Equity ticket	€1-3m	$10–25m	€30–100m	€100–250m+
Latest fund	PROfounders III	Touring I	Origin II	Flagship V
Fund size	€77m	Fundraising underway	€750m	€2.85bn

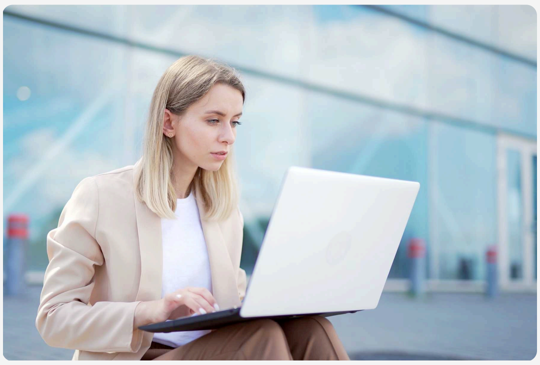
Partnering with ambitious founders and disrupting markets through digital thinking

Oakley Touring Venture Fund ('Oakley Touring' or 'Touring')

Next generation software fund

Touring was founded in 2023 as a dedicated fund to invest in and grow a new generation of enterprise software companies globally. It brings together a diverse and highly technical team who have previously worked together to build a number of global venture investing franchises, including Qualcomm Ventures and M12, Microsoft's venture fund.

Oakley Touring Venture Fund



Next generation software The team will be investing a dedicated pool of capital, targeting a strong pipeline of investment opportunities in proven next-generation software businesses for the modern worker, powered by generative AI.

Focused on growth prospects Touring will focus primarily on Series B and C venture opportunities, investing in proven businesses with strong and efficient growth prospects.

Fund commitment

OCI is one of a number of investors who have invested in Touring as at 31 December 2023

$100m

Pixis

AI-powered infrastructure platform that enables marketers to achieve significantly improved marketing performance through campaign automation and optimisation. Since acquisition in Q3 2023, Pixis saw continued sales momentum, particularly across the expansion opportunities with existing enterprise logos, and continues its agency acquisition strategy to drive margin uplift.

Netradyne

Based in San Diego, Netradyne is a leading provider of fleet management software that pairs cutting-edge AI with real-time video monitoring to create a safe driving system. Since acquisition in Q4 2023, Netradyne demonstrated continued growth, with the non-Amazon segment delivering very healthy growth at 79% year-on-year (y-o-y).

Numa

Provider of AI-powered communications software that enables service departments of US automotive retail dealerships to automate and enhance customer service operations. Numa has continued its strong growth trajectory following acquisition in the last quarter of 2023. The business delivered strong sales momentum, penetrating independently-owned dealerships and a handful of the largest dealership groups in the US, including Penske and Lithia.

Exaforce

Founded in 2023 and headquartered in California, Exaforce is a cybersecurity software company for cloud security operations teams. The cybersecurity market is large and growing, with several viable avenues for Exaforce to capture wallet share. Exaforce has seen strong sales momentum since acquisition in Q4 2023, signing new customers in the period with more to follow. The business is refining its core value proposition following customer feedback, to become the PowerBI or Tableu equivalent for product cubersecurity data.

Oakley Capital PROfounders Fund III / OCI commitment

Early-stage investing

PROfounders Fund III is part of the Oakley Capital family of venture 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. OCI has made a €30 million commitment to PROfounders Fund III.

Scaleup Finance

A fractionalised CFO proposition to fast-growing SMEs, based in Copenhagen. During 2023, Scaleup successfully expanded its operations to the UK, improved its gross margin with customers and almost doubled its revenues. The company is now closing a new round of financing to drive further growth in 2024.

nilo.health

A B2B mental health solution for employees, based in Germany. nilo.health performed strongly in the final quarter of 2023, accelerating ARR growth and closing several enterprise pilots. Its focus for 2024 is improving its growth efficiency.

Dash Games

Founded by experienced games veterans, Dash is a London-based studio looking to build free-to-play mobile games. In Q4 2023, Dash Games went live in test markets with its first game Puzzle Punks. A full-scale launch will take place in the first half of 2024.

Islacare

A platform for clinicians to securely receive, review, and store rich media data directly from patients. Despite a softer trading environment due to NHS budget cuts, Islacare has a healthy pipeline for 2024 and is exploring new growth avenues, including international expansion, primarily to the US.

Oakley Funds overview

Total realised gross returns of 4.5x and 68% average realised gross IRR across all Funds since Oakley's inception.

Proceeds in 2023[1]
Realisations and refinancing

£266m

Investments in 2023[2]
New investments

£175m

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 benefiting from any performance generated by a leading private equity manager. Oakley leverages its differentiated 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 £1,015 million at the year-end. During the year, OCI made a commitment of $100 million in Oakley Touring Venture Fund, which focuses on AI-powered software companies, and €190 million in Origin II, which will continue the strategy of its predecessor fund, Origin I, backing tech-enabled businesses across Europe's lower mid-market. These commitments are expected to be deployed in new investments over the next five years, funded with existing balance sheet cash as well as expected proceeds from future realisations. Furthermore, Fund I distributed its last remaining investment, Time Out, as it reached the end of its investment period on 30 November 2023 and commenced its wind up process.

The Company also extended its multi-currency revolving credit facility for a further two years and obtained increased commitments from lenders to £175 million, with an option to increase by a further £50 million.

Oakley Private Equity Funds

Oakley Fund V →
Fund size: **€2,851m**
OCI commitment: **€800m**
OCI outstanding commitment: **£567m**

Oakley Fund IV →
Fund size: **€1,460m**
OCI commitment: **€400m**
OCI outstanding commitment: **£108m**

Oakley Fund III →
Fund size: **€800m**
OCI commitment: **€326m**
OCI outstanding commitment: **£44m**

Oakley Fund II →
Fund size: **€524m**
OCI commitment: **€190m**[3]
OCI outstanding commitment: **£12m**[3]

Oakley Origin II →
Fund size: **€750m**
OCI commitment: **€190m**
OCI outstanding commitment: **£160m**

Oakley Origin I →
Fund size: **€458m**
OCI commitment: **€129m**
OCI outstanding commitment: **£56m**

Oakley Venture Funds

Oakley Touring I →
Fundraising underway
OCI commitment: **$100m**
OCI outstanding commitment: **£44m**

Oakley PROfounders III →
Fund size: **€77m**
OCI commitment: **€30m**
OCI outstanding commitment: **£22m**

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 Fund II is currently in the latter stage of its realisation phase. Therefore, OCI's outstanding commitment is unlikely to be called.

Oakley Fund V

Vintage
Launch of Fund V

2022

Fund size
Value of Fund V

€2,851m

Fund V launched in 2022 and held its final close in 2023. 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. As at year-end, Fund V held five investments having made two acquisitions during the year.

OCI commitment

€800m

OCI outstanding commitment

£567m

Outstanding OCI commitment as a % of NAV

47%

Current investments

Oakley Fund IV

Vintage
Launch of Fund IV

2019

Fund size
Value of Fund IV

€1,460m

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 ten investments having made one acquisition during the year.

OCI commitment

€400m

OCI outstanding commitment

£108m

Outstanding OCI commitment as a % of NAV

9%

Current investments

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

K12 investments

affinitas education
Thomas's

Oakley Fund III

Vintage
Launch of Fund III

2016

Fund size
Value of Fund III

€800m

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

OCI commitment

€326m

OCI outstanding commitment

£44m

Outstanding OCI commitment as a % of NAV

4%

7.8x

Realised gross Money Multiple

84%

Realised gross IRR

Current investments

Oakley Funds I and II

Fund II

Vintage
Launch of Fund II
2013

Fund size
Value of Fund II
€524m

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 while closely monitoring the wider market and exit environment.

3.1x
Realised gross Money Multiple

59%
Realised gross IRR

Current investments

Fund I

Vintage
Launch of Fund I
2013

Fund size
Value of Fund I
€288m

During the year, Fund I distributed to investors its last remaining investment, Time Out, as it reached the end of its investment period. Fund I is in the process of being liquidated.

2.0x
Realised gross Money Multiple

36%
Realised gross IRR

Oakley Origin II

Vintage
Launch of Origin II

2023

Fund size
Value of Origin II

€750m

During the year, OCI made a €190 million commitment to Oakley Capital Origin Fund II, which was launched in 2023. Origin II will continue the strategy of its predecessor fund, backing tech-enabled businesses across Europe's lower mid-market. The Company made its first contribution into the fund to cover fund expenses and management fees.

OCI commitment
€190m

OCI outstanding commitment
£160m

Outstanding OCI commitment as a % of NAV
13%

Current investments

No investments held as at 31 December 2023

Oakley Origin I

Vintage
Launch of Origin I

2021

Fund size
Value of Origin I

€458m

The Origin I 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 continues to identify opportunities and deploy capital, investing in one new portfolio company and additional follow-on investments.

OCI commitment

€129m

OCI outstanding commitment

£56m

Outstanding OCI commitment as a % of NAV

5%

Current investments

Gymondo
ACE Education
Ecommerce One
Seedtag
Vice Golf
vLex
Webcentral

Oakley Touring I

Vintage
Launch of Touring I

2023

Fundraising underway

Oakley Touring I launched in 2023. The Fund will invest in proven next-generation enterprise software companies powered by generative AI. Further closings are scheduled in 2024.

OCI commitment
$100m

OCI outstanding commitment
£44m

Outstanding OCI commitment as a % of NAV
4%

Current investments

exaforce netradyne numa Pixis

Oakley Capital PROfounders III

Vintage
Launch of Capital PROfounders III

2022

Fund size
Value of Capital PROfounders III

€77m

PROfounders III launched in 2022 and had its final close during the year. PROfounders III made two acquisitions during the year.

OCI commitment

€30m

OCI outstanding commitment

£22m

Outstanding OCI commitment as a % of NAV

2%

Current investments

nilo.health

Scaleup Finance

DASH GAMES

ISLA

Direct investments

The Board continues to work with the Investment Adviser towards the resolution and value maximisation of OCI's direct investments in both Time Out and North Sails.

Time Out

An important step towards progressing OCI's position in Time Out was the liquidation of Fund I at the end of 2023. Fund I was the first Oakley Fund established in 2007, OCI was the cornerstone and largest investor with a 70% holding. Immediately prior to liquidation the Fund's final remaining investment was in Time Out. Additionally OCI had an outstanding loan plus interest to Fund I. Several steps were required to arrive at a single direct investment in Time Out which creates a stronger position for an OCI realisation in due course.

In summary, both the loan to Fund I and the investment in Fund I were settled to OCI, along with the other Fund investors by way of an inspecie dividend in Time Out shares. Following the liquidation of Fund I, OCI now has a direct equity holding of 38% of Time Out (previously a 37% beneficial interest through a direct and indirect holding) and a direct loan to Time Out of £6 million. This represents a first step towards OCI's objective of a realisation and value maximisation, with OCI now having greater agency over the investment in the business and better positioned for next steps.

In 2023, the business performance of Time Out improved significantly as it continued its post-Covid recovery with further progress in driving profitability and operational cash generation, as well as multiple avenues to drive future growth, including the opening of more markets, growing the media audience and further integrating the media and markets divisions to drive additional revenues and improve the audience experience. The quoted share price increased from £0.375 at year end 2022 to £0.535 at year end 2023. Time Out was the fifth largest contributor to NAV growth in 2023.

See update on Time Out's performance

North Sails

OCI holds an indirect equity interest in North Sails Group through Fund II. Additionally, OCI had, from 2014, provided loan financing to different parts of the North Sails Group. At the beginning of the year, the outstanding loans along with accrued interest amounted to £147 million. As part of a group wide organisational and capital restructuring of the North Sails Group the OCI loans (and accrued interest to December 31, 2023) were converted into preferred equity in a newly created North Sails holding company.

The Board's primary objective is to secure accelerated repayment of the £147 million of preferred capital from North Sails with incentives created to achieve this by June 30, 2025. Under the conversion terms, the preferred equity will initially carry a 0% coupon increasing to 5% from January 1, 2025. In return for the reduced coupon rate, OCI obtained warrants equivalent to a 5% strip across the group, exercisable on or after June 30, 2025. The warrants are reduced proportionally by the value of any redemption of OCI preferred equity before June 30, 2025. The conversion of the loans to preferred equity improves the security position of OCI, incentivises earlier redemption and provides potential additional equity upside in a business that is now performing strongly. Additionally, the simplification of the North Sails Group capital structure, positions the business more attractively to external investors.

North Sails achieved revenue and EBITDA growth of 18% and 32% respectively over the prior year and was one of the largest contributors to OCI NAV growth in 2023.

See update on North Sails' performance

OCI NAV overview / Investment performance

Consistent long-term returns

OCI's NAV grew from £1,167 milion to £1,207 million, 684 pence per share. A Total NAV per share return of 4% since 31 December 2022

Watch video: What is NAV?

Oakley Fund Investments

Oakley Fund Investments made up 65% of NAV at year end (Dec 2022: 75%). Fund Investments decreased during the year following Fund III's exit from IU Group and cash realisation to OCI.

£788m

2023	**£788m**
2022	£876m
2021	£629m

Direct Investments

Direct Investments made up 18% of NAV at year end (Dec 2022: 16%). The increase in NAV for direct investments was driven by the underlying performance of both North Sails and Time Out reflected in the increased valuation of the former and the improved stock price of the latter.

£219m

2023	**£219m**
2022	£185m
2021	£170m

Cash and Other

Cash and Other made up 17% of NAV at year end (Dec 2022: 9%). Cash increased during the year following Fund III's exit from IU Group.

£200m

2023	**£200m**
2022	£106m
2021	£163m

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 £175 million attributable to:

New investments

Investments and reinvestments

£140m

Comprising an investment in premium schools group Thomas's London Day Schools, Liberty Dental Group, Webcentral, the reinvestment in IU Group in Fund V and venture investments in Touring I

Follow-on investments

Building portfolio strength

£35m

Including vLex's acquisition of Fastcase in the Origin Fund and Affinitas's acquisition of CIT in Fund IV

Proceeds

OCI's look-through share of proceeds from exits and refinancings during the year amounted to £266 million, consisting of:

Realisations

Proceeds from exits

£240m

Exit of IU Group in Fund III at a gross realised return of 13.7x

Refinancings

Proceeds from refinance

£26m

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

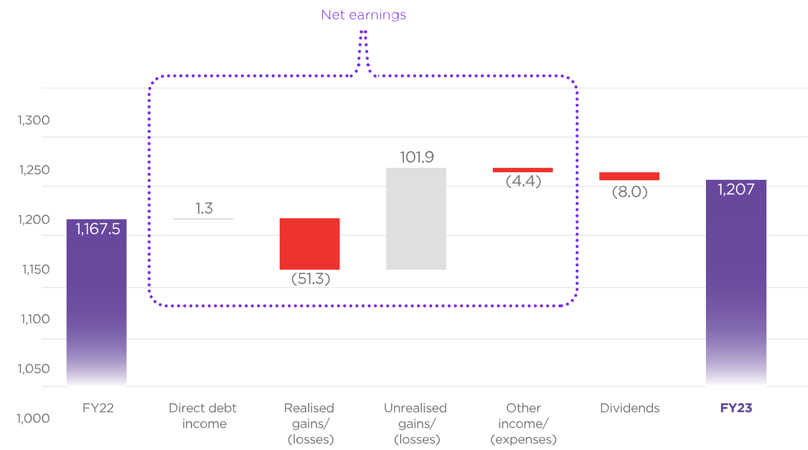
Value movement in 2023

Increase in NAV during the year was driven by £73.9 million net realised and unrealised gains, offset by £23.3 million unrealised foreign exchange loss.

Net earnings in 2023

£47.5m

Movement in NAV (£m)



Decrease in investments was driven by a £221.0 million distribution following the IU Group disposal by Fund III during the year.

Realised and unrealised gains on investments

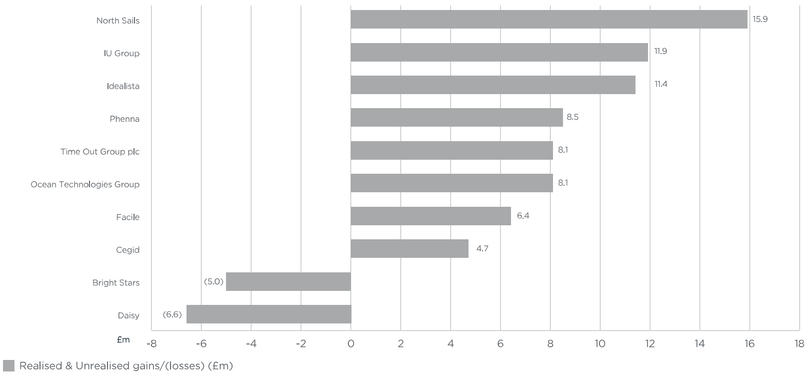
£50.6m

Movement in the value of investments (£m)

A resilient performance from a well-rounded portfolio of companies.

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

Movement in the value of portfolio companies (£m)



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

Funding profile of Oakley Funds

Funding profile:

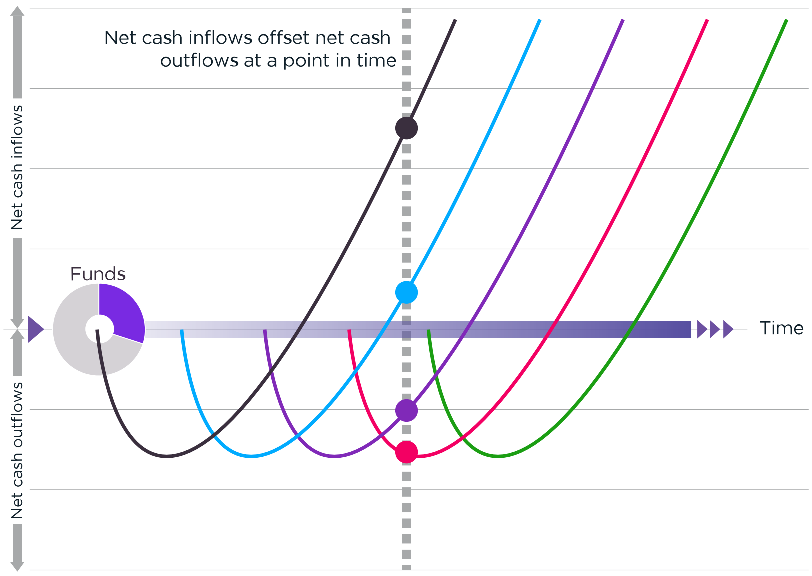
In the year, OCI announced a commitment of €190 million (£162 million) to Origin II Fund. OCI's total commitments of £1,015 million are expected to be funded over the next five years through the following means:

- Cash and available credit: at year-end, cash and available credit was £382 million. During the year, OCI agreed a £175 million revolving credit facility with major lenders, thereby increasing OCI's flexibility and liquidity. There is an option to increase the facility by a further £50 million subject to agreement by all parties.
- Proceeds from future realisations: the staggered profile of the Oakley Fund Investments is expected to generate regular and ongoing proceeds for OCI as the Funds progress through their life cycle. Fund I is now closed and Fund II is in the latter stage of its 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 moving into its realisation phase, with its first full exit and a partial exit completed in 2022. As the Oakley portfolio matures, the Oakley Funds will distribute disposal proceeds to OCI, which will support a thoughtful capital management plan designed to maximise shareholder return over the long term.
- Direct investments: at year-end, Direct Investments were £219 million, comprised of equity and a loan to Time Out and preferred equity in North Sails. These 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.

The additional considerations below are factored in when assessing OCI's unfunded commitments against its liquidity sources:

- 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.
- Net cash flows: Oakley Fund Investments have historically started to return cash during the investment period, with the cash available to fund future cash requirements. Therefore, the net cash funding requirement is likely to be substantially lower than 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 other capital allocation considerations, and ensuring an appropriate cash contingency is maintained.

Modelled cash flow forecasts are stress tested to give comfort that the amounts being committed are sufficient to optimise 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 through the investment horizon of the Funds.

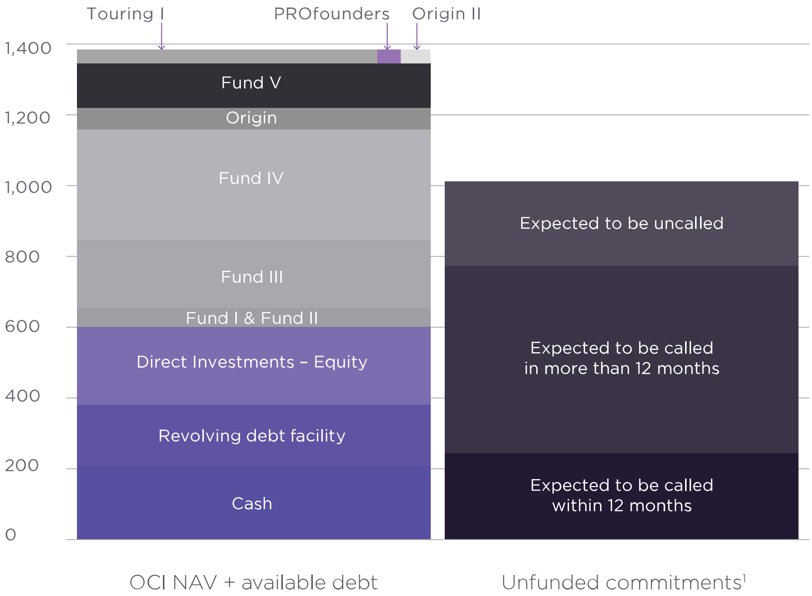


OCI is able to commit more to the funds than its immediate liquidity:
When a new fund is launched there are initial net cash outflows during the investment stage as portfolio companies are acquired. Later, as refinancings and exits are made, there are inflows back to OCI as it receives distributions from portfolio divestments. This creates a cashflow J curve for each fund as shown in the diagrammatic representing the cash life cycle of each fund – outflows followed by inflows. As there are multiple Oakley Funds, launched at different times, there is overlap between cash inflows from older funds selling and refinancing assets and cash outflows from the newer funds buying assets, which creates a steadier cash flow stream for OCI. This allows OCI's total commitments to exceed the immediate liquidity it has access to.

Fund sources

This chart represents OCI's available sources to fund its unfunded commitments, which amounted to £1,015 million as at 31 December 2023.

Capital calls will be funded mainly through cash and available credit, proceeds from future realisations, and disposal of Direct Investments. Please see above for further details.



1. Note expectations regarding amounts to be called are based on projections and as such is subject to volatility due to market shifts and unforeseen events. Actual results may vary from these projections.

Outstanding commitments as at 31 December 2023

Fund	Total commitment €m	Outstanding €m	Outstanding £m*
Fund I & Fund II	392.4	16.1	14.0
Fund III	325.8	50.5	43.8
Fund IV	400.0	125.0	108.4
Fund V	800.0	654.3	567.2
Origin II	190.0	184.3	159.8
Origin I	129.3	65.3	56.6
Touring I[1]	91.6	50.1	43.4
PROfounders III	30.0	25.5	22.1
Outstanding £m			1,015.3
Cash and available credit £m			382.2
Net outstanding commitments £m			633.1

* Converted to GBP at 31/12/2023 FX Rate.

1. Touring I denominated in US dollars. For consistency purposes, we have reported its commitments in EUR.

OCI's underlying investments (look-through basis)

	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Fund V					
Contabo	Technology	Germany	2022	32.5	33.0
Facile	Consumer	Italy	2022	42.8	52.3
Phenna	Business Services	United Kingdom	2022	70.9	81.6
IU Group	Education	Germany	2023	66.9	85.2
Liberty Dental Group	Business Services	Netherlands	2023	33.0	32.9
Total investments					**285.0**
Other assets and liabilities[1]					(157.7)
OCI's investment in Fund V					**127.3**
Fund IV					
Wishcard Technologies Group	Consumer	Germany	2019	0.0	8.7
Ocean Technologies Group	Technology	Norway	2019	21.0	53.7
WebPros	Technology	Switzerland	2020	43.9	68.9
WindStar Medical	Consumer	Germany	2020	32.4	19.3
idealista	Consumer	Spain	2021	32.5	67.8
Dexters	Consumer	United Kingdom	2021	13.6	31.7
Bright Stars	Education	United Kingdom	2021	36.7	41.6
TechInsights	Business Services	Canada	2022	39.5	43.2
K12 Investments[2]	Education	United Kingdom	2022/2023	35.3	38.7
Total investments					**373.6**
Other assets and liabilities[1]					(56.6)
OCI's investment in Fund IV					**317.0**
Fund III					
atHome	Consumer	Italy	2020	0.1	8.2
Schülerhilfe	Education	Germany	2017	30.3	63.4
Cegid	Technology	Spain	2019	42.9	95.8
Iconic BrandCo	Consumer	United Kingdom	2020	21.6	20.9
Total investments					**188.3**
Other assets and liabilities[1]					2.3
OCI's investment in Fund III					**190.6**
Fund II					
North Sails	Consumer	USA	2014	44.2	49.9
Daisy	Technology	United Kingdom	2015	8.6	2.3
Total investments					**52.2**
Other assets and liabilities[1]					1.3
OCI's investment in Fund II					**53.5**

1. Other assets and liabilities include non investment related line items such as debtors and creditors balances.

2. Please refer to Education portfolio section.

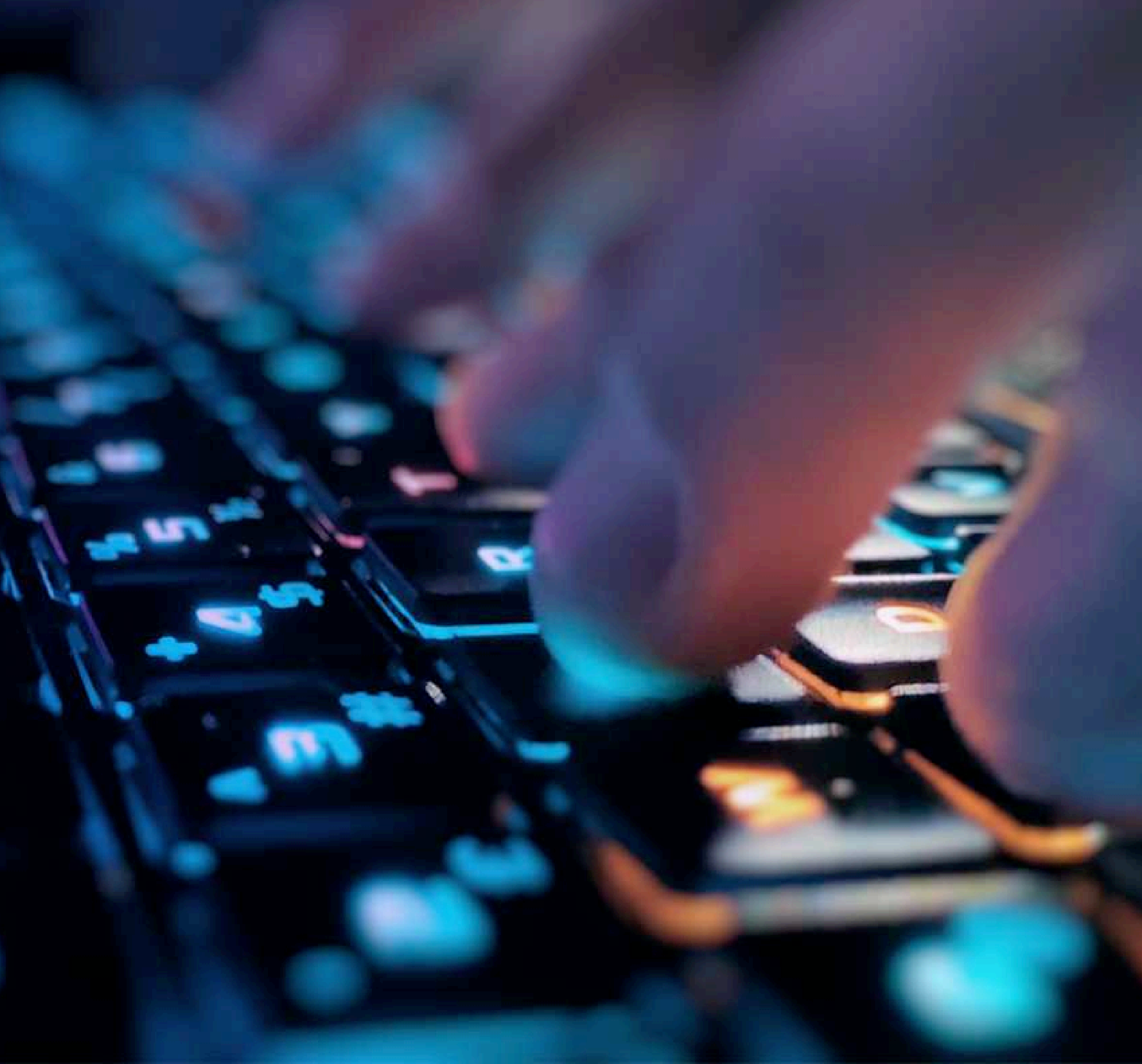
	Sector	Region	Year of investment	Residual cost £m	Fair value £m
Fund I					
Other assets and liabilities[1]					£0.7
OCI's investment in Fund I					**£0.7**
Origin II					
Other assets and liabilities[1]					£3.3
OCI's investment in Origin II					**£3.3**
Origin I					
Gymondo	Consumer	Germany	2020	9.4	14.8
ECOMMERCE ONE	Technology	Germany	2021	5.9	8.0
ACE Education	Education	France	2021	11.6	17.2
Seedtag	Technology	Spain	2021	0	10.0
Vice Golf	Consumer	Germany	2022	11.3	13.9
vLex	Business Services	Spain	2022	12.2	11.7
Webcentral	Technology	Global	2023	3.2	3.2
Total investments					**78.8**
Other assets and liabilities[1]					(19.1)
OCI's investment in Origin I					**59.7**
Oakley Capital PROfounders III					
PROfounders Fund III investments	Technology			2.6	2.5
Total investments					**2.5**
Other assets and liabilities[1]					0.1
OCI's investment in Oakley PROfounders III					**2.6**
Touring I					
Oakley Touring I investments	Technology		2023	24.7	24.7
Total investments					**24.7**
Other assets and liabilities[1]					8.4
OCI's investment in Touring I					**33.1**
Direct Investments					
Time Out	Consumer	United Kingdom	2010	–	74.9
North Sails	Consumer	USA	2014	–	144.4
Total Direct Investments					**219.3**
Total Cash					**207.2**
Other liabilities / debtors					(7.3)
Total net assets					**£1,207.0**

1. Other assets and liabilities include non investment related line items such as debtors and creditors balances.

Strategic report / Technology overview

Investing across digital markets

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

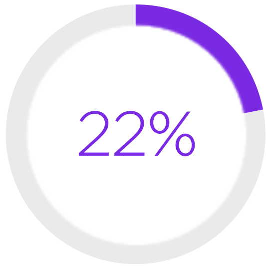


Technology overview

Investing across digital markets 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 web hosting and cloud-based SaaS solutions.

We set out below the private equity technology sector investments. See Touring I and PROFounders III for Oakley's venture fund investments.

Total % of OCI NAV



Oakley PE technology sector investments

Investment	Fund[3]	OCI residual cost (Funds)[1] £m	OCI fair value £m	% of OCI NAV
Cegid	Fund III	42.9	95.8	7.9%
WebPros	Fund IV	43.9	68.9	5.7%
Ocean Technologies Group	Fund IV	21.0	53.7	4.0%
Contabo	Fund V	32.5	33.0	2.7%
Seedtag[2]	Origin Fund	0.0	10.0	0.8%
ECOMMERCE ONE	Origin Fund	5.9	8.0	0.7%
Webcentral	Origin Fund	3.2	3.2	0.3%
Daisy	Fund II	8.6	2.3	0.2%
Total OCI valuation			**274.9**	

1. OCI's residual cost represents OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.

2. Entire cost invested in Seedtag has been returned.

3. The table excludes venture funds investments of Oakley Capital PROfounders III and Oakley Touring I, which amounted to £2.5 million and £24.7 million respectively.

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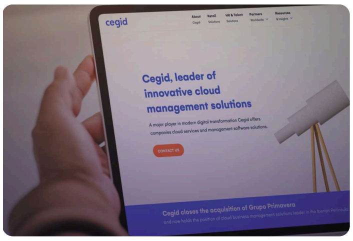
Technology portfolio →

Alerce case study →

Technology portfolio



Cegid

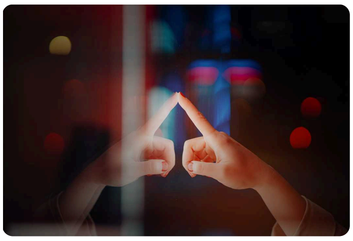
Cegid is a European leader in enterprise management software and cloud services.

Following the strategic combination of Grupo Primavera with leading software provider Cegid in 2022, the group continued to perform well in 2023. Cegid's YTD consolidated revenue and EBITDA grew 18% versus prior year. In Q4 2023, Cegid completed a refinancing as a result of continued strong performance and cash generation.

OCI valuation

Cegid

£95.8m



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 revenue and EBITDA grew slightly above prior year for the full-year to December 2023, as a result of general market softening which continued from 2022. On a group level, the average revenue per licence ('ARPL') was up 13% versus prior year. Despite lower growth, the business continues to achieve strong EBITDA margins of c.61% and remains highly cash generative.

OCI valuation

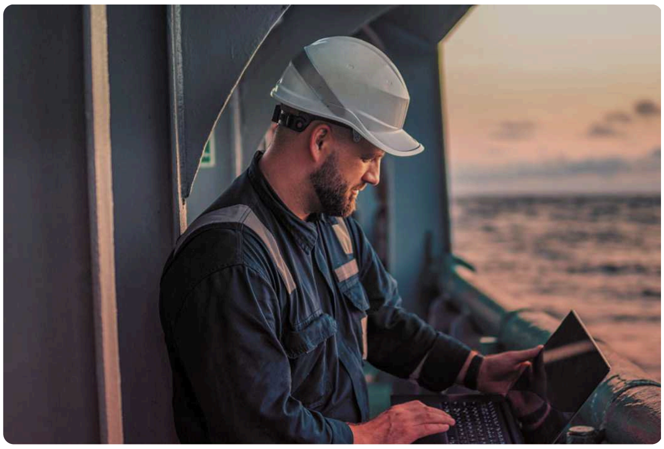
WebPros

£68.9m

Ocean Technologies Group

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

In 2023, Ocean delivered run-rate revenue and EBITDA growth of 2% and 5% respectively versus prior year. The group continued to increase average customer yield, by upselling the Ocean Learning Platform (OLP) and cross-selling Ocean's broader operational software product suite. Product development also continued at pace, with some key hires (including a chief technology and product officer) and new e-learning and software products in the pipeline to meet the evolving needs of ship managers and crew worldwide. The M&A agenda continues to progress as the management team and Oakley assess potential new additions to the group.



OCI valuation

Ocean Technologies Group

£53.7m

Contabo

A leading cloud infrastructure provider offering hosting services to developers and SMEs, with over 300,000 customers from ~180 countries.

Contabo delivered revenue and EBITDA growth of 15% and 11% respectively versus the prior year. The business felt the impact of a slightly higher than expected churn rate, particularly in the virtual private server and dedicated hosting businesses. The management team is implementing various measures to accelerate growth and tackle churn, including strengthening the customer support function, which needs to be levelled up to support the impressive growth of the business over the last few years.

OCI valuation

Contabo

£33.0m

CONTABO

Seedtag

A global leader in contextual advertising.

Seedtag continued to perform well in 2023, with revenue growth circa 50% versus prior year. Management continues to be focused on expanding the product/offering suite, with particular focus on developing the US market, which was launched in 2022. Seedtag has also successfully accelerated growth in Germany and Benelux on the back of securing key strategic, international blue-chip clients.

OCI valuation

Seedtag

£10.0m

SEEDTAG

ECOMMERCE ONE

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

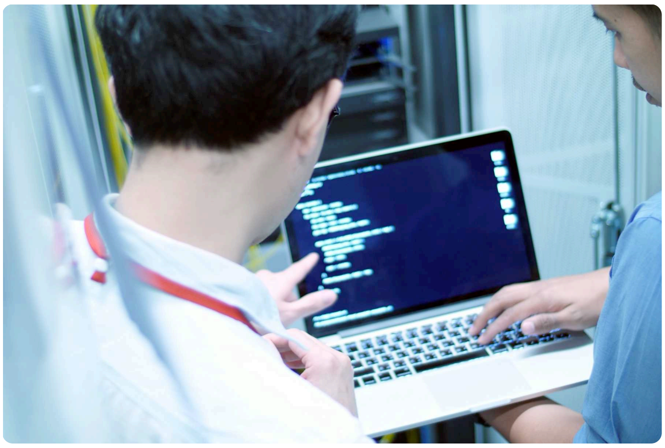
Revenue across the ECOMMERCE ONE group grew 30% versus prior year, as a result of first-time consolidation of Marmalade and Makaira revenues, the two businesses acquired by the group in H1 2023, as well as increased SaaS revenues from the Afterbuy business.

OCI valuation

ECOMMERCE ONE

£8.0m

ECOMMERCE ONE



Webcentral

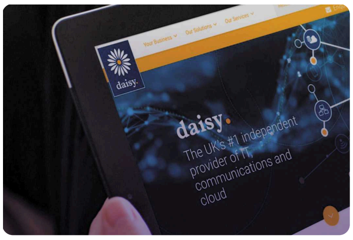
A leading Australian domains, hosting and email provider.

Webcentral has performed well since acquisition in October 2023, delivering revenue and EBITDA growth of 8% and 10% respectively versus prior year. Webcentral offers an extensive portfolio of digital services to over 240,000 small and medium businesses as well as enterprises across Australia and New Zealand. The company is growing profitably with high cash conversion rates as more SMEs seek to digitise their business models.

OCI valuation

Webcentral

£3.2m



Daisy

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

For the nine months to December 2023 (March YE), Daisy delivered revenue and EBITDA growth of 8% and 4% respectively versus the prior year, following good performance from both the Daisy Communications (SMB) and Daisy Corporate Services (DCS) divisions of the group. The SMB division saw strong performance from mobile, boosted by the iPhone launch, and in Hosted Voice and Cloud IT with the transition to IP, although this was partially offset by the expected decline in legacy products such as fixed call usage and bundles.

OCI valuation

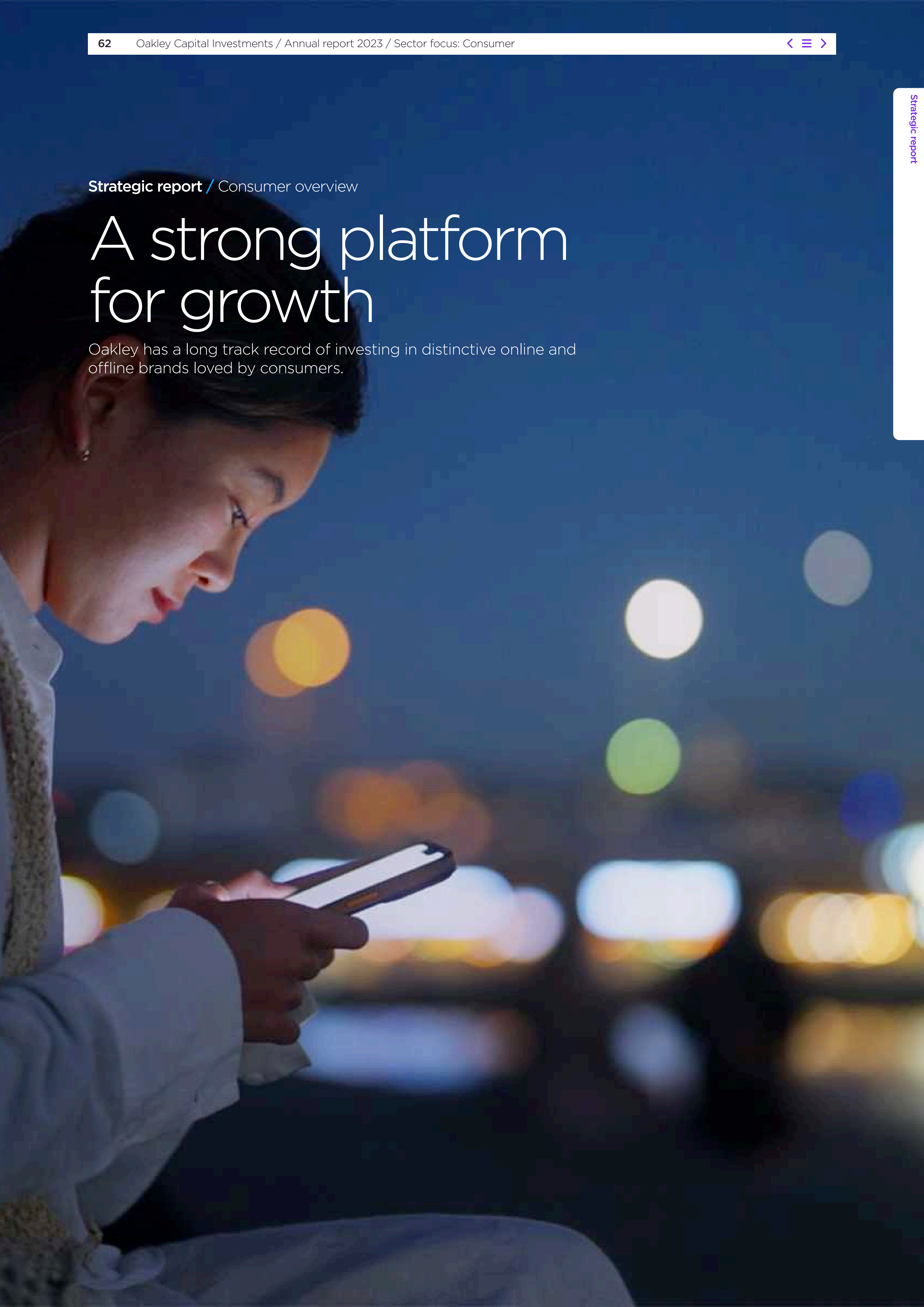
Daisy

£2.3m

Strategic report / Consumer overview

A strong platform for growth

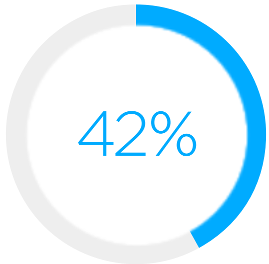
Oakley has a long track record of investing in distinctive online and offline brands loved by consumers.



Consumer overview

Distinctive brands loved by consumers The shift to online commerce is accelerating as consumers embrace D2C channels and engage with brands on social media. 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

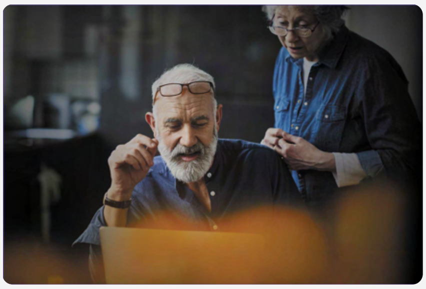


Oakley PE consumer sector investments

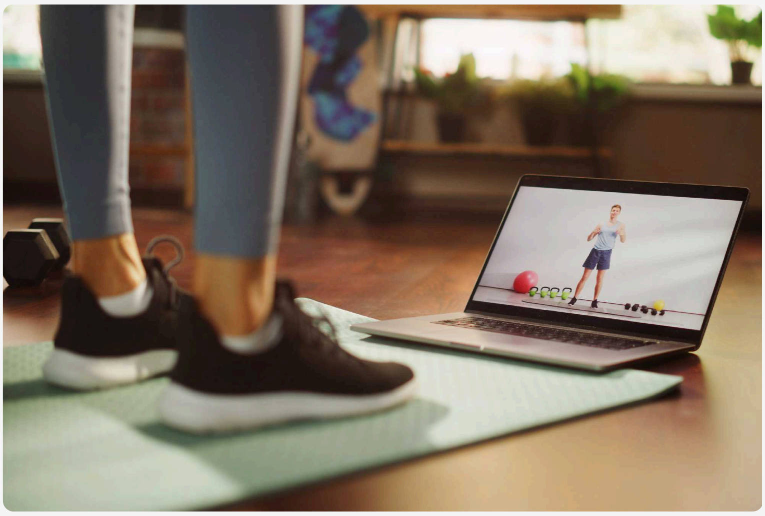
Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	% of OCI NAV
North Sails	Direct	N/A	144.4	12.0%
Time Out	Direct	N/A	74.9	5.7%
idealista	Fund IV	32.5	67.8	5.6%
Facile	Fund V	42.8	52.3	4.3%
North Sails	Fund II	44.2	49.9	4.1%
Dexters	Fund IV	13.6	31.7	2.6%
Iconic BrandCo	Fund III	21.6	20.8	1.7%
WindStar Medical	Fund IV	32.4	19.3	1.6%
Gymondo[2]	Origin Fund	9.4	14.8	1.2%
Vice Golf	Origin Fund	11.3	13.9	1.1%
Wishcard Technologies Group	Fund IV	0.0	8.7	0.7%
atHome	Fund III	0.1	8.3	0.7%
Total OCI valuation			**506.8**	

1. OCI's residual cost represents OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.

2. Previously known as 7NXT.



Consumer portfolio →



Gymondo case study →

Consumer portfolio

Direct Investments

OCI valuation[1]
North Sails

£194.3m

1. Direct preferred equity and indirect investment via Fund II.

North Sails

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

North Sails achieved revenue and EBITDA growth of 18% and 32% respectively versus prior year. All divisions of the group are performing ahead of their prior year performance with the exception of Actionsports, which experienced softer performance due to a broader market slowdown that is expected to normalise in 2024. The Apparel division continues to grow, with EBITDA more than double the prior year-end position; Sails remains strong, with year-end revenues up by 16% on prior year partly due to consistently high order intake. The Masts business also continues to trade well, in part due to higher productive hours in the factory.

As a result of North Sails' strong performance, the group was one of the three largest contributors to NAV growth in the portfolio during the year.

In 2023, North Sails completed a refinancing process with a new bank syndicate on a five year term.

As part of a group wide organisational and capital restructuring of the North Sails Group the OCI loans were converted into preferred equity in a newly created North Sails holding company. The conversion of the loans to preferred equity improves the security position of OCI, incentivises earlier redemption and provides potential additional equity upside in a business that is now performing strongly.

See transaction details

OCI valuation[2]
Time Out

£74.9m

2. Direct equity and debt investment.

Time Out

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

Time Out continued to show positive momentum across the business during the period. For the six-month period to 31 December 2023 (June YE), gross revenue grew by 7% and adjusted EBITDA for the group increased 151% to £6.0m (2022: £2.4m), with both Media and Markets delivering positive adjusted EBITDA.

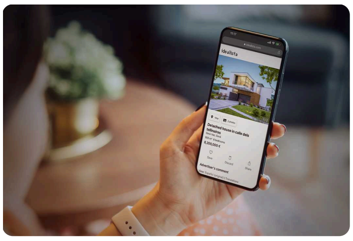
An important step towards progressing OCI's position in Time Out was the liquidation of Fund I at the end of 2023, which was settled via an in-specie dividend of Time Out shares.

See transaction details

The Group consists of two business lines:

Time Out Market demonstrated strong profitability and an expanding global footprint. The growing portfolio of 15 markets includes seven open, with Cape Town opening most recently in November 2023, and a further two under construction (Porto and Barcelona, both scheduled to open in 2024). A further six sites are contracted to open between 2025 and 2027.

Time Out Media's growing audience and high value campaigns are driving profitability, with global monthly brand audience increasing by 12% in the six-month period. Winning big-ticket campaigns from an expanding client roster including a new Global campaign with Coca Cola spanning H2 FY24 and FY25, with continued demand from blue-chip brands for their unique campaign solutions.



idealista

The leading online real estate classifieds platform in Southern Europe.

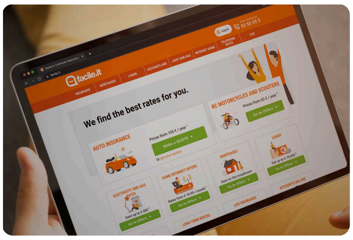
idealista concluded 2023 with strong growth at both revenue and EBITDA level. Growth is coming from all three of idealista's core geographies of Spain, Italy and Portugal, and in each market is coming from a well-balanced mix of price average revenue per account, volume (number of agent customers) and ancillary services.

OCI valuation

idealista

£67.8m

idealista



Facile

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

Facile continued its positive growth momentum throughout 2023, with net revenue and EBITDA growth of 9% and 16% respectively versus prior year, as well as EBITDA margin improvement. The online insurance business' topline grew 7% versus prior year, due to a continued lower insurance premium environment than expected, as well as strong performance in Gas & Power, Loans and Stores verticals.

OCI valuation

Facile

£52.3m

facile.it RISPARMIARE È FACILE

Dexters

London's leading independent chartered surveyors and estate agents.

Dexters achieved revenue growth of 24% in the twelve months to Dec-23 versus the prior year. Lettings revenue continued to grow throughout the year, up 39%, driven by market share gains resulting in increased lettings portfolio and also a shift towards more fully managed properties. Despite rising interest rates and continued economic uncertainty, the business delivered strong sales exchange income and ended the year with a healthy sales pipeline. Dexters has successfully integrated the London estate agents Marsh and Parsons and Life Residential, acquired in February and October 2023 respectively.

OCI valuation

Dexters

£31.7m

Dexters

Iconic BrandCo

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

Alessi performed well in 2023 with revenue growth up 28% versus prior year, predominantly driven by a material, high-volume, supermarket loyalty programme. Digital sales were also ahead of prior year with DTC sales via Alessi.com growing by 18%, offsetting some softness in the offline channels. **Globe-Trotter** closed the 9-month period to 31 December 2023 with revenue growth of 11%. Over the same period, the retail business revenues were up 25% versus prior year, mainly driven by the recovery of the two main retail markets, the UK and Japan.

OCI valuation

Iconic BrandCo

£20.8m

ALESSI

GLOBE-TROTTER

WindStar Medical

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

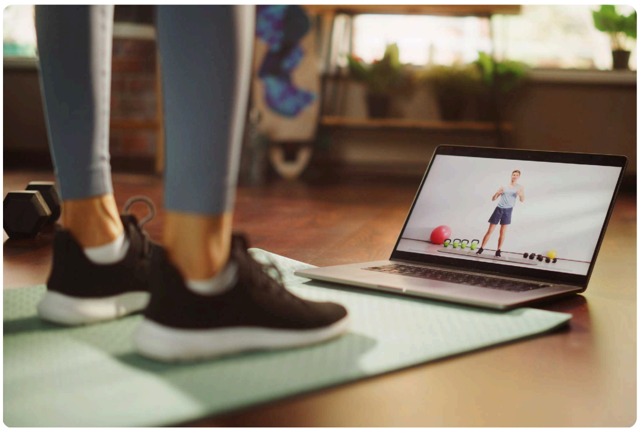
Following a challenging trading environment in 2022, Windstar demonstrated an improved performance in 2023, achieving double digit revenue growth in the upper teens versus prior year, and surpassing budget expectations. This is primarily attributable to the strong performance of the Consumer Brands business, with flagship brand SOS growing 13% against the prior year, and the private-label business growing 12% against the prior year. Adjusted EBITDA outperformed prior year and budget.

OCI valuation

WindStar Medical

£19.3m

WINDSTAR MEDICAL



OCI valuation

Gymondo

£14.8m

Gymondo

Gymondo

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

Gymondo grew its B2C subscriber base by c.7% year-on-year in 2023, benefiting from net organic growth in every month since April. This was mainly driven by marketing initiatives that were spread throughout the full year, as well as a new set up in performance marketing which led to a more balanced marketing mix of influencer and performance channels. At the same time, Gymondo successfully increased its EBITDA margin by ~4%pts., bolstered by strong B2B trading, marketing efficiency and cost discipline. In December 2023, 7NXT, which owns and operates fitness platform Gymondo, acquired 7Mind, strengthening its position as a holistic platform for both physical and mental wellbeing.

See Gymondo case study

Vice Golf

The leading digitally-native golf brand.

In 2023, Vice Golf delivered DTC revenue growth of 2% versus prior year, driven by slightly increased order volumes, offset by a weakening US dollar which drove an average order value decrease. The business continues to successfully sign new pro shops across the USA with a dedicated on-site sales team and is now present in over 1,100 pro shops. In June, Vice acquired a leading European golf club fitting business in order to meaningfully accelerate expansion into golf equipment. Integration is well on track and the business brings valuable custom fitting IP, data analysis and product expertise.

OCI valuation

Vice Golf

£13.9m

Wishcard Technologies Group

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

Wishcard continued to deliver strong growth in 2023, with revenue 30% ahead of prior year. The retail segment is up 35% versus prior year, driven primarily by increased brand awareness as well as changes to the existing planograms. E-Commerce grew 26% against the prior year, with the highest sales recognised by B2C customers ordering PDF vouchers. Strong development within the segment has been driven by SEO (search engine optimisation) improvements, as well as optimisations in SEA (search engine advertising) campaigns. Wishcard continued its international growth story in 2023 with expansions into the UK and France.

OCI valuation

Wishcard Technologies Group

£8.7m

atHome

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

Revenues for atHome Group were slightly behind prior year for the six months to December 2023, as a result of rising interest rates and challenging market conditions in the property market, particularly affecting atHome Property and atHome Finance. The group's automotive (Luxauto) and tax (Taxx.lu) divisions both achieved double-digit revenue growth versus prior year.

OCI valuation

atHome

£8.3m

Strategic report / Education overview

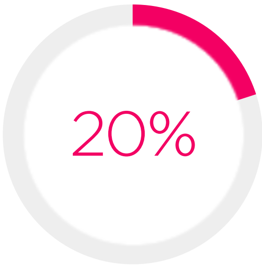
First-class opportunities

Education is a core sector, with five investments taking us forward with great confidence, ranging from online tertiary education and after school tutoring to professional learning.

Education overview

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

Total % of OCI NAV



Oakley PE education sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	% of OCI NAV
IU Group	Fund V	66.9	85.2	7.1%
Schülerhilfe	Fund III	30.3	63.4	5.3%
Bright Stars	Fund IV	36.7	41.6	3.4%
K12 Investments[2]	Fund IV	35.3	38.7	3.2%
ACE Education	Origin Fund	11.6	17.2	1.4%
Total			**246.1**	

1. OCI's residual cost represents OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.

2. Please refer to Education portfolio section.

Education portfolio →

Affinitas Education case study →

Education portfolio

IU Group

The largest and fastest-growing university group in Germany.

IU has continued its growth trajectory in 2023, with revenue and adjusted EBITDA up >30% and >35% against the prior year, respectively. Intake in Germany continues to grow against the prior year, with total students now at >140k. IU also continued its growth in B2C International during the year. The integration of LIBF (The London Institute of Banking & Finance, UK) and UFred (University of Fredericton, Canada) add-ons is ongoing with the first students having signed up for fully UK accredited IU online degrees.

OCI valuation

IU Group

£85.2m

iu GROUP

Schülerhilfe

The leading provider of afterschool tutoring across Germany and Austria.

Schülerhilfe experienced robust intake growth throughout 2023, resulting in a 15% increase in LTM revenue and a 21% increase in LTM EBITDA compared with the prior year. Operational efficiency improvements were maintained, and enrolment levels remained strong, exceeding pre-COVID levels by 37% compared with 2019. This growth is supported by a widespread network of more than 1,100 centres and disproportionate growth in online tutoring, ensuring accessibility for students seeking academic support.

OCI valuation

Schülerhilfe

£63.4m

Schülerhilfe Das Original. Seit 1974.

Bright Stars

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

Bright Stars had a strong year, delivering EBITDA growth of 8% versus prior year. The business made ten acquisitions during 2023, bringing the total number of nurseries acquired under Oakley's ownership to 54. The current pipeline of UK acquisitions is strong, with several deals expected to close in Q1 2024. The Group is one of the highest quality large nursery operators in England, with one third of nurseries rated Ofsted Outstanding in 2023 versus a UK average of 15%.

OCI valuation

Bright Stars

£41.6m

Bright Stars

See Affinitas case study

K12 Investments

K12 Investments consists of Oakley's investments in Thomas's and Affinitas, which both continue to operate as independent platforms.

For the 12 months ending 31 August 2023, the K12 Investments traded ahead of budget, delivering revenue and EBITDA growth of 9% and 13% versus prior year, respectively. In 2023, **Affinitas** signed the acquisition of seven schools, bringing the total group to 16 schools, with a strong further pipeline of M&A across Europe and the Americas. **Thomas's** acquired a 105,000 sq ft freehold site in Richmond, which will cater to >600 secondary students. This will enable Thomas's to deliver education to its students from kindergarten to year 12.

OCI valuation

K12 Investments

£38.7m

affinitas education

Thomas's

ACE Education

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

For the financial year to August 2023, ACE Education delivered revenue and EBITDA growth of 38% and 20%, respectively, vs prior year. ACE Education's 2022/23 enrolment campaign performed strongly on the back of marketing investment, seven new campus openings and the expansion of ACE's apprenticeship offering. As a result, new student enrolment grew by 56% year-on-year and total enrolments grew by 33% year-on-year. The business is working on further new campus openings, new programme launches and online programme development to help deliver continued growth.

OCI valuation

ACE Education

£17.2m

ACE EDUCATION

Strategic report / Business Services overview

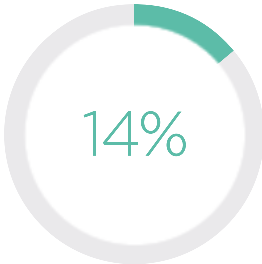
Mission-critical services

Providing mission-critical, tech-enabled services that help customers succeed.

Business Services overview

Mission-critical services Growing regulation and demand for productivity are driving demand for services and information that help businesses succeed in an increasingly complex, competitive and data-driven economy. Oakley invests across a range of highly attractive niche sectors, including B2B information platforms and testing, inspection, certification and compliance (TICC) providers, helping them shift to recurring revenues and internationalising their business.

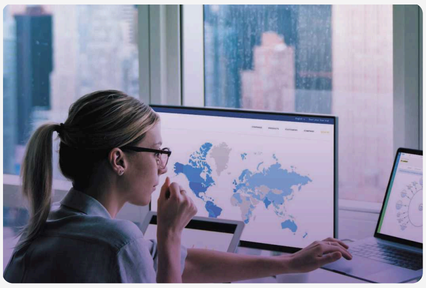
Total % of OCI NAV



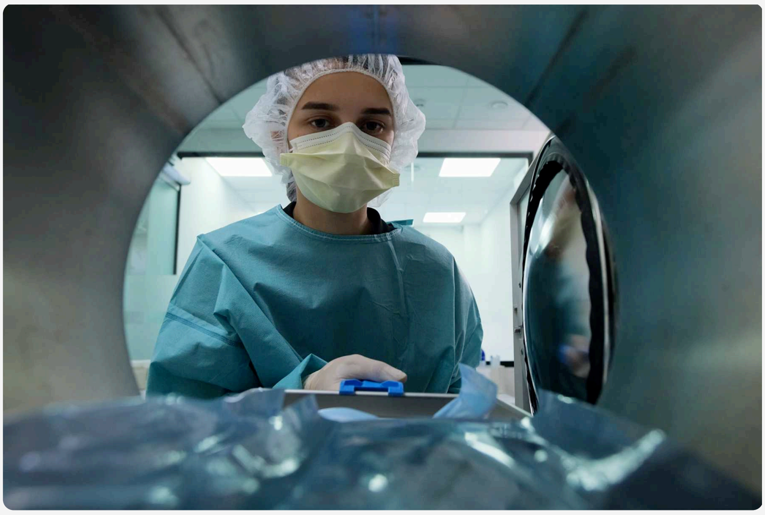
Oakley PE business services sector investments

Investment	Fund	OCI residual cost (Funds)[1] £m	OCI fair value £m	% of OCI NAV
Phenna	Fund V	70.9	81.6	6.8%
TechInsights	Fund IV	39.5	43.2	3.6%
Liberty Dental Group	Fund V	33.0	32.9	2.7%
vLex	Origin Fund	12.2	11.7	1.0%
Total OCI valuation			169.4	

1. OCI's residual cost represents OCI's indirect investment through the Oakley Funds and is calculated on a look-through basis.



Business Services portfolio →



Liberty case study →

Business Services portfolio

Phenna Group

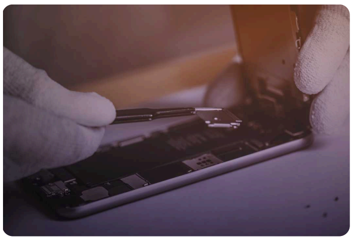
One of the fastest growing TICC groups globally.

Phenna has continued to perform well in 2023 with respect to both organic growth and M&A, achieving strong pro forma organic revenue and EBITDA growth versus prior year, and a total +45% increase in revenue and +48% increase in EBITDA YoY. Phenna acquired 16 businesses during the course of the year, entering 7 new countries and bringing total businesses in the group to 52. The M&A pipeline remains healthy for 2024 with a number of opportunities in due diligence.

OCI valuation

Phenna Group

£81.6m



TechInsights

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

In 2023, TechInsights revenue was broadly in line with prior year, while run-rate EBITDAC grew 7% versus prior year. While there was limited headline revenue growth, run-rate recurring revenue continued to grow in period, up 13% versus prior year, and now makes up 82% of total run-rate revenues (versus 74% a year ago). The modest revenue performance is against a background of very challenging conditions in the underlying semiconductor market.

OCI valuation

TechInsights

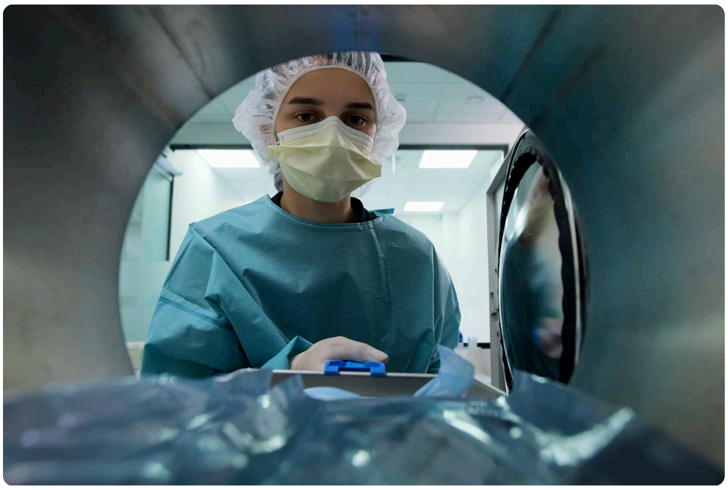
£43.2m

Liberty Dental Group

Establishing an independent business to become a leader in the global dental lab market.

Liberty Dental Group has performed well since acquisition in August 2023, growing both revenue and EBITDA versus prior year. The company provides a comprehensive range of services, including the design and manufacture of dental prostheses (crowns, bridges and dentures) and orthodontics (braces, retainers and aligners), utilising technology including CAD software, computer-aided milling and 3D printing, as well as local craftmanship. The company currently services c.5,000 clinics across nearly 70 dental laboratories throughout Europe and management are working to build out the pipeline of future M&A.

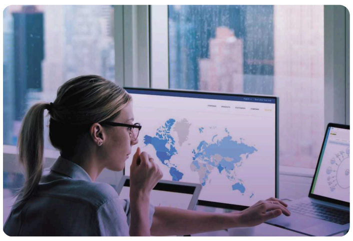
See Liberty case study



OCI valuation

Liberty Dental Group

£32.9m



vLex

A cloud-based legal information subscription platform.

vLex performance continued positively to December 2023. The company's sustained focus on sales growth for the LTM to December 2023 has delivered annual recurring revenue growth of >10% year-on-year. In March 2023, vLex acquired Fastcase, a leading US legal intelligence business, to form the world's largest unified law firm subscriber base and a library with more than one billion legal documents from more than 100 countries. The business has continued to focus on the development of its AI tool, Vincent AI, and is receiving initial positive market feedback on the trials.

OCI valuation

vLex

£11.7m

Strategy in action / Technology case study

Alerce

Alerce is a leading transport management software provider to logistics businesses in the 'less-than-truckload' market.

Alerce's solutions are mission-critical to its customers and it has market-leading positions across Spain, Latin America and France. The fragmented European transport and logistics software market presents an opportunity for Alerce to leverage Oakley's buy-and-build expertise to expand into complementary markets.

Alerce is well placed to expand, both through organic product development and targeted bolt-on acquisitions, and to continue its record of profitable growth while increasing its recurring revenues.

See more about Alerce

Note: The Alerce acquisition was completed in 2024.

> **This collaboration will empower Alerce to expand our offering and drive excellence in the transport and logistics sector, while allowing us to access the global market.**
>
> **Pablo Pardo Garcia** CEO, Alerce

Alerce
Number of countries

11

See Technology overview

Alerce
Daily cloud system users

15,200

See Technology portfolio

Strategy in action / Consumer case study

Gymondo

Gymondo is the number 1 direct-to-consumer online fitness subscription platform in the DACH region, offering high-quality workout videos, customised fitness programmes and personalised nutrition plans, as well as mindfulness content.

In September 2020, we acquired a majority stake in the business from founder CEO Markan Karajica and Crosslantic Capital. Oakley is partnering with Markan and the management team to accelerate and scale Gymondo, both domestically and internationally.

The online fitness market is benefitting from the offline-to-online shift as well as structural growth tailwinds such as increasing consumer awareness of physical and mental health. This offers significant headroom for continued expansion as consumers increasingly value the convenience and accessibility of online fitness.

See more about Gymondo

We are thrilled to have found an experienced and dynamic partner in Oakley, with a shared vision to accelerate the growth of the company in the coming years, both in Germany and internationally.

Markan Karajica Founder and CEO, Gymondo

Gymondo
Paying subscribers

650,000+

See Consumer overview

Gymondo
Customers on a 12-month subscription

90%+

See Consumer portfolio

Strategy in action / Education case study

Affinitas Education

Affinitas Education was established by education entrepreneur Victor Lundsten with the intention of building a new, global K12 schools group.

Affinitas currently comprises nine premium, private schools with a combined >13,500 students, and a large and growing pipeline of active opportunities across Europe and the Americas.

K12 education is an attractive c.$3.5 trillion international market with strong, long-term growth drivers. Global private-pay schooling represents c.11% of this spend, and is expected to grow 7% p.a. through to 2030 as families prioritise education spending, and demand increases for English-speaking education as a path to international universities and high-paying professions.

See more about Affinitas Education

Affinitas Education
Global K12 Education market

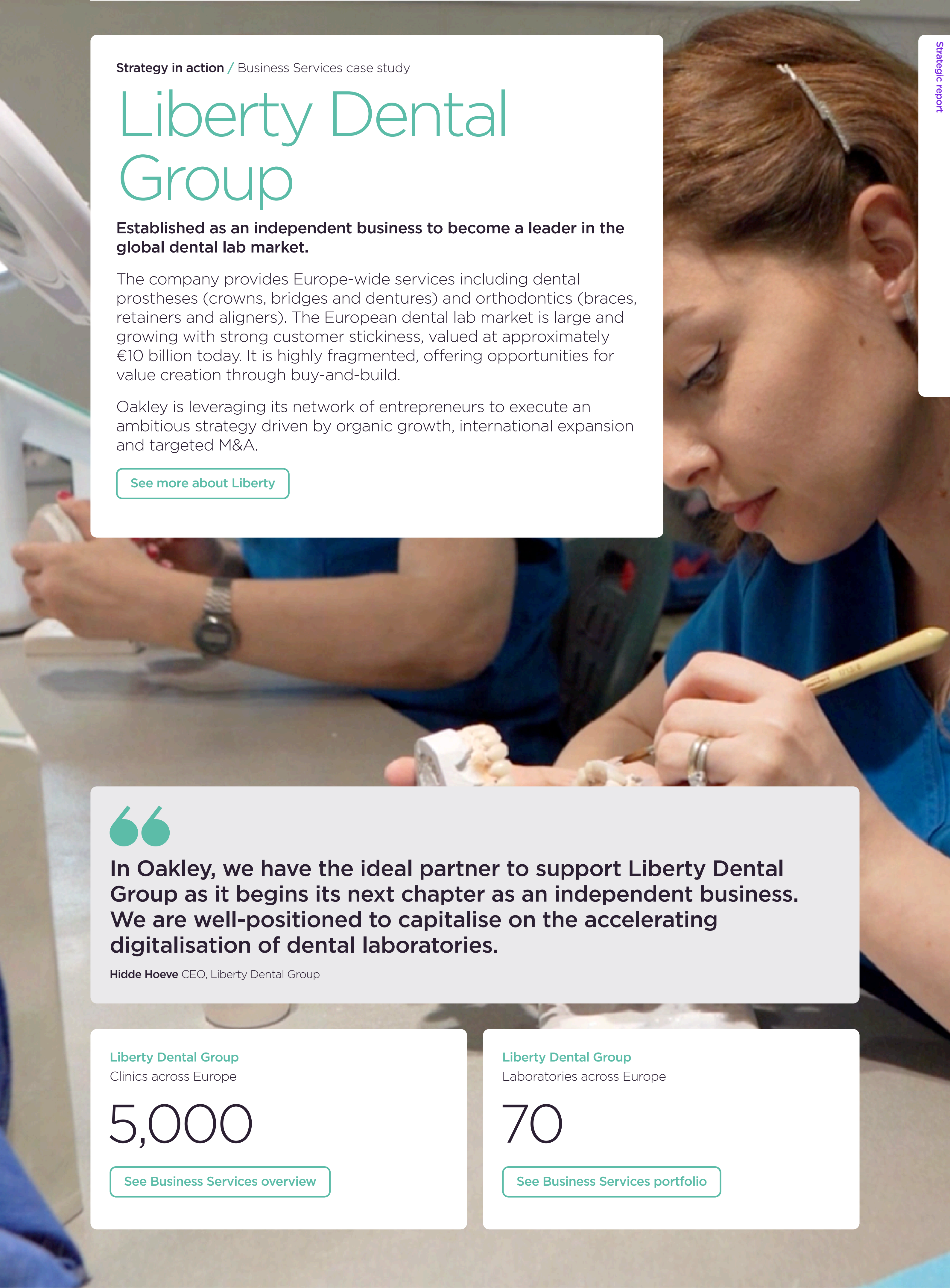
$3.5tn

See Education overview

Affinitas Education
Number of schools

16

See Education portfolio



Strategy in action / Business Services case study

Liberty Dental Group

Established as an independent business to become a leader in the global dental lab market.

The company provides Europe-wide services including dental prostheses (crowns, bridges and dentures) and orthodontics (braces, retainers and aligners). The European dental lab market is large and growing with strong customer stickiness, valued at approximately €10 billion today. It is highly fragmented, offering opportunities for value creation through buy-and-build.

Oakley is leveraging its network of entrepreneurs to execute an ambitious strategy driven by organic growth, international expansion and targeted M&A.

See more about Liberty

In Oakley, we have the ideal partner to support Liberty Dental Group as it begins its next chapter as an independent business. We are well-positioned to capitalise on the accelerating digitalisation of dental laboratories.

Hidde Hoeve CEO, Liberty Dental Group

Liberty Dental Group
Clinics across Europe

5,000

See Business Services overview

Liberty Dental Group
Laboratories across Europe

70

See Business Services portfolio

Report from the Head of Sustainability

We are determined to lead by example

"At Oakley, being a responsible investor means integrating environmental, social and governance (ESG) themes into our strategy and that of our portfolio companies, seeking 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

Watch video: ESG at Oakley

Oakley's commitment to responsible investing involves incorporating environmental, social and governance (ESG) principles into both our strategic framework and that of the companies we invest in. This integration is key to mitigating risks and fostering long-term, sustainable growth, thereby increasing opportunities to deliver lasting value to the investors who entrust us with their capital. Supported by the OCI Board, in 2023 we achieved considerable progress in advancing our ESG agenda and incorporating ESG considerations into our investment practices, our interactions with portfolio companies and our overall conduct.

We recognize that our responsibilities extend beyond financial performance and believe that by assisting our portfolio companies to develop and integrate ESG and sustainability into their business operations they can help to contribute towards better outcomes for people and the planet.

We have been building upon the processes and practices established in the foundational years of our engagement practices since 2021, with a focus on achieving three key objectives: developing a strong and value-adding portfolio engagement programme, providing support to investment teams in assessing ESG during due diligence, and enhancing Oakley's own ESG practices.

We are proud of the progress we have made and are committed to continuous improvement by engaging transparently with our stakeholders.

ESG timeline
Sustainability strategy

2020

See Sustainability strategy

ESG timeline
ESG report

2022

See ESG report

OCI Community Engagement Program

During 2023, OCI has actively developed its ESG and community engagement programme, supporting a number of local organisation and charities in Bermuda, where OCI is headquartered. These include Endeavour, a programme dedicated to making sailing accessible to all, regardless of socio-economic background, skill level or physical ability, by providing youth with sailing learning opportunities within a fun, safe, supportive and diverse environment. OCI is also working with the Bermuda College Foundation, which provides ongoing dedicated fundraising support to Bermuda College, an internationally recognised accredited community college, offering associate degrees, certificates and diplomas in the areas of applied sciences, business, technology, hospitality and the liberal arts. Through their partnership with OCI, 249 students were provided with financial assistance in 2023.

ESG at OCI

OCI, like Oakley, believes in the value creation opportunities presented by ESG initiatives. From a Governance perpective, OCI, like Oakley, believe that transparency is at the core of being a responsible investor and as such OCI was particularly pleased to receive, for two consecutive years, industry awards and recognition for its annual reports, website and factsheet. OCI is committed to maintaining high-standards of Governance and stakeholder communications.

Our ESG and Community Engagement Partners

OCI partners

Bermuda College Foundation

Endeavour Sailing

Oakley partners

Level 20

OUT LGBT+ Network Investors

Oakley ESG

initiative climat international

PRI Principles for Responsible Investment

PRI performance

In 2023, Oakley scored 4/5 stars, outperforming PRI median.

Visit PRI website

Logos represent organisations / bodies of which Oakley and/or OCI is a recognised supporter, signatory or member. The above firm level CSR and climate-related initiatives do not have a direct bearing on investment decisions made for OCI or for Oakley-managed funds. References to firm level initiatives do not require OCI or Oakley to engage with portfolio companies. Oakley is also a member or contributor to other industry bodies and trade associations, which, at times, may adopt positions or undertake advocacy activities that are not consistent with the aims or ethos of the organisations and initiatives referred to above.

ESG at Oakley

Oakley has continued to make the same sustainability journey as many of the companies within our portfolio.

We measured our full scope 1, 2 and 3 carbon footprint last year, for the 2022 calendar year. This included activity-based emissions for Scope 1 and 2, and a mixture of activity and spend-based emissions for Scope 3, which excluded our investments. As we undertake this assessment for 2023, we will look to move more towards activity-based emissions, where possible.

Alongside the climate impact of our operations, we have also been considering how a changing environment may affect our operations. Later this year, Oakley will issue it first TCFD report, which will highlight our efforts to understand how climate related risks and opportunities may impact our business.

On the social side, Oakley's approach to equity, diversity and inclusion (EDI) has been developing over the last year, underpinned by the expansion of our internal capabilities, with the implementation of an EDI committee comprising members from across the organisation. To help drive our EDI progress, we have focused our attention on recruitment and career development. There has been a concerted effort in diversifying our workforce – between 2021 and 2023, the makeup of the Oakley team globally has shifted from 30% women to 47%. Our success in recruitment stems in part from developing our approach to our partnership with recruiters, ensuring they present us with the best candidates from a wide variety of backgrounds. Our focus now is on developing that talent towards leadership positions via transparent, fair performance management processes and career development tools.

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.

Aga Siemiginowska Head of Sustainability, Oakley Capital

We've also started our own internal network, the Oakley Women's Leadership group, which brings together many of our emerging and existing female leaders in a forum to share and support one another's development journey.

Cybersecurity is another area where we have seen rapid developments. Oakley's seven-strong IT team is led by the Chief Information Security Officer, who joined in 2023. Over the course of the last year, Oakley has worked with external advisers to continually develop our cybersecurity and data privacy postures, including a full cyber risk assessment.

We are extremely proud that the ESG initiatives undertaken at firm and portfolio level have resulted in Oakley scoring 4/5 stars in the latest UNPRI reports for both the Private Equity and Policy, Governance and Strategy Module, outperforming the PRI median in both categories.

Our efforts to promote ESG integration would not be possible without the support and leadership of industry organisations and initiatives. From Level20 to the International Climate Initiative (ICI), OutInvestors and the ESG Data Convergence Initiative (EDCI), these organisations provide communities and pathways for us and our portfolio companies to continue to make progress on ESG. We are grateful to be involved with each of them.

Active stewardship

We believe that Oakley's focus on portfolio stewardship reflects an opportunity to develop robust ESG practices. Our objective is to help companies understand how ESG can fit into their business strategy, formalise an approach and support implementation. The first step in this process is building trust, which begins during due diligence and continues during onboarding and regular engagement. Over the last year, we met in person with all but one of our majority-owned portfolio companies. During these meetings, we emphasise partnership, assess the unique position of each company and are sensitive to other business needs while discussing ESG.

To support our portfolio, we continue to focus on three ESG themes: energy and climate change, equity, diversity and inclusion (EDI), and cybersecurity. We organised our third annual ESG Forum in November, which brought together our management teams with external advisers to discuss these themes, along with ESG governance, to share and build knowledge and understand resources available. As a result, we now provide our companies with resources and tools on each of these themes, including a carbon accounting and decarbonisation strategy platform, EDI and employee engagement survey and consultant, and annual cyber-maturity assessments.

Looking ahead

Oakley is committed to integrating ESG and sustainability practices into how we operate and how our portfolio companies develop. After several years of implementing foundational sustainability practices for all our stakeholders, this year we will reassess our approach and revamp the sustainability strategy to ensure it is fit for our growing organisation and a changing world. We believe in partnering with our founders and teams to help them grow their businesses and integrate sustainability into that road map. In order to support our growing investment team and portfolio, Oakley's Sustainability Team has grown as well. These additional full-time resources ensure that we have the technical skills and time to support our stakeholders and drive the implementation of our long-term sustainability strategy. OCI continues to support and encourage Oakley on its ESG efforts both at firm level, and with the portoflio companies.

We recognise the global challenges faced by society in building a more sustainable future are complex and multifaceted. As such, we remain committed to collaborating with our stakeholders to identify and address the most pressing sustainability issues across our operations and our portfolio. We look forward to the year ahead as we strive to improve and advance our sustainability efforts.

Aga Siemiginowska
Head of Sustainability, Oakley Capital

Our ESG priorities

ESG at Oakley is set out as a proprietary framework to integrate good business practices, future-proof[1] investments and provide transparency to stakeholders.

Based on the sectors Oakley primarily invests in, and aligning to industry best practice as well as deep sector experience, ESG topics that are most relevant to the investments have been identified. 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's portfolio-wide ESG priorities

Energy and climate change

Equity, Diversity & Inclusion

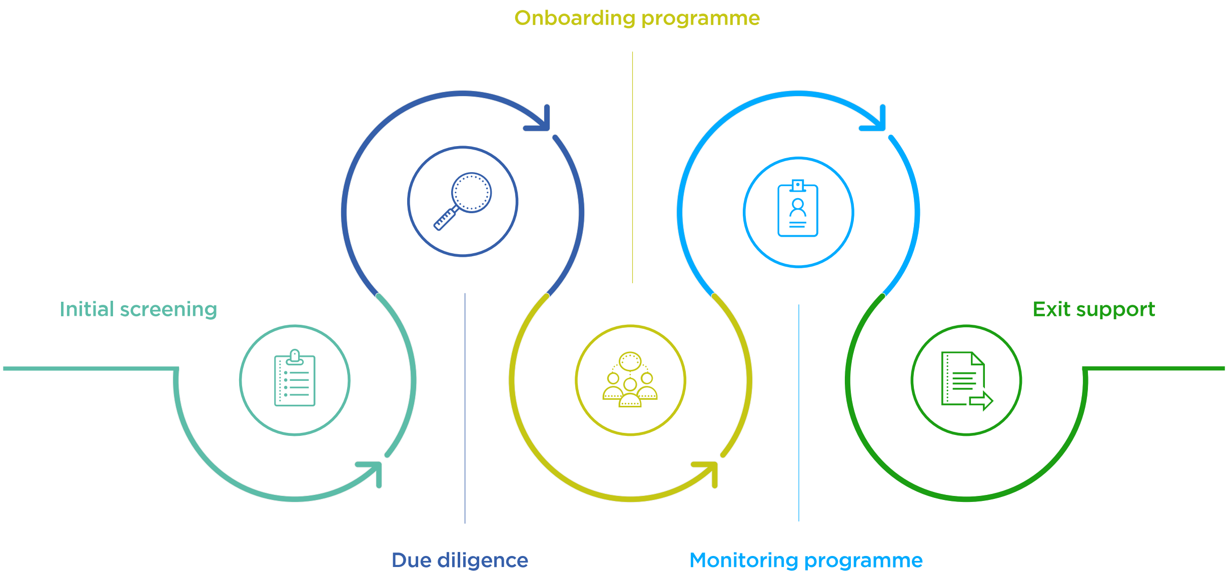
Cybersecurity and data protection

Integrated ESG at Oakley

1. References in this document to Oakley's aim to "future-proof" companies refer to Oakley's aim to ensure that companies are able to continue to grow and withstand the shocks and stressors (economic and otherwise) of future events, including beyond Oakley's relationship with such companies.

Our responsible investment process

The Sustainability Team collaborates with the Investment Team and provides support to portfolio 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

ESG in action / Case study

North Sails

North Sails is a pioneering force in sailmaking, boasting an impressive legacy marked by groundbreaking innovations and technological advances that have revolutionised sailing.

As the global industry leader, North Sails is equally committed to finding solutions for sustainable sails, low-impact manufacturing, the use of alternative fibres and opportunities for material circularity. Earlier this year, North Sails launched RENEW, a North Panel Laminate (NPL) sailcloth for cruising boats 25 to 45 ft. RENEW sailcloth is constructed from more than 90% sustainable sources, with no sacrifice in performance or longevity. The launch of RENEW sailcloth marks an important shift towards building more sustainable sails with high-quality materials.

For RENEW, North Sails was able to source recycled polyester film and yarn, and bio-based Dyneema, to create a highly durable cruising laminate cloth that features more than 90% alternative bio-based and recycled raw materials. The supplier products for RENEW are all Bluesign Certified and International Sustainability and Carbon Certification compliant to guarantee the validity of the sources and processes used in their manufacture.

See more about North Sails

We will continue to partner with suppliers to identify and refine the raw materials needed to produce ever more sustainable sails. We are working on new solutions for sustainable sources across all our technologies, including 3Di sails.

Tom Whidden CEO, North Technology Group

RENEW sailcloth

Constructed from 90% sustainable sources

90%

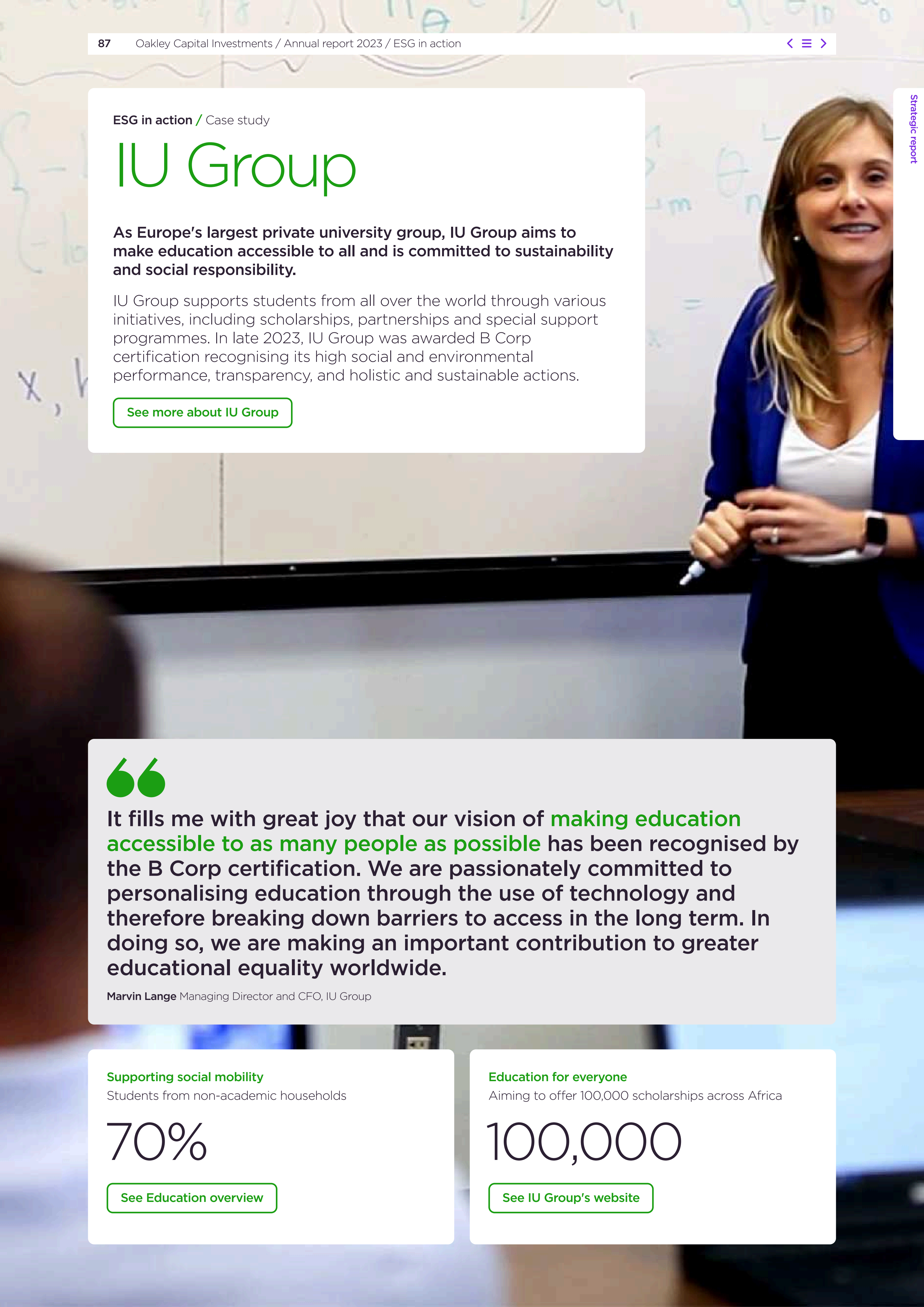
See more about RENEW

Apparel collection

More than 95% made from sustainable materials

>95%

See Consumer overview



ESG in action / Case study

IU Group

As Europe's largest private university group, IU Group aims to make education accessible to all and is committed to sustainability and social responsibility.

IU Group supports students from all over the world through various initiatives, including scholarships, partnerships and special support programmes. In late 2023, IU Group was awarded B Corp certification recognising its high social and environmental performance, transparency, and holistic and sustainable actions.

See more about IU Group

> It fills me with great joy that our vision of making education accessible to as many people as possible has been recognised by the B Corp certification. We are passionately committed to personalising education through the use of technology and therefore breaking down barriers to access in the long term. In doing so, we are making an important contribution to greater educational equality worldwide.

Marvin Lange Managing Director and CFO, IU Group

Supporting social mobility

Students from non-academic households

70%

See Education overview

Education for everyone

Aiming to offer 100,000 scholarships across Africa

100,000

See IU Group's website

ESG in action / Case study

PRI

Oakley has been a signatory of the UN sponsored Principles for Responsible Investment (UNPRI) since 2016.

As a member, Oakley reports annually under the PRI framework on the integration of ESG and sustainability practices into how we invest. As investment practices have developed Oakley's rating under the PRI Framework has consistently been improving.

In the latest reporting period, Oakley scored 4/5 stars in both the Private Equity and Policy, Governance and Strategy Modules, outperforming the PRI median in both.

See more on ESG at Oakley

> **Our commitment to responsible investing is an important part of our strategy, and we recognise that integrating ESG factors into our investment decisions is a critical driver of long-term financial performance.**

Aga Siemiginowska Head of Sustainability, Oakley Capital

Commitment to PRI

Oakley signed up to Principles for Responsible Investment

2016

See more on ESG at Oakley

PRI performance

In 2023, Oakley scored 4/5 stars, outperforming PRI median

Visit PRI website

Our principal risks and uncertainties

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

We maintain a robust strategy for managing risks, which encompasses:

Evaluation of emerging risks and assessing potential implications for the Company and any mitigation that can be applied

Maintenance of a comprehensive risk management framework including the risk appetite statement, the risk register and the risk policies and procedures

Effective communication between our Board of Directors and the Investment Adviser through regular risk reports, and discussions.

Proactive risk management

Our approach to risk is proactive, underpinned by our unwavering commitment to developing and utilising our risk management procedures in a manner that adapts to the evolving requirements of our business and the surrounding landscape.

We work closely with external advisers and specialists as necessary to validate OCI's approach to risk management and gain the benefit of the latest market practice and insights.

Increased risk oversight

The past financial year was marked by significant geopolitical risks, including the conflict in the Middle East, the continued war in Ukraine and escalating tensions between China and Taiwan. These factors among others, led to a surge in core inflation rates, higher interest rates and the contraction of available credit across various currencies, creating a complex operational environment for Private Equity markets. As a result, both Oakley and OCI had to carefully assess investment opportunities, adapt investment structures, and refine financial projections.

Furthermore, the increasing cost of borrowing and the rebalancing of global capital allocation towards debt investments resulted in a need for even more prudent risk management regarding OCI's risks, with a particular focus on liquidity, credit and portfolio risks. In response, the Risk Committee has focused on regular stress testing on its cash forecasts and increasing OCI's flexibility around cash management through the expansion of its credit facility. As the cost of borrowing has also significantly impacted the availability and pricing of fund-level facilities, the Risk Committee has also expanded its focus on the leverage and the credit facilities at Oakley fund level to assess the impact on the expected capital call demands from these funds. As the broader market experiences contraction in multiples and a slowdown of economic growth, the Board has increased oversight on valuations with a focus on earnings quality and EBITDA growth.

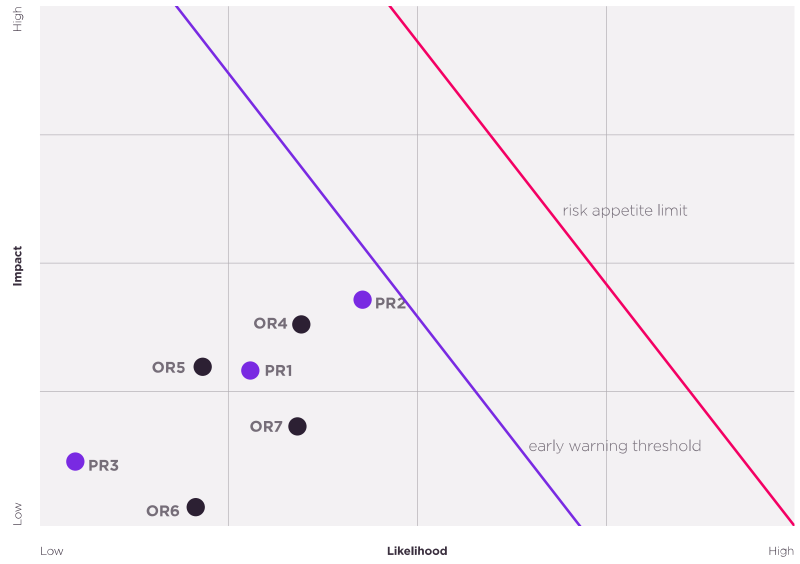
To ensure a well-rounded approach to risk, the Risk Committee also initiated to refresh and enhance OCI's risk policies and procedures, risk framework and risk appetite statement. As part of this exercise, Oakley engaged a third-party to review the risk register, risk appetite and overall approach to risk management, resulting in some updates to the risk registers, controls and risk indicators and leading to the digitalisation of OCI's risk and control framework within a governance, risk, and compliance (GRC) system. This system will help streamline operational risk assessment for OCI and will form a key part of the quarterly risk reports reviewed by the Risk Committee.

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



Key risks

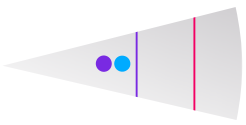
PR1

Liquidity risk

Potential impact Liquidity risk refers to the potential failure of OCI to meet its commitments to the funds, pay annual dividends or conduct share buy-backs, which may ultimately impact the share price and decrease returns for shareholders.

Risk tolerance

2022
2023



Mitigation

The Board closely monitors cash flow forecasts and receives regular stress tests that it assesses in making investment decisions and in deciding how to conduct its cash management.

Positioning

OCI signed a new revolving credit facility (RCF) with a two-year committed term of £175 million, with a potential uncommitted accordion of a further £50 million. During 2023, OCI committed €190 million to Oakley Origin Fund II and $100 million to Oakley Touring Fund I. At 31 December 2023, the cash held was £207 million and the £175 million RCF was undrawn, giving OCI access to £382 million of liquidity. The outstanding commitments to the funds at that date were £1,015 million, not all of which are expected to be called and the remainder is expected to be called over the next 5 years.

PR2

Portfolio risk

Potential impact Portfolio risk principally focuses on valuation risk and concentration risk. Valuation risk looks at the risk of a decline in the valuation of privately held assets, resulting principally from a reduction in comparative multiples in the market or from underperformance of the assets. Concentration risk arises from overexposure to a particular investment strategy, sector, geography and/or currency.

Risk tolerance

Mitigation

Fund valuations are subject to quarterly review. The Audit Committee engages with the members of the valuations team of Oakley. The Board closely tracks the ongoing performance of portfolio companies. The Board considers the valuation methodologies being applied and in particular, the quality of comparable trading multiples used and their direction of travel.

Metrics are established and monitored to gauge investment concentration based on sector and individual commitment as well as geographical exposure. The OCI Board receives a quarterly risk report with OCI concentration metrics, considering both acquisition cost and the most recent Net Asset Value (NAV) as well as geographic exposure.

Positioning

Inherent valuation risk naturally increased as a result of macro-economic uncertainties, market volatility and higher interest rates, which led to a retrenchment of valuation multiples.

The portfolio has proved resilient with continued good earnings growth and an increase in valuations, that have been more than sufficient to neutralise the contraction of comparable trading multiples which have been observed in the market. The market for exits was softer in 2023 although OCI did see the significant exit of IU Group from Fund III.

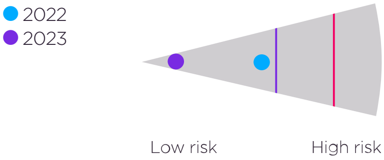
OCI has further diversified its exposures across the Oakley family of funds, including the Oakley Origin Fund II and Oakley Touring Fund I.

PR3

Credit risk

Potential impact 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.

Risk tolerance



Mitigation

During 2023, OCI continued to hold its direct debt positions in North Sails, Fund I and Time Out. In December 2023, OCI's debt positions in North Sails were converted into preferred equity providing improved security and stronger incentives for accelerated repayment as well as potential equity upside. Separately, OCI's loan to Fund I was settled in Time Out shares. OCI still has a direct loan to Time Out of £6 million and the OCI Board continues to monitor the risks arising from this position, with emphasis on the operating performance, quality of earnings, forecasts and balance sheet strength of Time Out.

Positioning

North Sails' financial performance has improved during the year with an increase in revenue and EBITDA growth. This simplifies North Sails capital structure and improves the ability to attract new investors, improving the position of OCI.

Time Out's performance also improved as it emerges from the challenges of the covid pandemic with an increase of the share price of 43% during 2023.

Other core risks

OR4

Performance risk

Potential impact This is the risk of returns to OCI's shareholders underperforming against the market and peers, with the potential impact on share price, reduced share liquidity and reputational damage.

Risk tolerance

Mitigation

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 at Oakley. On an annual basis, the valuations prepared are subject to an audit by the external auditor and an independent valuation is prepared for each investment by a third party advisor. The valuations are produced for each investment. OCI also receives an independent valuation on the North Sails position by a third-party advisor.

Positioning

NAV growth has been stable over the course of 2023 while the discount to NAV has decreased compared with previous year, closing 2023 at 28% vs 37% in 2022.

Shareholder engagement activities were further developed in 2023 with a significant increase in the number of social media engagements and articles. These efforts have been effective in further developing a diversified shareholder base with a view to strengthening OCI's liquidity. Despite the challenging macro-economic environment and the contraction of multiples in comparable businesses, the investments performed positively in 2023, leading to strong OCI NAV and share performance. OCI outperformed the FTSE-All Share benchmark by 15%, with the OCI share price increasing by 18%, against only 4% for the FTSE-All Share.

OR5

Operational risk

Potential impact OCI outsources administrative, advisory, finance and operational functions to Oakley.

Inadequate or failed internal processes could lead to operational performance risk and regulatory risk.

Risk tolerance

Mitigation

The Board regularly engages with Oakley via the Management Engagement Committee to assess the quality and price of the services it receives from Oakley. The Audit Committee also plays an active part in reviewing controls and processes.

The Risk Committee receives a quarterly report on administrative, advisory and operational matters as well as risk controls and a periodical compliance report.

Positioning

Oakley continues to demonstrate a strong commitment to the development of its administrative, advisory and operational services to the Company as well as a continued focus on risk management, controls and reporting.

Oakley has also contracted an independent third party to perform a thorough quality assurance assessment to identify potential gaps in the Company's risk matrix and to ensure Oakley has implemented a best-in-class risk programme.

No significant control weaknesses have been identified and a governance, risk and compliance (GRC) software tool was successfully implemented during 2023.

Operational risks of OCI remain low however, the Risk Committee will continue to work closely with Oakley on the risk programme throughout 2024.

OR6

ESG risk

Potential impact Failure to integrate ESG themes into investment strategy and operating models could result in sustainability, reputational and performance risks.

Risk tolerance

Mitigation

OCI considers embedding ESG practices into its investing and operating models at Oakley 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 ensure it remains abreast of market and regulatory developments.

Positioning

Oakley's sustainability programme is based on three key themes:

- **Energy and climate change:** the Manager is committed to measuring and understanding its carbon footprint. Portfolio companies are asked to report on their carbon footprint and energy usage annually. Climate risk and a climate strategy are a development priority for the Manager.
- **Equity, diversity and inclusion (EDI):** The emphasis on EDI extends to areas like recruitment, retention, culture and career development. Oakley team's composition has evolved from 30% women to 47%, with a focus on developing talent for leadership roles through fair performance management and career development. The OCI Board now has a 50-50 gender balance. An EDI Committee meets regularly to monitor progress. Across the portfolio, the Manager monitors the diversity metrics of its portfolio companies and engages with management on employee engagement programmes.
- **Cybersecurity and data privacy:** the Manager works with external experts to monitor portfolio cyber risk and maturity, with annual reviews and improvement road maps developed for a majority of the portfolio. A cyber insurance review has been undertaken. Robust insurance and incident response protocols are introduced where appropriate. Firm-wide cybersecurity is further discussed in the next section.

The Board actively monitors and engages with the Manager's ESG initiatives and ensures it continues to prioritise value creation opportunities, compliance with regulations and transparent reporting.

OR7

Cyber risk

Potential impact The risk of financial loss, disruption, damage to reputation and regulatory sanction arising from failure of data controls and information technology systems.

Risk tolerance

Mitigation

OCI does not operate any IT systems or manage any electronic data stores itself. Exposure to cybersecurity risk arises primarily through delegated services conducted by Oakley and its affiliates and the portfolio companies themselves. In this respect, the Management Engagement Committee considers IT controls and cybersecurity activities as part of its annual review of Oakley and takes comfort from the third-party quality assurance assessments conducted on Oakley's own operational risk and control frameworks (including cybersecurity).

The Risk Committee receives regular reports on cybersecurity initiatives at both the Oakley and portfolio company levels, including the results of cybersecurity risk assessments and the internal quarterly risk assessment by Oakley Group IT department.

Positioning

Cybersecurity protocols continue to be expanded across OCI, Oakley and the companies in which Oakley's funds invest in. In 2023, Oakley worked with an external cybersecurity consultant to run a thorough cyber assessment on Oakley's IT systems and test its procedures. The results of this assessment have been added to an overall programme of continuous cybersecurity improvement. Assessments such as these are part of that continual process of improvement and will continue in 2024.

Emerging risks

Geopolitical, artificial intelligence and environmental risks

2023 brought with it significant geopolitical events, including the continued war in Ukraine, the conflict in the Middle East and escalating tensions between China and Taiwan. These challenges are expected to continue into 2024.

The upcoming year will be marked by a wave of elections in countries accounting for nearly 60% of the global GDP, leading to possible fundamental changes in global political agendas. Elections directly relevant to OCI include the European Parliament elections, impacting climate regulation and energy policies; the UK parliamentary elections, affecting trade dynamics post-Brexit, tax and socio-economic matters impacting education among other things; and the US presidential election, where a new administration could shift foreign policy, impacting relationships with Europe and the global economy. The evolution of AI policy and regulation during this election cycle is also a crucial development, having the capability to potentially affect popular trust in public institutions and create macro-economic turmoil. AI may also drive growth across the Touring Fund investments in particular and have a positive effect in other sectors where Oakley invests such as Technology and Education. These changes in 2024 could have further repercussions on global and localised economies, potentially impacting supply chains and the green technology subsidy race.

In 2023, the Pillar 2 Global Minimum Tax (GloBE) rules were integrated into the Corporate Income Tax Act 2023 in Bermuda, with an effect as from 1st January 2025. This legislation enforces a global minimum effective tax rate of 15% on companies with consolidated revenues exceeding EUR 750 million. Following external consultation with tax advisers, OCI is not expected to be within the scope of the 15% CIT. However, this new legislation may have an impact on the private equity industry by affecting the performance of the funds, the tax filings and the regulatory complexity. To address those challenges, other participants in the sector may need explore restructuring alternatives.

Countries around the world have also been experiencing a notable increase in the number of extreme weather events that cannot be ignored. The past nine years have been the warmest on record and there have been a record number of other extreme weather events that pose further threats to the global supply chain. The World Meteorological Organization forecasts that the return of El Niño in 2024 is going to create adverse weather conditions, leading to record-high global temperatures and potentially impacting production and distribution, and therefore creating inflation. China currently leads in the production of green technologies, and Western economies are striving to catch up by offering incentives to local businesses, potentially accompanied by increasing tariffs over Chinese technologies. In the event of potential retaliations, a global trade war may spark, creating macro-economic disturbance. It is worth noting that batteries and other non-contaminating fuels depend on critical minerals and other commodities that are scarce, putting additional pressure on geopolitical risks.

While the Risk Committee notes that it cannot control the steps taken by portfolio companies to manage the panoply of potential emerging risks, it will continue to consider emerging risks and observe the possible impact on OCI and the portfolio. **The Risk Committee is of the view that the diversification of Oakley's portfolio and the different stage of the investments is expected to continue to provide resilience and protection to OCI's NAV.**

There have been a record number of **extreme weather events** that pose threats to the global supply chain.

Macro-economic and inflation risk

The Risk Committee is focused on the following areas that could potentially impact financial performance and shareholder returns in 2024: increased market volatility, sustained high inflation and interest rates, potential economic downturns and reduced liquidity.

The Board closely monitors macro-economic trends and collaborates closely with Oakley to assess direct and indirect impacts, working together to implement risk mitigation strategies to reduce exposure. The portfolio's robust positioning and the resilience of invested company earnings and revenues allowed it to navigate challenges well in 2023, but vigilance remains crucial for 2024.

The International Monetary Fund forecasts a decline in global inflation rates from 8.8% in 2022 to 6.6% in 2023 and to 4.3% in 2024. While the probability of another significant inflation spike have reduced, in the event that there is another spike central banks may adopt further contractionary monetary policies, impacting consumption and investment and increasing the cost of financing. This could negatively impact valuations by raising the cost of debt and contracting valuation multiples, reducing deal flow and drawing liquidity out of the market. It may also put pressure on profit margins for privately held assets in Oakley's portfolio. To mitigate against these risks, Oakley's risk protocols involve careful monitoring of portfolio companies' leverage and debt structures and active recommendations around interest rate hedging strategies. In anticipation of a more severe liquidity constrained scenario emerging, OCI secured a committed revolving credit facility line of £175 million with an extra £50 million in 2023 which the Risk Committee believes will stand OCI in good stead in 2024. Oakley also worked on securing and maximising its available fund facilities, which the Risk Committee will continue to closely track in 2024 to ensure that the planned trajectory of commitment funding remains appropriate.

Stakeholder reporting

Engaging with our stakeholders

The Board is committed to understanding and taking account of our stakeholders' views in Board discussions, decision-making and reporting, recognising that these views may at times diverge.

Our key stakeholder groups

Committed to stakeholder engagement

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.

How the Board engages

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

Stakeholder group

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 and act upon their feedback, and actively considering their feedback.

How the Board engages

Capital Markets Day: This annual event consists of presentations to institutional shareholders and analysts by members of the Board, senior managers from Oakley and management of underlying portfolio investment companies.

Shareholder engagement: The Board directs the Investment Adviser's Investor Relations Team and receives regular updates on its discussions with shareholders, and Board members also meet or connect with individual shareholders from time to time.

Publications: OCI's Annual Report and Accounts, along with the Half-yearly Report and Accounts, and other stock exchange releases, are published on our website. Further, the Company engages market analysts and commentators both proactively and reactively to support its ongoing commitment to transparency.

Key topics during the year

The quarterly trading and NAV updates provided throughout 2023 set out the highlights during each period, including but not limited to:

- Increasing the Company's credit facility to £175 million with an option to increase the facility by £50 million subject to agreement by all parties
- Commitment of $100 million to Touring Capital Fund I
- Commitment of €190 million to Origin II.

Considering stakeholder interests

In addition to the Company continuing to issue quarterly NAV updates, regular RNS announcements are made to inform shareholders of key transactions both at OCI and within the Oakley Funds, increasing transparency and facilitating greater shareholder engagement.

The Board continues to believe that digital format Annual Report and Accounts, along with the Company's website, support its transparency aims and help to inform stakeholders about OCI and broader private equity market activity.

The resolution that the Company ceases to continue as constituted was rejected at the 2023 AGM, in line with the Board's recommendation that the continuation of the Company continues to be in the best interests of the Company and its shareholders as a whole.

Further, all members of the Board are shareholders of OCI, which we believe strongly aligns their interests with other shareholders.

The Company's share buyback programme accounts for more than 25% of the £200 million of share buybacks completed by listed private equity firms over the last three years. Although OCI has repurchased shares to the value of £57 million in the last three years, no share buybacks were made during the year. The Board still continues to proactively assess share buyback opportunities in conjunction with other aspects of capital and liquidity.

Stakeholder group

The community and environment

Being a responsible investor and taking into consideration ESG topics are key matters 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 opportunities and risks by Oakley will lead to more sustainable business, creating long-term, ongoing value.

How the Board engages

Regular updates: OCI invests solely in funds and direct investments managed or advised by the Oakley group, with Oakley being committed to 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 throughout the year.

Key topics during the year

Throughout the period the Directors considered the Company's approach to equality, diversity and inclusion, its carbon footprint assessment and reports from the Investment Adviser on the underlying portfolio companies ESG programmes and progress.

See the ESG section of this report.

The Financial Conduct Authority introduced new sex or gender identity and ethnic diversity disclosure obligations from 31 December 2023 for companies listed on the London Stock Exchange. The Directors, and in particular the members of the Nomination Committee, have noted these new measures relating to the composition of the Board. See the Nomination Committee report.

Considering stakeholder interests

During the year, OCI continued to further develop its social responsibility programme, which was launched in 2022. The financial commitments in 2022 have resulted in supporting the youth sailing programme and the establishment of the Aquaponics Lab, both in Bermuda. In 2023 the Board looked to identify socially beneficial initiatives that also have an environmental benefit. As a result, OCI is now sponsoring the development of solar panels at registered charities across Bermuda, helping to provide a steady source of renewable energy and decrease their operating costs.

Stakeholder group

Oakley Capital

OCI invests in the Oakley Funds and Oakley is OCI's Investment Adviser, Administrator, and Operational Services Provider. 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.

How the Board engages

Regular reporting: OCI receives regular reports (at least quarterly) from the Investment Adviser on the performance of the Funds, performance of Direct Investments, potential new investments and strategies and a range of other matters, including compliance and risk matters, financial performance and valuations, capital allocation and planning proposals.

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 invites representatives from the Investment Adviser to present in person regularly, both at planned Board meetings at least four times per year as well as for ad hoc matters as appropriate.

Key topics during the year

The Management Engagement Committee conducts 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 Board engaged with Oakley in relation to the liquidation of Oakley's Fund I, which reached the end of its investment period in December 2023. As part of the liquidation of the fund, OCI now holds a direct interest of 38% of Time Out, representing 6% of the Company's Net Asset Value as of 31 December 2023.

Considering stakeholder interests

Oakley continued to strengthen its risk reporting through enhanced management information (MI), fostering transparency in risk reporting, cultivating an internal risk culture and facilitating proactive discussions on risks.

The Board also heavily engaged with Oakley on the restructuring project in relation to the North Sails group. This restructuring saw OCI's debt positions in North Sails converted into preferred equity, mitigating OCI's credit risk and crystallising the Company's previous equity position

Three key initiatives were implemented during the year:

Risk software implementation: A firm-wide risk software was introduced, enabling precise reporting and comprehensive tracking of risks and controls.

Third-party assessment of risk policies and protocols: An external assessment was conducted of Oakley's risk policies, protocols and procedures, continuing to drive them towards excellence.

Counterparty credit assessment: A credit assessment was conducted of all banking counterparties associated with Oakley's portfolio companies. This initiative diversified the banking pool and mitigated the impact of any potential banking crisis.

These measures collectively contribute to Oakley's robust risk management framework and proactive risk mitigation efforts.

Stakeholder group

Service providers

OCI engages a range of service providers other than Oakley, as appropriate. Ensuring continued effective working relationships with these counterparties is key to delivering on our strategy and ensuring that we continue to operate effectively.

How the Board engages

The Board as a whole, and the Management Engagement Committee specifically, ensures regular dialogue, engagement and oversight of its key service providers, including Oakley.

Key topics during the year

The appointment, remuneration and performance of all key service providers were considered during the year. During 2023, OCI continued to develop the administration and operational services provided by Oakley and extended its credit facilities.

During the year, OCI extended the RCF for a further two years and increased commitments from lenders to £175 million. There is an option to increase the commitments by a further £50 million subject to agreement by all parties.

Considering stakeholder interests

The Company engages with Oakley under a consolidated administration and operational services agreement to enhance efficiency and operational effectiveness.

During 2023 the Management Engagement Committee conducted its annual review of Oakley against the service provisions and the agreed key performance indicators. The results were satisfactory, and progress has been made in addressing feedback provided in previous years.

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.

Board commitment

Section 172 of the Companies Act 2006

As set out in the Association of Investment Companies Code of Corporate Governance, OCI has complied with Section 172 of the UK Companies Act 2006 ('Section 172'). 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 chosen to adopt the provisions accordingly. 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

This section includes the Board, Committee reports, Directors' report and Remuneration report.

In this section

Composition of the Board

Robust oversight from Independent Directors

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

Board engagement
Formal Board meetings in 2023

10

Board gender diversity
Male:Female ratio as at 31 December 2023

50:50

Board changes

The Board thanks Stewart Porter for his dedication who retired ahead of the November 2023 AGM. During the AGM, the shareholders resolved to re-elect each of the remaining four Directors 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 next AGM. View the Company's bye-laws.

Following the retirement of Stewart Porter, the Board is now comprised of 50% female and 50% male Directors. Discussions were held with a potential candidate for the Board in 2023, which ultimately did not move forward. The Board is committed to revisiting this process in 2024. Of the four Board members, only one (Peter Dubens) is considered not to be independent. The Board has concluded 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 Independent Directors consider their involvement to be accretive to the overall performance of the Board.

Board activity

The Board met formally ten times during 2023, in addition to the Board members' participation in the individual committees as discussed elsewhere in this report. This Board is currently scheduled to meet seven times during 2024, with Directors available for additional meetings, as necessary, for the Board to properly discharge its duties as business requirements develop.

Biographies of the Directors, including details of their relevant experience and other current directorships, can be viewed in the Board of Directors section.

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 other publicly listed entities

- Atlas Arteria Holdings Limited (retired July 2023)
- Ocean Wilsons Holdings Limited

Richard Lightowler Senior Independent Director

Richard joined the Company's Board in December 2019, and has 25 years' experience in public accounting, and 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 other publicly listed entities

- Hansa Investment Company Limited
- Aspen Insurance Holdings Limited

Fiona Beck Independent Non-Executive Director

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. Fiona was appointed to the Company's Board in September 2020.

Directorships of other publicly listed entities

- Atlas Arteria Limited
- Ocean Wilsons Holdings Limited
- ibex Limited

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 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 other publicly listed entities

- Non-Executive Chair of Time Out

Stewart Porter Independent Non-Executive Director (retired in November 2023)

As mentioned in the Composition of the Board section, Stewart Porter retired from his position as Independent Non-Executive Director ahead of the November 2023 AGM. The Board thanks Stewart for his dedication to the Company over the past five years.

Governance / Corporate governance statement

Focus in 2023

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

Board actions in 2023

Engaged

Engaged with shareholders on the performance of the underlying investments and capital allocation

Negotiated

Negotiated a new credit facility for the Company and the liquidation of Fund I

Evaluated

Evaluated the roles, membership and terms of reference of each of the committees

Evaluated

Evaluated the performance of Oakley and other service providers

Evaluated

Evaluated the independence and credentials of KPMG and alternate external audit firms

Recommended

Supported the Nominations Committee recommendation to reappoint four of the Directors

Approved

Approved the Dividend Declarations of 2.25p each

Approved

Approved a commitment of $100m into Oakley's Touring Venture Fund

Approved

Approved a commitment of €190m into Oakley's Origin II Fund

Monitored

Monitored the performance of Oakley and the underlying investments

Recommended

Recommended to the shareholders as part of the AGM to vote for the Company to continue as constituted

Negotiated

Negotiated the restructuring of its loan and indirect investment in Time Out to be a fully direct shareholding

Negotiated

Negotiated the debt-to-equity transaction in North Sails, reducing the Company's credit exposure

Corporate governance statement
Introduction from the Chair

The Board is committed to providing leadership and strategic direction of the highest standard of corporate governance and accountability to shareholders.

Caroline Foulger Independent Chair

Dear Shareholder

On behalf of the Directors, I am pleased to report on the performance of the Company for the year ended on 31 December 2023, as well as to provide an overview of the Company's corporate governance during this period.

In this section, we report on the Company's compliance with the AIC Code of Corporate Governance (the 'AIC Code') and sets out how we, the Board, have 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 we have reported in the Stakeholder reporting section.

We, the Board of Directors, meet regularly at our offices in Bermuda and are 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 our key stakeholders, we aim to continue to deliver long-term sustainable value for the Company's shareholders.

Director independence

Stewart Porter retired from his role as Independent Non-Executive Director in November 2023. In accordance with the FCA Listing Rules and considering the AIC Code, which the Board has chosen to voluntarily comply with, the Board has reviewed the status of its individual Directors and the Board as a whole and has determined all Directors continue to be considered independent except for Peter Dubens and his alternate, David Till. During the period, discussions were held with a potential independent non-executive director candidate for the Board in 2023. Although these discussions did not come to fruition, the Board is committed to revisiting this process in 2024.

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 serve as directors within businesses outside of the Company and Oakley. These appointments, which are detailed in the Board of Directors section, are subject to regular review to ensure any conflicts of interest are handled appropriately. Having due regard to their obligations to the Company, the Directors have concluded that the Board continues to have an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and sound governance.

It is noted that Caroline Foulger and Fiona Beck each hold overlapping external directorships for another publicly listed entity, Ocean Wilsons Holdings Limited. Having considered the activities of Ocean Wilsons Holdings Limited, the Board has assessed these overlapping external directorship, and concluded that neither these directorships nor any other external directorships held by the Directors, present a conflict or otherwise create an issue for the Company or its shareholders.

Economic substance

To ensure proper delivery of the economic substance declaration, the Board commissioned a tax policy to provide guidance on economic substances matters and guidance on Board meeting attendance when travelling outside of Bermuda.

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

> **Through strong governance and active ongoing engagement with our stakeholders, we aim to continue to deliver long-term sustainable value for the Company's shareholders.**
>
> **Caroline Foulger** Independent Chair

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 confirm any existing conflicts of interest and disclose any new potential 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.

In particular, the independent members of the Board are responsible for making decisions about investments 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.

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 in place an Administration Agreement and an Investment Advisory and Operational Services 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.

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

After five years of service as an Independent Director, Stewart Porter retired from the Board following the AGM held in November 2023. Recognising the value of refreshing its membership regularly, the Board has established fixed tenure for each of the three remaining Independent Directors, including the Chair, 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. The Board has implemented a Board Succession Policy, which reflects this sentiment and guides the Nomination Committee in recommending potential director candidates. 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 Oakley 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 conflicts would preclude a Board member from attending.

The Board annually assesses each committee's performance against its terms of reference and obtains 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 2023, the Company's ongoing charges were calculated as 2.82% (2022: 2.66%) 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 that relate to the investment company as a collective fund 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 Company has taken a proactive approach in engaging the AIC and the Treasury to ensure that any cost disclosure regime that might apply to listed investment companies is fit for purpose; allowing retail investors to: (a) compare "like-for-like" products; (b) easily interpret and use such comparison; and (c) clearly understand which are the "like-for-like" products that are helpful to compare (versus those that are not helpful to compare against). We look forward to hearing the outcome of the further deliberations on this subject.

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. The AIC Code addresses the Principles and Provisions set out in the 2019 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 how it has complied with the Principles and Provisions of the AIC Code throughout the year ending 31 December 2023.

Corporate governance principles

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 manages the Company's cash position to enable existing commitments to Oakley Funds and share buy-backs when appropriate.

The Company aim is to provide consistent long-term returns in excess of the FTSE, and its investment policy is included as part of this Annual Report. To ensure there is continuous enhancement 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 align with its culture. 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 funds and direct investments managed and/or advised by the Oakley group, 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 influences its service providers through effective challenge and regular and robust review of performance.

OCI keenly focuses on overseeing its Investment Adviser and Operational Services provider, and as part of this, due consideration is given to alignment between the Company's purpose, values, strategy and culture with that of Oakley.

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 the resources available to the Board, and the controls that it oversees, are monitored regularly at Board meetings, and form a key element of the Board's annual effectiveness assessment. The Directors' report outlines the activities of the Board in more detail. Please refer to the various Committee reports for the respective purposes and activities of each 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 and make improvements for observed opportunities or inefficiencies, while 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 section.

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

The Board remains committed to transparent reporting in all communications including in Annual and Half-yearly Reports and Accounts via the Company website, through quarterly trading updates, and by means of annual shareholder meetings and Capital Markets Days. The Company has an Investor Relations programme with outreach to existing and potential shareholders, which includes regular quarterly feedback on the Company's investor relations activities.

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

Three of four Directors are considered independent (Caroline Foulger, Richard Lightowler and Fiona Beck).

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 is not considered independent. The independent members of the Board consider the membership of Peter Dubens, and his alternate, David Till, to be a valuable component of the Board's effectiveness. 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 dominates conversations that result in key decisions being taken by the Board.

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

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 board and chair positions (for both public and private companies) 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. Adhoc meetings are 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 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 the Company has its registered address at the Carey Olsen offices.

The Governance, Regulatory and Compliance Committee oversees the review of all policies and procedures, which is performed at least annually and updated where appropriate.

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

The Risk Committee commissioned an independent assessment of the Company's risk register during the year, which validated the scope of risk considered and the robustness of existing arrangements.

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 Director selection and effective succession planning.

During 2023, Stewart Porter retired from the Board. While discussions were held with a potential successor, these did not come to fruition. The search for a new director will continue in earnest in 2024.

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 and 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.

All Directors were re-elected to the Board during the November 2023 Annual General Meeting, with the exception of Stewart Porter, who retired from his position. Due to the long-term nature of the Company's investments in the Oakley Funds, director 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 annually.

The objective of Board diversity, inclusion and collaboration is considered during the Board nomination and evaluation process, and feeds into the annual diversity disclosure within this report.

Principle M

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

Company position and update

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

The Company rigorously follows policy and procedure to ensure independence and effectiveness of external audit and integrity of the Financial Statements and narrative reporting. During 2023, the non-audit services policy was reviewed by the Company. Refer to the Audit Committee report.

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. This includes assessment and monitoring of emerging and principal risks relevant to the business model of the Company. The Annual and Half-yearly Reports published in 2023 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 at least annually to the Board the level of risk tolerances, balancing risk and opportunity. Quarterly risk monitoring clearly distinguishes where the Board can set tolerances and control risk, or where it can monitor for early warning signals to trigger engagement with service providers or other external parties 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.

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

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 (no fees), 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 2023, all Directors that have reached the three-year threshold 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 September 2023 and maintained at the levels set during 2022. 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. The Company has in place a Remuneration Committee, which is responsible for the remuneration of the Board, while ensuring that no Director determines their own remuneration.

Audit Committee report

The underlying business performance of the Oakley Funds' portfolio companies and direct investments is a key focus for both the Committee and OCI's Auditor.

Richard Lightowler Chair of the Audit Committee

Other Audit Committee members:
Fiona Beck Committee member
Caroline Foulger Committee member

Achievements in 2023

- Robust review of valuation approach and assumptions in light of volatile macro-economic conditions. Conclusion that investments continue to be fairly valued through external training, developed competencies in ESG reporting, including the Task Force on Climate-related Disclosures
- Assessed independence and quality of external auditors
- Appointment of new third-party independent valuation provider and consideration of results and quality of work performed
- Reviewed the non-audit services policy

Objectives for 2024

- 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
- Consider independence and quality of alternate external audit firms; additionally, consider timing and appropriateness of tender process

Audit Committee role

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 six times during 2023. 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 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 Valuation Committee at the Investment Adviser; and
- results of the independent audit, including detailed discussions with the audit team.

The continued conflict between Russia and Ukraine throughout 2023, combined with increasing tensions and conflict in the Middle East continue to drive a prolonged period of economic and geopolitical uncertainty, with stubborn levels of inflation and high interest rates impacting many businesses. The Committee remains focused on how these impacts have 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, the impact of interest rates on valuation multiples, the quality, and relevance of comparables use, general market activity, and the availability of credit and its impact on fund credit facilities and therefore the Company's cash flow and liquidity.

During the year, OCI's direct debt investments with North Sails were converted into preferred equity. In its consideration of the fair value, for this restructuring of the Committee:

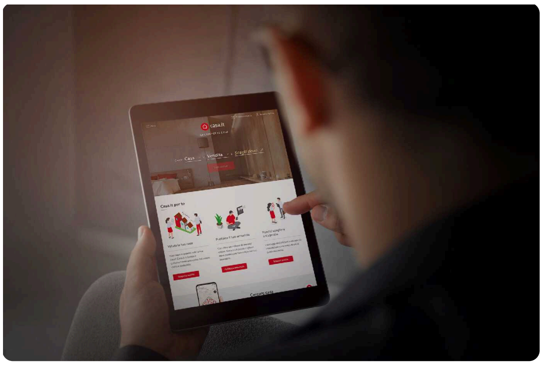
- obtained and reviewed detailed valuation documents provided by the Investment Adviser, which includes trading performance of counterparties, out-turn and return analysis for OCI following the debt-to-equity conversion, and fair value estimates;
- commissioned an independent, third-party valuation adviser to produce an independent valuation for the preferred equity investment with North Sails; and
- considered the results of the work of the independent Auditor.

As part of the liquidation of Fund I, OCI's direct debt investment with Fund I was settled via the transfer of shares in Time Out, and its holding in Fund I was repaid by a distribution in specie of Time Out shares. This resulted in the Company's ownership in Time Out now being direct rather than indirect. In its consideration of the fair value, the Committee:

- obtained and reviewed the Investment Adviser's assessment of the volume and level of activity of the Time Out shares and the appropriateness of the fair value to be measured at the quoted market price on the measurement date; and
- considered whether a discount of the quoted value of Time Out shares in the settlement was appropriate, ultimately concluding that it was not.

The Audit Committee concluded that the valuation process was effective in providing fair value estimates for both the fund and direct 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 that are performed at year-end only, the valuation process is also consistent with the quarterly processes.



The Committee remains focused on how macro-economic factors have been addressed in the assumptions and methods used in the valuations.

Richard Lightowler Chair of the Audit Committee

Financial reporting internal controls

Financial reporting and administration functions of the Company are mostly 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.

During the year, the Audit Committee reviewed and approved the publication of the quarterly NAV, the Half-yearly Report and Accounts 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. The Audit Committee meets with the external Auditor in person at least twice a year.

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

> **The 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.**
>
> **Richard Lightowler** Chair of the Audit Committee

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 2023. At the AGM in November 2023, the Board resolved to reappoint KPMG as the Company's Auditor.

It was confirmed that KPMG was engaged to complete an audit of the Company's Financial Statements for the year ended 31 December 2023.

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, in accordance with the Company's non-audit services policy.

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

- ESG training 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.

Consideration of independence and credentials of alternate external audit firms

The Company aims to apply the highest standards of corporate governance. Whilst the Committee is satisfied with the quality, performance and independence of KPMG, the Committee undertook a process to determine the independence and credentials of other audit firms in consideration of a future tender process. For potential firms that are not currently independent, the Committee considered the steps and timelines that would be needed to be taken by the Company, Oakley, or the audit firms to become independent to allow for and orderly and robust tender process in the future. The Committee will continue to monitor progress in this regard.

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 did not receive any whistle-blowing reports during 2023.

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

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

Fiona Beck Chair of the Risk Committee

Other Risk Committee members:
Richard Lightowler Committee member and Chair of the Risk Committee from 2024

Achievements in 2023

- Active monitoring of liquidity and commitments
- Built on reporting of macro-economic impacts on our portfolios at a more granular level
- 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
- Implementation of a firm-wide governance, risk and compliance software for comprehensive tracking of risks and controls
- third-party review of risk registers and risk management processes, resulting in updated risk controls and risk indicators in accordance with risk management best practices.

Objectives for 2024

- Adoption of third party recommendations to strengthen the risk management framework
- Ensure the risk incident report remains clear of any material risk events for the year
- Continue enhancing the liquidity, performance and direct investments risk management by reviewing the key risk indicators and thresholds.

Risk Committee role

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.

Risk Committee activity

The Risk Committee was active in 2023 against a backdrop of ongoing challenging macro-economic conditions and continued geopolitical 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 continue to show the Company operating within established liquidity risk tolerances. The newly established credit facility provides further headroom in the form of a £175 million committed facility with an option to increase the facility by £50 million. In the context of geopolitical risk, direct exposure to the continued Russia/Ukraine conflict and more recent conflict in the Middle East has been minimal.

During the year, the Committee worked with the Oakley risk team to review the risk registers and risk reporting to the Board with the benefit of external specialist input, including analysis of the Company's risk appetite statements, further enhancements to dashboard reporting and regular quarterly reporting on both existing and emerging risks.

The risk and compliance teams collaborated with an independent third party throughout the year to review risks and controls, enhancing the risk framework by updating internal risk indicators' measurement and thresholds.

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

2024 focus

Looking ahead to 2024, 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 geopolitical environment. An important part of this is being mindful of, and proactive with, emerging risks. Particular areas of focus for 2024 are expected to be:

- Continued focus on cash flow management and liquidity risk
- Monitoring emerging risks and uncertainties with the objective of reducing their likelihood and impact
- Remain at the forefront of regulatory best practices.

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.

In the Strategic report, you can view the principal risks and uncertainties faced by the Company. 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 was active in 2023 against a backdrop of ongoing challenging macro-economic conditions and continued geopolitical risk.

Fiona Beck Chair of the Risk Committee

Management Engagement Committee report

The Management Engagement Committee reviewed the performance and compliance with agreements with Oakley in 2023 and ensured that the provided feedback was acted upon.

Caroline Foulger Chair of the Management Engagement Committee

Other Management Engagement Committee members:
Richard Lightowler Committee member

Achievements in 2023

- Thorough review of Oakley's service delivery against clearly defined KPIs and feedback provided in previous years
- Enhanced fee transparency and budgeting with Oakley
- High-level consideration of services from other key providers.

Objectives for 2024

- Continue to closely monitor the operational and administration services provided by Oakley in line with KPIs and contractual terms
- Consider a rotation of other services providers.

Management Engagement Committee role

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

The Committee is focused on the quality and value of the services provided throughout the year. It monitors this by assessing performance throughout the year, supported by targeted assessments of controls, reporting and maintaining strong interactions with service providers.

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

The Management Engagement Committee met two times during the year and is scheduled to meet three times during 2024. The Committee formally reports to the Board on its proceedings.

Investment Adviser, Operational Service Provider and Administrator

The Management Engagement Committee key focus continues to be the provision of services and performance by Oakley and alignment with the Investment Advisory and operational services and Administration Agreements in place with this key service provider. Other service providers were considered for review during the year and it was assessed that no further specific reviews would be performed in 2023 as they continue to be less material in nature, being reviewed on rotation and, importantly, no issues or exception reporting was identified during the year.

Factors assessed by the Committee during the year include:

- quality of financial reporting;
- the quality and effectiveness of internal controls (as observed in Audit Committee report and the Directors' report);
- the continued performance of Oakley in line with contractual arrangements and key performance indicators along with the holistic performance throughout the year;
- the depth and quality of reporting provided by the Oakley risk and compliance teams throughout the year to other committees of the Company;
- ongoing support provided by the Oakley investor relations team and, in particular, ongoing engagement with shareholders; and
- continued evolution of ESG and diversity activities.

In reviewing the performance of Oakley, the Committee's reviews have concluded that Oakley continues to meet its obligations under the Investment Advisory and Operational Services Agreement and the Administration Agreement and the key performance indicators. Further, Oakley has increased the amount of resource in place to deliver the services set out under these agreements, enhanced its enterprise and fund risk oversight, monitoring and reporting frameworks, providing the Company with greater insight and comfort that its regulatory obligations continue to be met. The Committee's 2023 review notes that Oakley has worked to address the findings from the 2022 review. Various minor enhancement opportunities were identified, which have been accepted by Oakley. The Committee was particular to point out that prioritising progress on the direct investments is a key objective for OCI in 2024.

The Committee unanimously recommended to the Board that the engagement with Oakley be continued and commended them on their performance and delivery during the year.

Other key service providers

While the selection and instruction of key third-party service providers continues to remain the purview of the Board, in most instances, the day-to-day relationships with other key service providers are managed by employees of Oakley on behalf of the Company. Throughout the year, members of both the Committee and wider Board regularly discussed the performance of its legal, financial advisory, brokerage, corporate secretarial and administration service providers.

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 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 in relation to the underlying investments.

On behalf of the Board.

Caroline Foulger
Chair of the Management Engagement Committee

The Committee promotes the importance of leading by example on and encouraging inclusion, equity and diversity.

Caroline Foulger Chair of the Management Engagement Committee

Nomination Committee report

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

Caroline Foulger Chair of the Nomination Committee

Other Nomination Committee members:
Richard Lightowler Committee member

Achievements in 2023

- Recommended and sought the reappointment of four Directors of the Board
- Managed the retirement of Independent Non-Executive Director, Stewart Porter
- Obtained shareholder support in all resolutions at the AGM
- Review and assessment of Board performance and effectiveness during the year
- Oversaw the preparation and implementation of the Board Succession Policy.

Objectives for 2024

- Recommend the appointment of a new Non-Executive Director
- Obtain shareholder support in all proposed re-elections at the AGM
- Continue to enhance Board effectiveness.

Nomination Committee role

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; and
- conducting interviews both individually and inclusive of the Board as a whole.

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

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

The Company does not have a formal policy of tenure in place but assesses each Director's role on an individual basis based on their performance, as the AIC Code considers Independent Non-Executive Directors to cease being independent after a period of nine years, the Committee specifically considers independence where relevant. In its review of the effectiveness of the Board, the Committee monitors Board and committee meeting attendance.

During the course of 2023, the Committee accepted the retirement of Stewart Porter as Non-Executive Director. The Committee will shortly be commencing the process to appoint a new Independent Non-Executive Director, being mindful of the existing Directors' skills and experience and also Listing Rules targets on Board diversity.

Board effectiveness

At the end of 2023, the Nomination Committee conducted an Effectiveness Review of the Board, the results of which demonstrate a strong overall performance, and an effective Board. In the 2022 iteration of 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 are 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.

At the end of 2023, to more evenly distribute roles across the Directors, the Nomination Committee recommended, and the Board approved, the following appointments:

- Fiona Beck as Chair of the Governance, Regulatory and Compliance Committee, in place of Stewart Porter;
- Caroline Foulger was also added as a member of the Governance, Regulatory and Compliance Committee; and
- Richard Lightowler as Chair of the Risk Committee.

The Committee welcomes the development of the Listing Rules regarding the composition of the Board of Directors and requisite disclosures, which came into effect from 31 December 2023. Accordingly, the Company has set out a summary of its performance against the Board composition targets and succession planning in the Corporate governance principles section.

Board attendance

Attendance at all Board and committee meetings throughout 2023 by Directors is as shown in the table below. Attendance of committee meetings is shown only where Directors are members of that committee.

Director	Board meetings (10)	Audit Committee (6)	Governance, Regulatory and Compliance Committee (3)	Management Engagement Committee (2)	Nomination Committee (3)	Risk Committee (2)	Remuneration Committee (1)
Caroline Foulger	10	6		2	3		1
Fiona Beck	9	5	3			2	
Peter Dubens (or David Till as alternate)	9						
Richard Lightowler	10	6		2	3	2	1
Stewart Porter (retired in November 2023)	9		3				

Bermuda economic substance regulations require the attendance of Board members to be in Bermuda when certain matters are under discussion. If at times this is not possible, individual directors may not be included in the total.

Board diversity

The Company welcomes the new Listing Rules targets and transparency requirements on board diversity. The targets and the Company's response as at 31 December 2023 are set out below, with the data being collected from the Directors as part of voluntary and open discussions and in compliance with applicable data protection regulation. It is noted that, as Stewart Porter retired from the Board prior to 31 December 2023, he is not included within the metrics set out within the tables below.

Target	Met	Response
At least 40% of the board are women	Yes	50% of the Company's Directors are female
At least one of the senior board positions is a woman Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)	Yes	Caroline Foulger joined the Company as a Director in 2016 and was appointed Chair in 2018
At least one member of the board is from a minority ethnic background	No	Although the Company has not met this target it recognises and understands the importance of ethnic diversity within boards and is actively applying a diversity lens to its Board composition analysis in conjunction with its skill sets assessment and that any new appointments will be made in the best interests of the Company and shareholders.

Reporting table on sex/gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management
Women	2	50%	1	N/A	
Men	2	50%	0		
Not specified/prefer not to say	-	-	-		

*OCI does not have its own Executive Management. All executive functions are outsourced to Oakley under the supervision of the Board.

Reporting table on ethnicity representation

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-White groups)	4	100%	1	N/A	
Mixed/Multiple ethnic groups	-	-	-		
Asian/Asian British	-	-	-		
Black/African/Caribbean/Black British	-	-	-		
Other ethnic group, including Arab	-	-	-		
Not specified/prefer not to say	-	-	-		

The Board is now comprised of 50% female members (including the Chair of the Board). The Committee understands and recognises the importance of ethnic diversity within its Board of Directors, and is actively incorporating consideration of this into its succession planning approach. The Board is overseeing the creation of a Board Diversity Policy, to ensure a diversity lens is applied when considering its composition once the right skill sets have been accounted for.

Independence

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

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 Directors, excluding Stewart Porter, who retired in advance of the 2023 AGM, be put forward for re-election at the 2023 AGM.

In light of Stewart Porter's retirement, the Nomination Committee discussed the potential appointment of a new Independent Non-Executive Director candidate during the course of 2023, and although these discussions did not come to fruition, the Nomination Committee is committed to revisiting this process in 2024.

On behalf of the Board.

Caroline Foulger
Chair of the Nomination Committee

The Board will be considering diversity as one of several lenses when making a new appointment in 2024 and seeks to get a unanimous vote on the appointment of the proposed candidate.

Caroline Foulger Chair of the Nomination Committee

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.

Fiona Beck Chair of the Governance, Regulatory and Compliance Committee

Other Governance, Regulatory and Compliance Committee members:
Caroline Foulger Committee member

Achievements in 2023

- Collaboration with Oakley Capital on IT and cybersecurity assessments and resiliency
- Ongoing screening of direct shareholder across the UK, US and EU sanctions and watch lists
- Detailed monitoring of ongoing obligations and Director responsibilities
- Streamlining the Company's policies and procedure documents
- Appointment of Fiona Beck as Chair of the Committee
- Assessment of the Pillar 2 Global Minimum Tax rules on OCI's corporate income tax, which was concluded to have no impact on OCI.

Objectives for 2024

- Readiness for the Bermuda Personal Information Protection Act (PIPA)
- Ensuring the Board effectively oversees and implements changes in regulation, governance and compliance requirements.

Governance, Regulatory and Compliance Committee role

Ensures continued improvement to governance practices, and compliant conduct of the Company's business.

The principal duties of the Governance, Regulatory and Compliance Committee are to evaluate, monitor and thereby ensure the Company's ongoing compliance with the relevant codes, including the AIC Code best practice, applicable laws and regulations and general compliance with and maintenance of the Company's policies.

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

Governance

The Committee continues to consider and track the Company's alignment with the 42 provisions and 18 principles of the AIC Code (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.

Regulatory and compliance

The ongoing conflict between Russia and Ukraine and, more recently, the increased tensions and conflict in the Middle East continue to present a heightened sanctions risk to companies across a variety of sectors.

Building on enhanced screening completed by the Oakley compliance team and other relevant service providers, the Committee continues to oversee the robustness of initial and ongoing due diligence performed on investors in the Oakley Funds, the underlying portfolio investments and the Company's direct shareholder against global sanction lists. The Company can confirm that it has no direct operational or financial exposure to Russia, Ukraine, Israel or Palestine.

The Committee also monitors compliance with relevant London Stock Exchange regulations and Bermuda legal obligations and that Directors strictly adhere to the Company's Share Dealing Code.

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.

Fiona Beck Chair of the Governance, Regulatory and Compliance 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. As in previous years, the Committee received presentations from external tax advisers and the Investment Adviser on the tax environment, tax compliance and overall approach.

The Committee has also commissioned a Company tax policy to guide the Company on economic substances matters, and to provide guidance to the Directors on Board meeting attendance when travelling outside of Bermuda.

Fiona Beck
Chair of the Governance, Regulatory and Compliance Committee

Remuneration Committee report

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

Richard Lightowler Chair of the Remuneration Committee

Other Remuneration Committee members:
Caroline Foulger Committee member

Achievements in 2023

- Considered Director remuneration and agreed to maintain remuneration at 2022 levels.

Objectives for 2024

- 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 role

Provides for unbiased, fair and appropriate Director remuneration.

The Remuneration Committee is tasked with reviewing and determining, on an annual basis, the level of fees payable to the Company's Directors, with a view to ensuring the appropriate remuneration of the Board, while ensuring no Director determines their own remuneration.

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

Remuneration Committee activity

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.

The Committee recommended to the Board that Director remuneration rates remain the same as agreed in 2022.

The Company's cyclical meetings continue to be held quarterly, with meetings held over two days following preparatory pre-meetings with respective Directors. Additional meetings are held ahead of the release of quarterly valuations and the number of ad hoc meetings and meetings with the Manager have remained at the same cadence as in 2022. The Committee agreed to recommend to the Board that the fee rate should not increase from the fees agreed in 2022, and to continue to monitor to ensure compensation remains competitive.

Having considered the comprehensive review undertaken by the Committee in 2022, and taking into account the current market trends, it was recommended to the Board, and was approved that:

- Director remuneration would continue to be paid on a fixed fee basis with no increases to the rates attributed to each role agreed in the previous year;
- additional fees will continue to be paid to the Board Chair and Audit Committee Chair in recognition of the additional time commitment and responsibilities of those two roles; and
- in line with previous years, no fees will be paid to Directors who also hold executive management roles with Oakley Capital.

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

On behalf of the Board.

Richard Lightowler
Chair of the Remuneration Committee

Remuneration report

The annual fees for Non-Executive Directors who served in the period from 1 January 2023 to 31 December 2023 were reviewed in September 2023. Directors are remunerated in the form of fixed fees payable to the Director personally in US dollars, as the currency of the Company's Bermuda residence. An additional fee is paid to the Chair of the Board and to the Audit Committee Chair (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 2023 was £528,000 (2022: £473,000)[1] .

Note, Peter Dubens and his alternate, David Till, are each Directors of Oakley Capital and serve without a fee. Additionally, 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 a policy whereby each Director is required to buy and hold sufficient 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 13 March 2024.

Director	Number of shares as of 13 March 2024	Number of shares as of 8 March 2023
Caroline Foulger	164,380	142,000
Peter Dubens	19,616,360	18,242,581
Richard Lightowler	167,200	167,200
Fiona Beck	50,000	40,000
Stewart Porter (retired in November 2023)	56,793	56,793

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 whether or not to invest in Oakley Funds, in line with its investment policy.

Typically, the Company's decisions are made after reviewing the recommendations provided by the Investment Adviser, and after consulting with legal and other advisers where appropriate.

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', 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 builds cost efficiencies and synergies that help the Company's performance and overarching objectives. The Management Engagement Committee formally reviews the performance of the Oakley Funds at least annually.

Share issuance and buy-backs

No ordinary shares were issued or repurchased during 2023, and no such issuances are currently expected. The Company has completed £57 million of share buy-backs in aggregate over the past three years. The Company has in place authorisation to buy back shares 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 the Company and its shareholders as a whole.

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 2023:

Shareholder	% voting rights 31 December 2023
Oakley Capital Investments Limited Directors and Company Related Holdings	11.97%
Asset Value Investors	9.60%
Hargreaves Lansdown	7.02%
Lombard Odier Investment Management	5.72%
City of London Investment Management	5.59%
Jon Wood & Family	4.54%
Hawksmoor Investment Management	4.44%
Interactive Investor	4.20%
Fidelity International	3.46%
Lazard Asset Management	3.23%

Share capital and voting rights

As at the date of this report, the Company holds no ordinary shares in treasury, therefore the number of ordinary shares in issue is:

176,418,438

Dividend

Full year 2022 + interim 2023

4.5p

Dividend policy and distributions

The Board has adopted a dividend policy that considers the forecast profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves. Compared with the volatile market, OCI'S NAV remained stable during 2023 as a result of the portfolio companies' resilient performance given their high-growth and tech-enabled nature, and therefore announced that it would keep each of the 2023 semi-annual dividends at the same rate as had been paid in recent years.

The Company declared a full-year dividend of 2.25 pence per share in respect of the year ended 31 December 2022, which was paid on 21 April 2023 and an interim dividend of 2.25 pence per share was paid in respect of the six months to 30 June 2023, on 20 October 2023.

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.

For the year ended 31 December 2023, ongoing charges were calculated as 2.82% (2022: 2.66%) 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, which are currently under review. They comprise recurring costs, including operating expenses that relate to OCI as a collective fund, and OCI's share of the management fees paid by the underlying Oakley Funds. The calculation specifically excludes expenses, gains and losses relating to the acquisition or disposal of investments, performance-related fees and financing charges.

Stewardship and delegation of responsibilities

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 is responsible for furnishing the Company with regular feedback on its activities, which allows the Board to track developments within the portfolio.

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 Company exercises its own voting rights in relation to Time Out.

Annual General Meeting (AGM)

An AGM was held on 28 November 2023, with the results published by RNS on the same day.

In compliance with the bye-laws of the Company, the AGM for 2024 will be conducted within 15 months of 28 November 2023, unless a longer period would not infringe the rules and regulations of the London Stock Exchange. Details of the next AGM will be published separately to this report.

Capital Markets Day

The Board holds an annual Capital Markets Day typically 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. Key topics discussed during the 2023 Capital Markets Day include:

- An overview of the latest OCI performance, including an update on recent market trends (fundraising, deal activity, valuations)
- A summary of each of Oakley's key focus sectors, their respective market backdrops and relevant strategic initiatives
- An update on performance and current trading of the individual underlying portfolio companies
- Management presentations from IU Group, Phenna and Vice Golf
- Responsible investment – the journey so far and our focused ESG programme
- Panel discussion with Oakley and the Directors 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.

Caroline Foulger Chair

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.

Compensation for loss of office

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

Financial prospects and position

In compliance with Provision 36 of the AIC Code, 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 that 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 extended the multi-currency revolving credit facility for a further two years and increased commitments from lenders to £175 million, thereby increasing OCI's flexibility and liquidity
- Foreign exchange risk hedging: The Company has not to date hedged its foreign exchange exposure due to the unpredictable timing and quantum of private equity fund capital calls and distributions
- Cash management: 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 implements share buy-backs for cancellation as part of its overall capital allocation and liquidity considerations.

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.

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 and as legal advisers to the Company as regards to Bermudian law
- Travers Smith as legal advisers to the Company as regards UK listed matters
- Fried Frank as legal advisers to the Company as regards banking and finance and funds matters
- KPMG Audit Limited as appointed Auditor to the Company
- Deutsche Numis Ltd replaced Liberum Capital Limited as broker and financial advisor (as of February 2024).

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

The Board of Directors has evaluated subsequent events from the year end through to 13 March 2024, which is the date the annual consolidated financial statements were available for issue. The following event has been identified for disclosure:

Dividends – on 12 March 2024, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2023. This is due to be paid on 26 April 2024 to shareholders registered on or before 22 March 2024. The ex-dividend date is 14 March 2024.

On behalf of the Board.

Caroline Foulger Chair
13 March 2024

Investment policy

In addition to direct investments, the Company invests in the Oakley Funds. The Funds typically invest in high-growth European businesses, across four complementary sectors: Technology, Consumer, Education, and Business Services.

Technology →

As business migrates to the cloud, we invest in companies looking to offer efficiency and productivity gains through digitisation.

Consumer →

As consumers continue the shift to online and migration to the cloud, several regions and sectors are ripe for digital disruption.

Education →

As global demand for high-quality accessible learning increases, online platforms and market consolidation are delivering provision at scale.

Business Services →

As the data-driven economy becomes more complex, businesses need mission-critical, tech-enabled services to succeed.

Oakley Capital Investments ('OCI' – the Company)

The Company provides its shareholders with access to private equity investments by investing primarily in Oakley Funds, including more recently, Oakley Capital Origin Fund II, Oakley Touring Venture Fund and Oakley PROfounders Fund III. Over more than 20 years, Oakley has built a strong track record investing in four core sectors: Technology, Consumer, Education and Business Services.

Cash held by the Company that is not immediately called upon by the Oakley Funds are 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 Board has currently determined that its current strategy is not to participate in new direct investment opportunities.

Reinvestment

On any realisation of investments, the Company may reinvest funds not required to meet existing Fund commitments in any of the following ways:

- by way of commitment to a future 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. However, the Oakley family of funds now includes Oakley Capital Origin Fund II and the Oakley Touring Venture Fund ('Touring'), to which the Company made commitments of €190 million and US $100 million respectively in 2023.

Touring focuses on opportunities in proven next generation software businesses for the modern worker, powered by generative AI, complementing Oakley's other Funds, which continue to invest in Technology, Consumer, Education and Business Services, and reflects Oakley's view of the exciting growth possibilities achievable within the AI tech sector.

> **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 these present fairly, in all material respects, the state of affairs of the Company and of the profit or loss of the Company for the year.

In preparing 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 https://www.oakleycapitalinvestments.com/investor-centre/results-and-reports/.

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 that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company; and

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

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

Responsibility statement of the Directors in respect of the Annual Report

Each of the Directors, whose names and functions are listed in the Board of Directors section of this report, confirms that, to the best of 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 are fair, balanced and understandable.

Affirmed independently and collectively by:

Caroline Foulger
Richard Lightowler
Fiona Beck
Peter Dubens

Alternative Investment Fund Manager's Directive

The Alternative Investment Fund Manager's 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

See our Investment policy section for details.

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 a 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 14 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 2023 was £528,000 (2022: £473,000). Director remuneration is paid in USD and is 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 one change to the Board directorship during the year, as described in the Composition of the Board section.

Consolidated Financial Statements

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

In this section

Independent Auditor's Report

Report on the audit of the consolidated financial statements, to the Shareholders and Board of Directors of Oakley Capital Investments Limited.

Opinion

We have audited the consolidated financial statements of Oakley Capital Investments Limited and its subsidiary ("the Company"), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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.

See next page for Key audit matters →

Valuation of unquoted fund investments

The key audit matter

As discussed in Notes 6 and 8 to the consolidated financial statements, the Company holds investments in unquoted fund investments (the "Funds") managed by Oakley Capital Limited (the "Investment Adviser"). The Funds are unquoted equity securities.

Unquoted fund investments are the largest asset class in the financial statements representing 65% (2022: 75%) of the Company's net assets of £1.2 billion (2022: £1.17 billion). The unquoted fund investments are carried at their estimated fair values in accordance with 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 the Investment Adviser.

The fair values of these portfolio companies are principally based upon the market approach, which estimates the enterprise value of portfolio companies using an average of comparable multiples of revenues or EBITDA, information from recent comparable transactions or the underlying net asset value.

The risk

The significance of the unquoted fund investments to the Company's consolidated financial statements, combined with the judgment required in estimating their fair values, means this was an area of focus during our audit.

How the matter was addressed in our audit

In responding to the key audit matter, we performed the following audit procedures:

We obtained management's schedule of investments comprising the fair values of the Company's investments in the Funds and performed the following procedures:

- Compared the net asset value to the audited financial statements of the Funds as at 31 December 2023.
- Inspected the components of the Funds' net assets to ascertain whether 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.
- Monitored any events that emerged in the post balance sheet period (up to the date of approval of the Company's consolidated financial statements) that would have a potential impact on the value of the Funds held at year end.

Through our involvement in the audits of the Funds, we selected all unquoted equity investments held indirectly through the Company's investments in the Funds and performed the following audit procedures:

- Examined the minutes of the Valuations Committee meetings of the Investment Adviser held during the year to understand and confirm the committee's oversight and challenge of the investment valuations process.
- Obtained the Investment Adviser's models and the independent external valuation report used for valuing the unquoted equity investments.
- Conducted procedures to confirm the appropriateness of the qualifications, independence and expertise of the valuation specialists engaged by the Investment Adviser.
- Conducted a walkthrough of the investment valuation process and assessed the design and implementation of valuation related processes and controls in place at the Investment Adviser.
- Tested the mathematical accuracy of the valuation models and scrutinized the allocation of value based on the portfolio company's capital structure.
- Engaged KPMG valuation specialists to corroborate and challenge key assumptions and judgments within management's valuation models, specifically focusing on:
  - Scrutinizing the composition and completeness of the basket of comparable companies derived by the Investment Adviser.
  - Assessing the reasonableness of the transaction multiples employed in the valuations. This evaluation sought to confirm whether the chosen multiples were justified and whether they represented an appropriate average of comparable quoted companies in the market.
- Engaged KPMG valuation specialists to challenge the Investment Adviser's methodologies followed in determining the fair value of unquoted equity investments to ensure compliance with IPEV valuation guidelines and IFRS 13.
- Agreed the data input in the valuation models to supporting information received from portfolio companies and that provided by the Investment Adviser to confirm accuracy. The testing encompassed both historic and forecast performance data. For historical performance data, we verified the data against relevant portfolio company financial statements, ensuring consistency and reliability. For forecast performance data, we conducted retrospective testing to confirm the reliability of forecast performance data utilized in previous valuation models. In cases where adjustments were made to normalize earnings, we tested these adjustments, where material, confirming that they were appropriate.
- 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.
- Monitored any events that emerged in the post balance sheet period (up to the date of approval of each Fund's financial statements) that would have a potential impact on the value of the unquoted equity investments held at year end.

Valuation of the unquoted preferred equity instruments

The key audit matter

As discussed in Notes 6 and 8 to the consolidated financial statements, the Company holds investments in unquoted preferred equity instruments. We recognized that the valuation of these unquoted preferred equity instruments poses a risk of material misstatement, both in terms of potential error and the risk of fraud.

The Company's principal objective is to deliver long term returns to its shareholders, and it pursues this goal by investing in unquoted preferred equity instruments through direct equity holdings managed by the Investment Adviser.

The investments in unquoted preferred equity instruments are carried at estimated fair value in accordance with International Private Equity and Venture Capital Association ("IPEV") valuation guidelines and IFRS 13.

The risk

The valuations of unquoted preferred equity instruments involves subjectivity and estimation uncertainty. The valuations process relies on a market-based valuation approach, whereby multiples derived from comparable quoted companies and market transactions are applied to the maintainable earnings or revenue of the investee companies.

The critical judgments within these valuation models encompass the selection of suitable multiples, potential adjustments to observable market data and the determination of the weightings assigned to these adjustments. Given the subjective and complex nature of the valuation process, there exists a risk that the fair values of unquoted preferred equity instruments may not be accurate or appropriate.

How the matter was addressed in our audit

In responding to the key audit matter, we performed the following audit procedures:

- Examined the minutes of the Board, Audit and Risk Committee meetings held during the year to understand and confirm the oversight and challenge of these committees relating to the valuations of unquoted preferred equity instruments.
- Examined the minutes of the Valuations Committee meetings of the Investment Adviser held during the year to understand and confirm the committee's oversight and challenge of the investment valuations process.
- Conducted procedures to confirm the appropriateness of the qualifications, independence and expertise of the valuation specialists engaged by the Company.
- Conducted a walkthrough of the investment valuation process and assessed the design and implementation of the valuation related processes and controls in place at the Investment Adviser.
- Tested the mathematical accuracy of the valuation models and scrutinized the allocation of value based on the portfolio company's capital structure.
- Obtained independent confirmations of the existence and accuracy of the unquoted preferred equity instruments from third parties.
- Engaged KPMG valuation specialists to corroborate and challenge key assumptions and judgments within management's valuation models, specifically focusing on:
  - Scrutinizing the composition and completeness of the basket of comparable companies derived by the Investment Adviser.
  - Assessing the reasonableness of the transaction multiples and discount rates employed in the valuations. This evaluation sought to confirm whether the chosen multiples and discout rates were justified and whether they represented an appropriate average of comparable quoted companies in the market.
- Engaged KPMG valuation specialists to challenge the Investment Adviser's methodologies followed in determining the fair value of unquoted preferred equity instruments in compliance with IPEV valuation guidelines and IFRS 13.
- Evaluated the validity of assumptions made by the Investment Adviser and the expected timing and magnitude of future cash flows.
- Conducted a sensitivity analysis on the discount rates, expected cash flows and exit strategies' assigned probabilities within the discounted cash flow model provided by management.
- Agreed the data input in the valuation models to supporting information received from portfolio companies and that provided by the Investment Adviser to ensure accuracy. The testing encompassed both historic and forecast performance data. For historical performance data, we verified the data against relevant portfolio company financial statements, ensuring consistency and reliability. For forecast performance data, we conducted retrospective testing to confirm the reliability of forecast performance data utilized in previous valuation models. In cases where adjustments were made to normalize earnings, we tested these adjustments, where material, confirming that they were appropriate.
- Inspected the disclosures made about the Company's investments in unquoted preferred equity instruments in the notes to the consolidated financial statements for compliance with IFRS.
- Monitored any events that emerged in the post balance sheet period (up to the date of approval of the Company's consolidated financial statements) that would have a potential impact on the value of the unquoted preferred equity instruments held at year end.

Other information

Management is responsible for the other information contained in the Annual Report. The other information comprises the Strategic Report and Governance sections but does not include the consolidated financial statements and our auditor's report thereon.

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 Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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
13 March 2024

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Income			
Interest income	13	3,947	14,467
Net realised gains (losses) on investments at fair value through profit and loss	6, 7	181,212	139,297
Net change in unrealised gains (losses) on investments at fair value through profit and loss	6, 7	(130,579)	74,473
Net foreign currency gains (losses)		2,370	1,189
Other income		142	553
Total income		57,092	229,979
Expenses	14	(8,001)	(7,019)
Operating profit		49,091	222,960
Interest expense		(1,603)	–
Profit attributable to equity shareholders/total comprehensive income		47,488	222,960
Earnings per share			
Basic and diluted earnings per share	16	£0.27	£1.26

Notes 1-23 are an integral part of these Consolidated Financial Statements.

Consolidated balance sheet

As at 31 December 2023

	Notes	2023 £'000	2022 £'000
Assets			
Non-current assets			
Investments	6, 8	1,007,206	1,060,989
		1,007,206	1,060,989
Current assets			
Trade and other receivables	11	1,368	729
Cash and cash equivalents	10	207,155	109,848
		208,523	110,577
Total assets		1,215,729	1,171,566
Liabilities			
Current liabilities			
Trade and other payables	12	8,690	4,076
Borrowings	21	–	–
Total liabilities		8,690	4,076
Net assets attributable to shareholders		1,207,039	1,167,490
Equity			
Share capital	18	1,764	1,764
Share premium	18	172,102	172,102
Retained earnings		1,033,173	993,624
Total shareholders' equity		1,207,039	1,167,490
Net Assets per ordinary share			
Basic and diluted net assets per share	17	£6.84	£6.62
Ordinary shares in issue at 31 December ('000)	18	176,418	176,418

Notes 1-23 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements of Oakley Capital Investments Limited (registration number: 40324) were approved by the Board of Directors and authorised for issue on 13 March 2024 and were signed on their behalf by:

Caroline Foulger Director
Richard Lightowler Director

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2022		1,786	181,013	778,652	961,451
Profit for the year/total comprehensive income		–	–	222,960	222,960
Ordinary shares repurchased and cancelled		(22)	(8,911)	–	(8,933)
Dividends		–	–	(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**
Profit for the year/total comprehensive income		**–**	**–**	**47,488**	**47,488**
Dividends	19	**–**	**–**	**(7,939)**	**(7,939)**
Total transactions with equity shareholders		**–**	**–**	**(7,939)**	**(7,939)**
Balance at 31 December 2023		**1,764**	**172,102**	**1,033,173**	**1,207,039**

Notes 1-23 are an integral part of these Consolidated Financial Statements.

Consolidated statement of cash flows

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Purchases of investments		(126,660)	(243,979)
Sales of investments		232,000	212,320
Accrued interest repayments and other income		753	690
Expenses paid		(3,888)	(6,890)
Interest paid		(1,649)	–
Bank and other interest received		2,656	261
Net cash from (used in) operating activities		103,212	(37,598)
Cash flows from financing activities			
Purchase of ordinary shares	18	-	(8,933)
Dividends paid	19	(7,939)	(7,988)
Proceeds from borrowings	21	96,541	–
Repayment of borrowings	21	(93,926)	–
Net cash from (used in) financing activities		(5,324)	(16,921)
Net increase (decrease) in cash and cash equivalents		97,888	(54,519)
Cash and cash equivalents at the beginning of the year		109,848	163,178
Effect of foreign exchange rate changes		(581)	1,189
Cash and cash equivalents at the end of the year	10	207,155	109,848
Supplemental disclosure of non-cash operating activities:			
Purchases of investments		(211,607)	–
Disposal of investments	6	211,364	–

Notes 1-23 are an integral part of these 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, 2]
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
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 V-C SCSp
Origin I	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
Origin II	Luxembourg	Oakley Capital Origin II Aggregator SCSp Oakley Capital Origin II-A SCSp[1] Oakley Capital Origin II-B1 SCSp Oakley Capital Origin II-B2 SCSp
PROfounders Fund III	Luxembourg	Profounders III-A SCSp Profounders III SCSp[1]
Touring I	Luxembourg	Oakley Touring Venture Aggregator SCSp Oakley Touring Venture A SCSp[1] Oakley Touring Venture B1 SCSp Oakley Touring Venture C SCSp

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

2 Fund I is in the process of liquidation.

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').

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

2. Basis of preparation

The 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 has assessed if it is appropriate to adopt the going concern basis of accounting in preparing these Consolidated Financial Statements. As part of this assessment, the Board of Directors has considered a wide range of information relating to the present and future conditions, 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 2023, cash and cash equivalents of the Company amount to £207 million. The Company has total unfunded capital commitments of £1,015 million relating to the Funds that are expected to be called over the next 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 £302 million as at 31 December 2023. During the year, the Company drew down £100 million on the multi-currency revolving credit facility ('RCF') and repaid in full. OCI extended the RCF for a further two years and increased commitments from lenders to £175 million. There is an option to increase the commitments by a further £50 million subject to agreement by all parties. The credit facility remains undrawn as at 31 December 2023. 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 direct investments. The Company's approach to valuations was consistent with the prior year's approach. In addition, key assumptions and estimates relating to the valuation of the unquoted direct investments were considered.
- 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

IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

2.2 Functional and presentation currency

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

3. Material accounting policies

The material 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 2023, but do not have a material effect on the Company's Consolidated Financial Statements and did not require retrospective adjustments:

- IFRS 17 Insurance Contracts, including amendments to IFRS 17 (and initial application of IFRS 17 and IFRS 9 Financial Instruments – comparative information)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Material Judgements: Disclosure of accounting policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates
- Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction.

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

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback
- Amendments to IAS 21 Lack of Exchangeability.

The Directors of the Company are currently assessing the impact the amendments will have on future reporting periods; however, they are not expected to have a significant impact.

3.2 Basis for consolidation

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

IFRS 10 exempts investment entities from consolidating controlled investees.

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

- The Company obtains funds from investors for the purpose of providing those investors with 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 and the subsidiary does not itself qualify as an investment entity. 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 and the direct investments.

As at 31 December 2023 the Company's Limited Partner ownership in the Funds are:

- Fund I ownership of 70.4% (2022: 70.4%)
- Fund II ownership of 36.2% (2022: 36.2%)
- Fund III ownership of 40.7% (2022: 40.7%)
- Fund IV ownership of 27.4% (2022: 27.4%)
- Fund V ownership of 28.06% (2022: 29.2%)
- Origin I ownership of 28.2% (2022: 28.2%)
- Origin II Fund ownership of 25.33% (2022: nil)
- PROfounders Fund III ownership of 39.7% (2022: 39.7%)
- Touring I ownership of 65.36% (2022: 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 debt securities as financial assets held at fair value through profit and loss at inception.

(b) Recognition and measurement

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

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

Quoted equity securities 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 fund investments, debt securities and preferred equity, 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 and cash and cash equivalents 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 Interest expense
Interest expense is recognised as a non-operating expense in the income statement and is measured using the effective interest rate. Accruals are made periodically based on the outstanding principal amount and applicable interest rates over the duration of the outstanding liability. Any material direct costs associated with obtaining financing, such as loan origination fees, are amortised over the term of the related liability.

3.9 Expenses
Expenses are recognised on the accruals basis.

3.10 Foreign currency translation
The functional currency of the Company is British Pound. Transactions in currencies other than British Pound 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 UK Sterling at the exchange rate on the respective dates of such transactions.

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

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

3.11 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.

3.12 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.

3.13 Borrowings
Borrowings are recognised as liabilities in the balance sheet at their fair value, net of directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate. Any material directly attributable transaction costs are capitalised and amortised over the borrowing's term.

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

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

(a) Fair valuation of investments

The fair values assigned to investments held at fair value through profit and loss are based upon available information at the time and do not necessarily represent amounts that 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 (NAV) 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 that is itself not an investment entity where that subsidiary provides services that relate to the investment entity's investment activities and the subsidiary does not itself qualify as an investment entity. The company wholly owns one subsidiary named OCI Financing (Bermuda) Limited.

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

5. Financial risk management

5.1 Introduction and overview

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

Key risks and uncertainties of the Company are assessed on a scale, considering their impact and likelihood. The Committee monitors detailed and, wherever possible, quantifiable indicators of the Company's exposure to risk, segmented into five core categories – see Our principal risk and uncertainties section. Consideration has been given to the risks posed by the ongoing conflict between Russia and Ukraine and, more recently, the conflict in the Middle East which presents a heightened risk to companies operating in the area. The Company can confirm that it has no direct operational or financial exposure to Russia, Ukraine, Israel or Palestine.

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 Royal Bank of Scotland, with a minority also held with HSBC and Butterfield Bank. Barclays, Royal Bank of Scotland and HSBC are rated A1 and Butterfield Bank is rated A3 by Moodys (2022: 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. During the year, OCI's debt positions in North Sails were converted into preferred equity to mitigate OCI's credit risk and crystallise its equity position for greater upside resulting from any future refinancing or exit.

During the year OCI's debt security to Fund I was settled in Time Out shares. OCI still has a debt security with Time Out of £6 million and the Investment Adviser continues to monitor the risks arising from this position. As at 31 December 2023, the debt security held was not 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 that estimate the timing and quantums of outflows, including capital calls, and inflows from disposals of portfolio companies held within the Funds that aim to avoid undue risk of illiquidity.

The unfunded commitments to the Funds are irrevocable and usually 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. To facilitate the funding of future commitments, the Company renewed and expanded its £100 million credit facility to total committed lending of £175 million for a two-year term. The credit facility remains undrawn as at 31 December 2023. 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 that 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 amounts which approximate their expected settlement values. Financial liabilities exclude outstanding capital commitments at year end.

5.4 Market risk

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

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

	2023				2022			
	UK Sterling £'000	Euro £'000	Dollar £'000	Total £'000	UK Sterling £'000	Euro £'000	Dollar £'000	Total £'000
Fixed and floating rate debt and cash	32,901	176,852	3,500	213,253	202,455	67,062	257	269,774
Non-interest-bearing Fund and equity investments	68,770	754,794	177,544	1,001,108	25,289	875,774	–	901,063
Total	101,671	931,646	181,044	1,214,631	227,744	942,836	257	1,170,837

(a) Interest rate risk

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

The Company's unquoted debt security carries a variable interest rate of 10% plus the average Sterling Overnight Index Average rate (SONIA) (2022: 6.5% to 10%). The loan is subject to interest rate risk as increases and decreases in interest rates will have an impact on its fair value. A 200 basis point increase in interest rates would result in a decrease in the fair value of this loan of £0.18 million and a corresponding decrease of 200 basis points in interest rates would result in an increase in the fair value by £0.15 million (2022: £1.48 million including Fund I, North Sails and Time Out at 100 basis points). 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 £1.86 million on the profit and loss in the consolidated statement of comprehensive income (2022: £1.13 million). A decrease in interest rates of 100 basis points on cash and deposits would have an equal and opposite effect.

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

(b) Currency risk

The Company holds significant assets and liabilities denominated in currencies other than its functional currency, which expose the Company to the risk that the exchange rates of those currencies against the pound will change in a manner that 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 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.

	2023		2022	
	Euro £'000	Dollar £'000	Euro £'000	Dollar £'000
Assets:				
Financial assets at fair value through profit and loss	75,479	17,754	87,577	–
Cash and cash equivalents	17,685	350	6,732	26
Total assets	93,164	18,104	94,309	26
Impact on profit (loss)	93,164	18,104	94,309	26

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

(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 £6.88 million (2022: £2.53 million) 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 £0.04 (2022: £0.01).

For the direct preferred equity 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 £78.79 million (2022: £87.58 million) 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 £0.45 (2022: £0.50).

For the investment in North Sails, the market risk is deemed to be the change in fair value. A 10% change in the fair value of this investments would have a £14.45 million (2022: nil) 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 £0.08 (2022: nil).

The Company is exposed to a variety of market risk factors that 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 repurchase of ordinary shares. The movements of capital are shown in the consolidated statement of changes in equity.

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

6. Investments

Investments as at 31 December 2023:

	2022 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	2023 fair value £'000
Oakley Funds							
Fund I	16,995	–	(24,630)	(29,653)	–	38,021	733
Fund II	45,725	–	–	(1,422)	–	9,223	53,526
Fund III	432,595	–	(243,112)	235,933	–	(234,789)	190,627
Fund IV	254,595	48,085	–	570	–	13,800	317,050
Fund V	85,351	26,464	–	(16,043)	–	31,532	127,304
Origin I	38,111	20,718	–	(3,815)	–	4,648	59,662
Origin II	–	4,966	–	(1,610)	–	(34)	3,322
PROfounders III	2,402	782	–	(674)	–	60	2,570
Touring I	–	36,251[1]	–	(2,074)	–	(1,083)	33,094
Total Oakley Funds	875,774	137,266	(267,742)	181,212	–	(138,622)	787,888
Quoted equity securities							
Time Out[3]	25,289	32,752	–	–	–	10,729	68,770
Total quoted equity securities	25,289	32,752	–	–	–	10,729	68,770
Unquoted debt securities							
Fund I	7,589	15,859	(23,982)	–	534	–	–
North Sails[2]	147,138	–	(147,138)	–	–	–	–
Time Out	5,199	5,254	(5,254)	–	899	–	6,098
Total unquoted debt securities	159,926	21,113	(176,374)	–	1,433	–	6,098
Unquoted preferred equity instruments							
North Sails[2]	–	147,136	–	–	–	(2,686)	144,450
Total unquoted preferred equity instruments	–	147,136	–	–	–	(2,686)	144,450
Total investments	1,060,989	338,267	(444,116)	181,212	1,433	(130,579)	1,007,206

1 The fourth capital call for Touring I for $10,000,000 was called on 21 December 2023, and remained unpaid at 31 December 2023. The capital call was paid shortly after 31 December 2023 and within the required notice period.

2 In December 2023, the company converted loans and accrued interest amounting to £147 million due from various North Sails companies into preferred shares in a newly created North Sails holding company. Under the terms of the conversion interest on the loans from 1 January 2023 to the date of conversion was waived. The preferred shares carry a coupon of 0% until 1 January 2025 and 5% thereafter. Additionally, the preferred shares carry warrants of 5% of equity of the North Sails holding company, exercisable on or after 30 June 2025. The 5% warrants are reduced proportionately for any preferred share redemptions made before 30 June 2025. The preferred equity and warrants are carried at fair value. OCI now has a direct equity holding of 38% of Time Out (previously a 37% beneficial interest through a direct and indirect holding).

3 As a result of the liquidation of Oakley Fund I, OCI now has a direct equity holding of 38% of Time Out (previously a 37% beneficial interest through a direct and indirect holding). The shares of Time Out are listed on the London Stock Exchange. The investment in Time Out is carried at the 31 December 2023 quoted bid price.

* 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 year, and income and expenses of the underlying fund during the year.

*** 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.

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 I	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[1]	–	(708)	–	(33)	2,402
Total Oakley Funds	628,541	224,760	(205,458)	139,297	–	88,634	875,774
Quoted equity securities							
Time Out	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
North Sails	123,578	10,016	(166)	–	13,710	–	147,138
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	74,473	1,060,989

1 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.

* 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.

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

	2023 £'000	2022 £'000
Net change in unrealised gains (losses) on investments at fair value through profit and loss:		
Funds	**(138,622)**	88,634
Direct investments	**8,043**	(14,161)
Total net change in unrealised gains (losses) on investments at fair value through profit and loss	**(130,579)**	74,473
Net realised gains (losses) on investments at fair value through profit and loss:		
Funds	**181,212**	139,297
Total net realised gains (losses) on investments at fair value through profit and loss	**181,212**	139,297

8. Disclosure about fair value of financial instruments

These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Company classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

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

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 2023 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	**–**	**787,888**	**787,888**
Quoted equity securities	**68,770**	**–**	**68,770**
Unquoted debt securities	**–**	**6,098**	**6,098**
Unquoted preferred equity instruments	**–**	**144,450**	**144,450**
Total investments measured at fair value	**68,770**	**938,436**	**1,007,206**

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

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 2023 or 31 December 2022.

Level III
The Company has determined that Funds and unquoted debt and equity securities fall into Level III due to their lack of observable market data, which necessitates a higher degree of judgement in determining fair value. Funds and unquoted debt and equity 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 2023 include Level III investments in the amount of £938.44 million, representing approximately 77.75% of shareholders' equity (2022: £1,035.7 million 88.71%).

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.

The Company has concluded that the unlisted closed-ended investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- the voting rights in the funds are not dominant rights in deciding who controls them because the rights relate to administrative tasks only;
- each fund's activities are restricted by its prospectus; and
- the funds have narrow and well-defined objectives to provide investment opportunities to investors.

The Company's investments in Private Equity funds are considered to be unconsolidated structured entities. Their nature and purpose is to invest capital on behalf of their limited partners. The funds pursue sector-focused strategies, investing in four key sectors: Technology, Education, Business Services and Consumer. The Company commits to a fixed amount of capital, which may be drawn (and returned) over the life of the fund. The Company pays capital calls when due and receives distributions from the funds, once an asset has been sold. During the year, the Company did not provide financial support and has no intention of providing financial or other support to these unconsolidated structured entities.

As at 31 December 2023, 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	Fund V €'000	Origin I €'000	Origin II €'000	PROfounders Fund III €'000	Touring I €'000
Investments	–	61,165	241,803	456,380	328,901	94,705	–	2,928	28,469
Loans	–	–	–	(70,724)	(200,002)	(24,582)	–	–	–
Estimated performance fee accrued	–	(924)	(24,621)	(25,407)	(162)	(3,943)	–	–	–
Other net assets	846	1,497	2,688	5,435	18,095	2,636	3,832	36	9,701
Total value of the Fund attributable to the Company (€'000)	846	61,738	219,870	365,684	146,832	68,816	3,832	2,964	38,170
Total value of the Fund attributable to the Company (£'000) at year-end exchange rate	733	53,526	190,627	317,050	127,304	59,662	3,322	2,570	33,094

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	Fund V €'000	Origin I €'000	PROfounders Fund III €'000
Investments	23,940	48,383	586,655	379,659	172,325	72,552	1,670
Loans	–	–	(17,143)	(75,998)	(92,011)	(27,221)	–
Estimated performance fee accrued	–	–	(86,334)	(19,506)	–	(3,463)	–
Other net assets	(4,776)	3,178	4,627	2,924	15,928	1,107	1,039
Total value of the Fund attributable to the Company (€'000)	19,164	51,561	487,805	287,079	96,242	42,975	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	85,351	38,111	2,402

The Company records its investments in the Funds at the unadjusted NAV reported by the Funds that 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 as the underlying Funds are unquoted, with the underlying portfolio companies owned by the Funds which may be both quoted and unquoted companies. 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
- Consider at each reporting date whether any additional market participant related fair value adjustments may be required to the reported NAV by the Funds. The Company determined that no adjustments were required.

Unquoted debt securities

The fair value of the Company's debt security to Time Out is 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.

Unquoted preferred equity instruments

It was deemed appropriate to hold the fair value of the Company's preferred equity instrument in North Sails holding company at par value as at year end. The valuation approach has been supported by a weighted average of the potential outcomes for the instrument which has been reviewed by an independent third-party valuation adviser.

The valuation of the preferred equity instrument is primarily dependent on the financial performance of North Sails and the achievement of revenue and EBITDA growth forecasts supporting enterprise valuations of the company. During the year, North Sails achieved revenue and EBITDA growth of 18% and 32% respectively over the prior year and was one of the largest contributors to OCI NAV growth.

The preferred equity instrument will initially carry a 0% coupon increasing to 5% from January 1, 2025. In return for the reduced coupon rate, OCI obtained warrants equivalent to a 5% strip across the group, exercisable on or after June 30, 2025. The warrants are reduced proportionally by the value of any redemption of OCI preferred equity before June 30, 2025.

The warrants provide the Company with exposure to and potential equity appreciation of North Sails based on their financial performance upon exit. The fair value of the warrants is dependent on the financial performance of North Sails. The Company is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants/or achieve its expected future earnings. The maximum risk of loss from counterparty risk to the Company is the fair value of the warrant. The Company considers the effects of counterparty risk when determining the fair value of its warrants.

Significant 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. The Company has continued to monitor the ongoing conflict between Russia and Ukraine and, more recently, the conflict in the Middle East which presents a heightened risk to companies operating in the area. The Company can confirm that it has no direct operational or financial exposure to Russia, Ukraine, Israel or Palestine.

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 2023, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 9% movement in net assets attributable to shareholders (2022: 9.4%). A 10% decrease to the fair value of the unquoted portfolio companies held by the Funds would result in a 8.4% movement in net assets attributable to shareholders.

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 of 10% plus average SONIA, 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 2% adjustment to the discount factor applied as reasonable. For the year ending 31 December 2023, a 2% increase to the discount factor would result in a 0% movement in net assets attributable to shareholders (2022: 0.1%). A 2% decrease to the discount factor would have an equal and opposite effect. Refer to Note 5.4(a).

Transfers between levels

There were no transfers between the levels during the year ended 31 December 2023 (2022: 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 2023 and 2022, are as follows:

Level I investments: **Quoted equity securities**	**2023 £'000**	2022 £'000
Fair value at beginning of year	25,289	39,450
Purchases[1]	32,752	–
Net change in unrealised gains (losses) on investments	10,729	(14,161)
Fair value of Level I investments at end of year	68,770	25,289

1. As a result of the liquidation of Oakley Fund I, OCI now has a direct equity holding of 38% of Time Out (previously a 37% beneficial interest through a direct and indirect holding). The shares of Time Out are listed on the London Stock Exchange. The investment in Time Out is carried at the 31 December 2023 and 31 December 2022 quoted (bid) price.

Level III investments:	**Funds £'000**	**Unquoted debt securities £'000**	**Unquoted equity instruments £'000**	**Total £'000**
2023				
Fair value at beginning of year	875,774	159,926	–	1,035,700
Purchases	137,266	21,113	147,136	305,515
Proceeds on disposals (including interest)	(267,742)	(176,374)	–	(444,116)
Realised gain on sale	181,212	–	–	181,212
Interest income and other fee income	–	1,433	–	1,433
Net change in unrealised gains (losses) on investments	(138,622)	–	(2,686)	(141,308)
Fair value at end of year	787,888	6,098	144,450	938,436

Level III investments:	Funds £'000	Unquoted debt securities £'000	Unquoted equity instruments £'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

Other financial instruments

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

	2023 £'000	2022 £'000
Cash and cash equivalents	**207,155**	109,848
Trade and other receivables	**1,368**	729
Trade and other payables	**(8,690)**	(4,076)

These financial instruments are considered to approximate fair value due to their short-term nature, nominal value alignment and limited credit risk.

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 that 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 has been no transactions between the reportable segments except for fund to direct following Fund I making a in-specie transfer of its shares in Time Out to all its investors, which had the effect of reducing OCI's indirect holding to zero and increasing its direct holding.

The segment information for the year ended 31 December 2023 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Corporate £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	181,212	–	181,212	–	181,212
Net change in unrealised gains (losses) on financial assets at fair value through profit and loss	(138,622)	8,043	(130,579)	–	(130,579)
Interest income	–	1,291	1,291	2,656	3,947
Other income	–	142	142	2,370	2,512
Expenses	–	–	–	(8,001)	(8,001)
Interest expense	–	–	–	(1,603)	(1,603)
Profit (loss) for the year	42,590	9,476	52,066	(4,578)	47,488
Total assets	787,888	219,318	1,007,206	208,523	1,215,729
Total liabilities	–	–	–	(8,690)	(8,690)
Net assets	787,888	219,318	1,007,206	199,833	1,207,039
Total assets include:					
Financial assets at fair value through profit and loss	787,888	219,318	1,007,206	–	1,007,206
Cash and Other	–	–	–	208,523	208,523

The segment information for the year ended 31 December 2022 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Corporate £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	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
Other income	–	243	243	1,499	1,742
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

10. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash and demand balances at banks	71,293	109,848
Short-term deposits	135,862[1]	–
	207,155	109,848

1 During the year, the Company deposited £136 million into short-term deposit accounts with Barclays Bank and Royal Bank of Scotland. The accounts have 30 day withdrawal notice period, and 3.45% and 4.20% interest rates per annum respectively, as at 31 December 2023.

11. Trade and other receivables

	2023 £'000	2022 £'000
Prepayments	1,058	419
Amounts due from related parties	310	310
	1,368	729

12. Trade and other payables

	2023 £'000	2022 £'000
Trade payables	216	37
Amounts due to related parties	8,244	3,768
Other payables	230	271
	8,690	4,076

13. Interest income

	2023 £'000	2022 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	2,656	261
Interest income on investments designated as at fair value through profit and loss:		
Debt securities[1]	1,291	14,206
	3,947	14,467

1. In December 2023, the Company converted loans and accrued interest amounting to £147m due from various North Sails companies into preferred shares in a newly created North Sails Holding Company. Under the terms of the conversion interest on the loans from 1 January 2023 to the date of conversion was waived. The preferred shares carry a coupon of 0% until 1 January 2025 and 5% thereafter. Additionally, the preferred shares carry warrants of 5% of equity of the North Sails Holding Company, exercisable on or after 30 June 2025. The 5% warrants are reduced proportionately for any preferred share redemptions made before 30 June 2025. The preferred equity and warrants are held at par value which approximates fair value.

14. Expenses

	2023 £'000	2022 £'000
Operating expenses	**6,001**	5,460
Administration fees	**230**	200
Credit facility fees	**1,770**	1,359
	8,001	7,019

The following expenses are included in operational expenses:

a) Oakley Capital Limited ('the Administrator') was appointed by the Company to provide administration services at prevailing commercial rates from 1 July 2021.
Administration fees for the year ended 31 December 2023 totaled £0.23 million (2022: £0.2 million).

(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 advisers (which includes the Investment Adviser) on behalf of the Company. Such recharges are specifically agreed on an annual basis. For the year ended 31 December 2023, the Administrative Agent recharged £3.43 million (2022: £2.81 million). This increase reflects the additional services provided to OCI as both the entity grows and best practice in risk, compliance and ESG develop.

(c) Directors' fees
For the year ending 31 December 2023, the Company paid directors' fees of £0.53 million (2022: £0.47 million) to the Board members. No fees were payable as at 31 December 2023 (2022: none).

The members of the Board of Directors are considered to be Key Management Personnel. No pension contributions were made in respect of any of the Directors and none of the Directors receive any pension from any portfolio company held by the Funds. During the year one of the Directors waived remuneration (2022: one). No other fees were paid to the Directors (2022: £nil).

Please refer to the Remuneration report for further details.

(d) Auditor's remuneration
The Company's Auditor is KPMG. During the year ending 31 December 2023, the Company paid KPMG audit fees of £0.17 million (2022: £0.16 million) and non-audit fees of £0.005 million (2022: 0.021 million).

15. 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 2023, the Company was not subjected to foreign withholding taxes (2022: nil).

During 2023, there were discussions between Oakley Capital Investments Limited ("OCI") and its Bermudian tax advisers regarding the implementation of the Pillar 2 global minimum tax (GloBE) rules integrated into the Corporate Income Tax Act 2023 in Bermuda. The legislation introduces a 15% corporate income tax ("CIT") that would apply to certain Bermuda Entities. Following the consultation, OCI is not expected to be within the scope of this 15% CIT.

16. Earnings per share

The earnings per share calculation uses the weighted average number of shares in issue during the year. There were no dilutive instruments during the period (2022: nil).

	2023	2022
Basic and diluted earnings per share	**£0.27**	£1.26
Profit for the year ('000)	**£47,488**	£222,960
Weighted average number of shares in issue ('000)	**176,418**	177,518

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.

	2023	2022
Basic and diluted Net Asset Value per share	**£6.84**	£6.62
Net assets attributable to shareholders ('000)	**£1,207,039**	£1,167,490
Number of shares in issue at year end ('000)	**176,418**	176,418

18. Share capital

(a) Authorised and issued capital

The authorised share capital of the Company is 280 million 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 2023, the Company did not undertake any share purchases.

During the year ending 31 December 2022, the Company purchased 2.18 million ordinary shares. The ordinary shares purchased by the Company were cancelled and are available for reissue.

As at 31 December 2023, the Company's issued and fully paid share capital was 176 million ordinary shares (2022: 176 million).

	2023 '000'	2022 '000'
Ordinary shares outstanding at the beginning of the year	**176,418**	178,600
Ordinary shares purchased	**–**	(2,182)
Ordinary shares outstanding at the end of the year	**176,418**	176,418

(b) Share premium

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

19. Dividends

On 17 March 2023, the Board of Directors declared a final dividend for 2022 of 2.25 pence per ordinary share, resulting in a dividend of £3.97 million paid on 5 April 2023 (2022: 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 £4.02 million paid on 14 April 2022).

On 22 September 2023, the Board of Directors declared an interim dividend of 2.25 pence per ordinary share resulting in a dividend of £3.97 million paid on 6 October 2023 (2022: On 23 September 2022, the Board of Directors declared an interim dividend of 2.25 pence per ordinary share resulting in a dividend of £3.97 million paid on 13 October 2022).

20. Commitments

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

	Original commitment €'000	**2023 £'000**	2022 £'000
Fund I and Fund II	392,398	**16,134**	16,134
Fund III	325,780	**50,496**	50,496
Fund IV	400,000	**125,000**	180,000
Fund V	800,000	**654,265**	685,061
Origin I	129,300	**65,297**	89,216
Origin II	190,000	**184,300**	–
PROfounders Fund III	30,000	**25,541**	26,456
Touring I	91,590	**50,051**	–
Total outstanding commitments (€'000)	2,359,068	**1,171,084**	1,047,363
Total outstanding commitments (£'000)	2,045,316	**1,015,332**	928,802

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

	Original commitment £'000	**2023 £'000**	2022 £'000
Time Out	5,254	**–**	3,000
Total outstanding commitments (£'000)	5,254	**–**	3,000

21. Borrowings

During the year, the Company drew down on the revolving credit facility and repaid it in full. In June 2023, OCI extended the RCF for a further two years and increased commitments from lenders to £175 million. There is an option to increase the commitments by a further £50 million subject to agreement by all parties.

22. Related parties

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

One Director of the Company, Peter Dubens, is also a director of the Investment Adviser, an entity that provides services to, and receives compensation from, the Company. The agreements between the Company and these service providers are based on normal commercial terms as disclosed in the 2023 Annual Report.

23. Events after balance sheet date

The Board of Directors has evaluated subsequent events from the year end through to 13 March 2024, which is the date the annual consolidated financial statements were available for issue. The following event has been identified for disclosure:

Dividends

On 12 March 2024, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2023. This is due to be paid on 26 April 2024 to shareholders registered on or before 22 March 2024. The ex-dividend date is 14 March 2024.

Directors and advisers

Directors

Caroline Foulger
Chair

Richard Lightowler
Senior Independent Director

Fiona Beck
Independent Director

Stewart Porter (retired in November 2023)
Independent Director

Peter Dubens
Director

Registered office

5th Floor
11 Bermudiana Road
Pembroke HM 08
Bermuda

Advisers

Administrative Agent
Oakley Capital Limited
3 Cadogan Gate
London SW1X 0AS
United Kingdom

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

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

CREST Depositary
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

Administrator
Oakley Capital Limited
3 Cadogan Gate
London SW1X 0AS
United Kingdom

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

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

Auditor
KPMG Audit Limited
Crown House
4 Par-la-Ville Road
Hamilton HM 08
Bermuda

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

Glossary and Alternative Performance Measures

Administrative Agent	Oakley Capital Limited ('OCL'), in respect of the Company.
AIF	Alternative Investment Fund; as at 31 December 2023, 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 are adjusted to remove the impact of reclassifications from unrealised gains/(losses) to realised gains/(losses) that 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.
CAGR	Compound Annual Growth Rate.
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 2023, 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 used as the typical measure of portfolio company performance.
Equity ticket	The amount invested in a company by the Fund.
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 2023 was £1: €1.1534.
Five-year p.a. total return	Annualised Total NAV Return per Share calculated over a five-year period.
Fund facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
Fund I/Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II/Oakley Fund II	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. and OCPE II Master L.P.
Fund III/Oakley Fund III	Those limited partnerships constituting the Fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. and OCPE III Master L.P.
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 Fund V S.à.r.l. in respect of Fund V, Oakley Capital Origin S.à.r.l. in respect of the Origin Fund, Oakley Capital Origin II S.à r.l. in respect of the Origin II Fund, PROfounders Capital III S.à.r.l in respect of PROfounders Capital III-A and Oakley Touring Venture GP S.à.r.l in respect of Oakley Touring Venture Fund, private limited liability companies incorporated in Luxembourg.

IFRS	International Financial Reporting Standards. The Consolidated Financial Statements and Notes have been prepared in accordance with IFRS.
Investment Adviser	Oakley Capital Limited, a company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority; or any successor as Investment Adviser of the Oakley Funds.
IPO	Initial Public Offering.
IRR	The gross Internal Rate of Return of an investment or Fund. It is the annual compound rate of return on investments. Gross IRR does not reflect expenses to be borne by the relevant fund or its investors, including performance fees, management fees, taxes and organisational, partnership or transaction expenses.
Look-through	OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio of OCI's commitments to the respective Oakley Fund to total commitments to that Fund), applied to each investment's fair value as held in the relevant Oakley Fund, net of any accrued performance fees relating to that investment, and converted using the year-end EUR:GBP exchange rate.
LTM	Last twelve months.
LTM EBITDA growth	Organic EBITDA increase over the last 12 months of the year ended 31 December 2023, 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	The private equity funds: Fund I, Fund II, Fund III, Fund IV, Fund V, Origin Fund I, Origin Fund II, and venture funds: PROfounders III and Touring I and (as applicable) any successor Funds.
Oakley Group	Oakley Capital Limited as Investment Adviser and Administrative Agent, Oakley Capital Holdings S.à r.l., the General Partners, the Fund IV and Origin Fund AIFM and any other AIFM and General Partner of successor Oakley Funds or any additional management or holding entities formed under the control of the current Oakley Group.
Oakley Private Equity Portfolio	Fund I, Fund II, Fund III, Fund IV, Fund V, Origin Fund I, Origin Fund II and (as applicable) any successor Funds.
OCI	Oakley Capital Investments Limited.
Origin I 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.
Origin II Fund	Those limited partnerships constituting the Fund known as the Origin II Fund, comprising Oakley Capital Origin A SCSp, Oakley Capital Origin B1 SCSp, Oakley Capital Origin B2 SCSp and Oakley Capital Origin II Aggregator 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	£1,197.2
Other Oakley Fund assets/(liabilities)	(217.2)
Other Direct Investments	27.2
Cash and Other	199.8
NAV	**1,207.0**

Total Shareholder Return	Total Shareholder Return is the financial gain that results from a change in OCI's share price plus dividends paid by the Company during the year, divided by the initial purchase price of the stock.
Touring I/Oakley Touring Venture Fund	Those limited partnerships constituting the Fund known as Oakley Touring Venture Fund, comprising Oakley Touring Venture A SCSp, Oakley Touring Venture B1 SCSp, Oakley Touring Venture C SCSp and Oakley Touring Venture Aggregator SCSp.

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 2023 trading update
March	Final results for the year announced, Annual Report published
April	Payment of final dividend
	Publication of Q1 2024 trading update
May	Capital Markets Day
July	Publication of Q2 2024 trading update
September	Interim results announced, Interim Report published
October	Payment of interim dividend
	Publication of Q3 2024 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 buying or selling shares in the Company. 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: 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 2023 is 2.25 pence per share.

Ex-dividend date (date from which shares are transferred without dividend)	14 March 2024
Record date (last date for registering transfers to receive the dividend)	22 March 2024
Dividend payment date	26 April 2024

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 2023, 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.

Digital-first reporting

Oakley Capital Investments is pleased to deliver its first digital-first reporting suite. This includes a fully interactive ESEF report, built to maximise the online potential of the mandatory format (iXBRL). This approach enables our reporting to meet stakeholders' needs while also being accessed by machines and AI tools.

Compliance and sustainability

Following the latest regulatory guidance, our reporting suite has been created digital-first, with all versions (online, PDF and filing) delivered from the same digital content. We no longer print or mail any reports, which reduces our carbon impact, but if a shareholder does need a printed copy this can be provided on request.

User-friendly ESEF reporting

Our online ESEF format delivers a transformed digital user experience in iXBRL and, in line with our commitment to digital inclusion, it offers greater accessibility than PDF. We aim to continually improve our digital reporting as software advances, and a PDF version of our annual report will continue to be available on our website.

For the full digital experience, visit our online interactive iXBRL-tagged report.

If you have any feedback, please get in touch:
oci-investorrelations@oakleycapital.com

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