

# Semi-annual Report

June 2018

**Publication date**

This report was released for publication on 17 August 2018.

The subsequent event note in the financial statements has been updated to 15 August 2018.

Amounts in this report are stated in USD thousands (TUSD) unless otherwise stated.

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## Castle Private Equity in 2018

(All amounts in USD, unless when indicated otherwise)

	Six months to 30 June 2018	Six months to 30 June 2017
Net assets value	318 million	445 million
Net asset value per share	18.04	17.77
Share price in CHF	16.45	16.80
Private equity assets	183 million	280 million
Capital calls	1 million	3 million
In per cent of initial uncalled	2 per cent	6 per cent
Distributions	41 million	82 million
As per cent of initial PE assets	18 per cent	25 per cent
Investment degree	58 per cent	63 per cent
Uncalled commitments	48 million	50 million
Uncalled as per cent of NAV	15 per cent	11 per cent
Credit facility	—	5 million
Cash position	119 million	177 million
Treasury shares and: 2 <sup>nd</sup> line (bought for cancellation)	8,684,499	1,839,686
Shares in circulation	17,639,451	25,068,703

## Dear shareholders

### Net asset value per share up 3.0 per cent for the first half of 2018

During the course of the first six months of the year, the company's net asset value (NAV) per share increased by 3.0 per cent to USD 18.04 (taking into consideration the impact of the fixed price share buyback). Castle's share price ended the first half of 2018 at CHF 16.45 per share, representing a discount to NAV of 8.2 per cent.

A historically long economic expansion, muted interest rates, US tax reforms, and high availability of capital continued to drive record or near-record private equity buyout activity during the first half of 2018. The exit environment for private equity also remains attractive, underpinned by significant volumes of dry powder and accommodative credit markets. Reflecting the maturity of Castle Private Equity's underlying investments combined with the advanced state of the harvesting process, we expect the portfolio to continue to return capital, however at lower levels compared to previous years.

### Further realisations and a number of positive revaluation events boost net asset value during the first half of the year

The positive development of the portfolio seen in 2017 continued throughout the first six months of the year. As a response to high valuations, underlying fund managers continued to capitalise on the prevalent market conditions and take the opportunity to exit portfolio companies either via the public markets or through trade sales. In the process, further positive valuation adjustments were recorded. Valuation gains depended to some extent on higher public market comparables, but also resulted as a consequence of strategic and operational improvements in underlying portfolio companies.

During the period under review, Castle Private Equity received distribution proceeds of over USD 41 million. Cash was typically generated from a number of transactions, including initial public offerings (IPO's) and trade sales. In addition, the strengthening of the Euro against the US Dollar led to a small gain of USD 0.2 million during the first half of 2018.

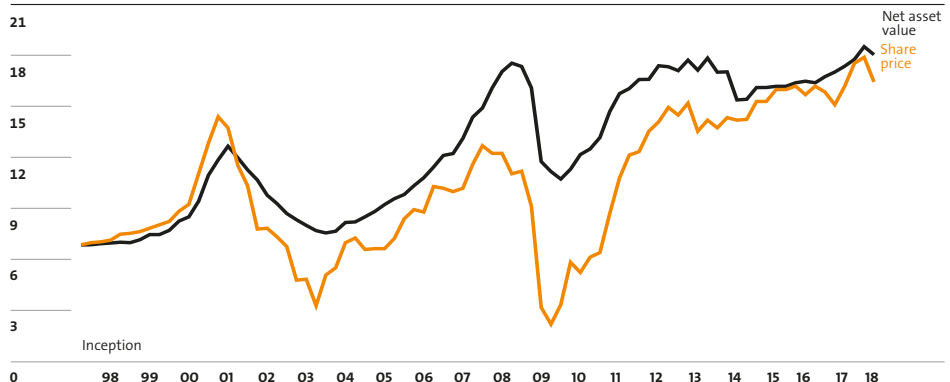
With capital calls of only USD 1 million during the first six months, Castle Private Equity's net liquidity position ended the period at USD 119 million, after taking account of investment activity within the portfolio, capital distributions and share buybacks.

### Sixth anniversary of Castle's harvesting strategy

Since Castle introduced its harvesting strategy six years ago, a total of over USD 613 million has been returned to shareholders. As a result, Castle's value grew to over USD 29 per share, when combining the current NAV per share of USD 18.04 with cumulative distributions and share buybacks.

## Share price and net asset value since inception

in USD per share



**Launch of new share buyback programs**

On 8 February 2018 Castle Private Equity implemented a share buyback program at a fixed price of CHF 17.25 per registered share. The program was successfully completed with a total of 6,165,955 registered shares tendered which correspond to 23.94% of the share capital (before completion of the 2018 capital reduction). The suspended share buyback program via a second trading line continued on 12 March 2018. At the Company's annual general meeting in May 2018, shareholders authorised Castle to launch further share buyback programs via a second trading line or through the issuance of put options. Furthermore, the Company was authorised to repurchase up to a maximum of 4,343,621 own shares via an additional fixed price buyback program. In addition, shareholders approved a distribution of CHF 1.00 per share from general legal reserves from capital contributions, which was paid on 22 May 2018.

Given the Castle portfolio's advanced maturity profile coupled with its strong balance sheet and cash position, we anticipate further significant progress with the harvesting strategy.

Yours sincerely,

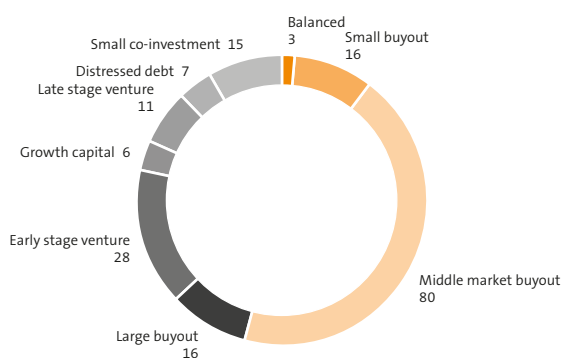
**LGT Private Equity Advisers AG**

**Major exits in the first half of 2018**

Partnership	Company	Sector, location	Exit channel
Bain Capital Asia Fund II, L.P.	Macromill	marketing, Japan	public markets
Bain Capital Europe Fund III, L.P.	Nets	payment services, Denmark	secondary sale to Hellman & Friedman
SB Asia Investment Fund II, L.P.	NVC Lighting	manufacturing, China	public markets
EOS Capital Partners IV, L.P.	Natural Products Group	cosmetics, US	trade sale to Groupe Rocher
Chequers Capital XV FCPR	SES-imagotag	industrial, France	trade sale to BOE Technology Group

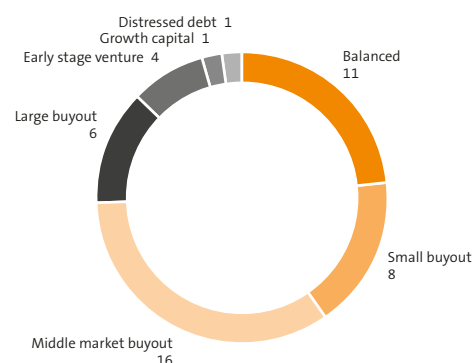
**Private equity assets by financing stage**

in USD millions



**Uncalled commitments by financing stage**

in USD millions



**Unaudited consolidated statement of comprehensive income**

For the period ended 30 June 2018 (all amounts in USD thousands unless otherwise stated)

	Note	1 January – 30 June 2018	1 January – 30 June 2017
<b>Income</b>			
<b>Income from non-current assets:</b>			
Net gain on investments designated at fair value through profit or loss	4	13,892	30,055
<b>Total gains from non-current assets</b>		<b>13,892</b>	<b>30,055</b>
<b>Income from current assets:</b>			
Net loss on marketable securities designated at fair value through profit or loss	4	(9)	(3)
Loss on foreign exchange net		(3,411)	(62)
Interest income		107	24
Other income		36	–
<b>Total losses from current assets</b>		<b>(3,277)</b>	<b>(41)</b>
<b>Total income</b>		<b>10,615</b>	<b>30,014</b>
<b>Expenses</b>			
Management and performance fees	9	(1,651)	(8,324)
Expenses from investments		(424)	(1,048)
Other operating expenses		(732)	(684)
<b>Total operating expenses</b>		<b>(2,807)</b>	<b>(10,056)</b>
<b>Operating profit</b>		<b>7,808</b>	<b>19,958</b>
Finance costs		(2)	(2)
<b>Profit for the period before taxes</b>		<b>7,806</b>	<b>19,956</b>
Tax expense	6	(441)	(308)
<b>Profit/(Loss) for the period after taxes</b>		<b>7,365</b>	<b>(308)</b>
<b>Total comprehensive income for the period</b>		<b>7,365</b>	<b>19,648</b>
<b>Profit attributable to:</b>			
Shareholders		7,365	19,648
Non-controlling interests		–	–
		<b>7,365</b>	<b>19,648</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders		7,365	19,648
Non-controlling interests		–	–
		<b>7,365</b>	<b>19,648</b>
<b>Earnings per share (USD) attributable to equity holders</b>			
Weighted average number of shares outstanding during the period		20,415,846	26,429,025
Basic profit per share		USD 0.36	USD 0.74
Diluted profit per share		USD 0.36	USD 0.74

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.

## Unaudited consolidated balance sheet

As of 30 June 2018 (all amounts in USD thousands unless otherwise stated)

	Note	30 June 2018	31 December 2017
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents		118,500	230,212
Accrued income and other receivables		18,814	379
<b>Total current assets</b>		<b>137,314</b>	<b>230,591</b>
<b>Non-current assets:</b>			
Investments designated at fair value through profit or loss	4	183,251	228,925
<b>Total non-current assets</b>		<b>183,251</b>	<b>228,925</b>
<b>Total assets</b>		<b>320,565</b>	<b>459,516</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accrued expenses and other payables		2,262	6,759
<b>Total current liabilities</b>		<b>2,262</b>	<b>6,759</b>
<b>Equity</b>			
<b>Shareholders' equity:</b>			
Share capital		893	893
Additional paid-in capital		133,524	151,624
Less treasury shares at cost (bought for cancellation)	8	(157,836)	(34,117)
Retained earnings		341,721	334,356
<b>Total shareholders' equity before non-controlling interests</b>		<b>318,302</b>	<b>452,756</b>
<b>Non-controlling interests</b>		<b>1</b>	<b>1</b>
<b>Total equity</b>		<b>318,303</b>	<b>452,757</b>
<b>Total liabilities and equity</b>		<b>320,565</b>	<b>459,516</b>
<b>Net asset value per share (USD)</b>			
Number of shares issued as at period end		26,323,950	26,323,950
Number of treasury shares (bought for cancellation) as at period end	8	(8,684,499)	(1,876,234)
Number of shares outstanding net of treasury shares as at period end		17,639,451	24,447,716
<b>Net asset value per share</b>		<b>18.04</b>	<b>18.52</b>

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.

## Unaudited consolidated statement of cash flows

For the period ended 30 June 2018 (all amounts in USD thousands unless otherwise stated)

	1 January – 30 June 2018	1 January – 30 June 2017
<b>Cash flows from/(used in) operating activities:</b>		
Purchase of investments	(138)	(1,001)
Proceeds from callable return of invested capital in investments	—	897
Proceeds from return of invested capital in investments	16,252	31,534
Proceeds from realised gains on investments	24,167	49,569
Proceeds from sales of securities	651	49
Interest received	105	24
Investment expenses paid	(418)	(1,904)
Withholding taxes paid for investments	(443)	(693)
Withholding taxes refunded from investments	2	165
Other operating expenses paid	(7,745)	(3,108)
Capital tax paid	—	(31)
<b>Net cash flows from operating activities</b>	<b>32,433</b>	<b>75,501</b>
<b>Cash flows from/(used in) financing activities:</b>		
Finance costs	(208)	(16)
Purchase of treasury shares (bought for cancellation)	(122,272)	(27,982)
Capital repayments to investors	(11,548)	—
<b>Net cash flows used in financing activities</b>	<b>(134,028)</b>	<b>(27,998)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(101,595)</b>	<b>47,503</b>
Cash and cash equivalents at beginning of period	230,212	129,750
Exchange (loss)/gain on cash and cash equivalents	(10,117)	46
<b>Cash and cash equivalents at end of period</b>	<b>118,500</b>	<b>177,299</b>
<b>Cash and cash equivalents consist of the following as at 30 June:</b>		
Cash at banks	90,500	177,299
Time deposits < 90 days	28,000	—
<b>Total</b>	<b>118,500</b>	<b>177,299</b>

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.



**Unaudited consolidated statement of changes in equity**

For the period ended 30 June 2018 (all amounts in USD thousands unless otherwise stated)

	Share capital	Additional paid-in capital	Less treasury shares	Retained earnings	Non-controlling interests	Total equity
<b>1 January 2017</b>	<b>99,434</b>	<b>62,965</b>	<b>(39,278)</b>	<b>335,019</b>	<b>1</b>	<b>458,141</b>
Total comprehensive income for the period	—	—	—	19,648	—	19,648
Purchase of treasury shares (bought for cancellation)	—	—	(32,437)	—	—	(32,437)
<b>30 June 2017</b>	<b>99,434</b>	<b>62,965</b>	<b>(71,715)</b>	<b>354,667</b>	<b>1</b>	<b>445,352</b>
<b>1 January 2018</b>	<b>893</b>	<b>151,624</b>	<b>(34,117)</b>	<b>334,356</b>	<b>1</b>	<b>452,757</b>
Total comprehensive income for the period	—	—	—	7,365	—	7,365
Purchase of treasury shares (bought for cancellation)	—	—	(123,719)	—	—	(123,719)
Capital repayments to investors	—	(11,548)	—	—	—	(11,548)
Impact of CHF/USD historical rates on the capital repayments to investors	—	(6,552)	—	—	—	(6,552)
<b>30 June 2018</b>	<b>893</b>	<b>133,524</b>	<b>(157,836)</b>	<b>341,721</b>	<b>1</b>	<b>318,303</b>

The accompanying notes on pages 10 to 29 form an integral part of these consolidated financial statements.

## Notes to the unaudited consolidated financial statements

For the period ended 30 June 2018

(All amounts in USD thousands unless otherwise stated)

### 1. Organisation and business activity

Castle Private Equity AG, Pfäffikon (“the Company”), is a stock corporation established for an indefinite period by deed dated 19 February 1997. The Company’s registered office is Schützenstrasse 6, CH-8808 Pfäffikon. The Company’s business is principally conducted through two fully consolidated subsidiaries (“the Subsidiaries”); Castle Private Equity (Overseas) Ltd. (“the Overseas Subsidiary”) and Castle Private Equity (International) plc (“the Ireland Subsidiary”). Since 4 September 1998 the shares of the Company have been listed in Swiss Francs on the SIX Swiss Exchange. On 21 January 2002 a listing in US Dollar on the SIX Swiss Exchange followed. On 31 October 2016 the US Dollar trading line was terminated.

### 2. Basis of preparation

The accompanying consolidated interim financial statements of Castle Private Equity AG, Pfäffikon and its Subsidiaries (together the “Group”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and comply with Swiss Law and the accounting guidelines laid down in the SIX Swiss Exchange’s Directive on Financial Report (DFR) for investment companies.

The consolidated interim financial statements of the Group have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The principles of accounting applied in the interim consolidated financial statements as per 30 June 2018 correspond to those of the annual report 2017, unless otherwise stated. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB).

**a) Standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 January 2018**

– IFRS 9, “Financial instruments”, (1 January 2018)

The implementation of this new standard did not have an impact on the consolidated interim financial statements of the Group and did not lead to any changes to the total shareholders' equity of the Group as all of the Group's investments are measured at fair value through profit or loss.

**b) Standards and amendments to published standards effective after 1 January 2018 that have not been early adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these interim financial statements. None of these could have a significant effect on the consolidated interim financial statements.

**c) Segment reporting**

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the chief operating decision-maker. The investment manager is considered to be the chief operating decision-maker. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

The sole operating segment of the Group is investing in private equity. The investment manager works as a team for the entire portfolio, asset allocation is based on a single, integrated investment strategy and the Group's performance is evaluated on an overall basis. Thus the results published in this report correspond to the sole operating segment of investing in private equity.

### **3. Basis of consolidation**

The consolidated interim financial statements per 30 June 2018 are based on the financial statements of the individual Group companies prepared using the same accounting principles applied in the consolidated financial statements for the year ended 31 December 2017.

The consolidated interim financial statements include all assets and liabilities of Castle Private Equity AG and its direct and indirect subsidiaries:

- Castle Private Equity (Overseas) Ltd., Cayman Islands; and
- Castle Private Equity (International) plc, Ireland

### **4. Investments and marketable securities designated at fair value through profit or loss**

As of 30 June 2018 the Group had subscribed interests in 98 (31 December 2017: 104) private equity investments vehicles (mainly limited partnerships), domiciled in the United States of America, the Cayman Islands, Europe and other jurisdictions. The total committed capital amounted to TUSD 1,183,748 (31 December 2017: TUSD 1,235,896) of which TUSD 1,136,146 (31 December 2017: TUSD 1,209,445) was paid in. The details of the investments are shown in the investment schedule on pages 15 to 19 and the investment movement schedule on pages 13 and 14.

## Movements in investments and marketable securities designated at fair value through profit or loss<sup>1)</sup>

For the period ended 30 June 2018 (all amounts in USD thousands unless otherwise stated)

2018	Value per 1 January 2018	Additions (capital calls) <sup>2)</sup>	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2018	Total real- ised gains/ (losses) per 30.6.2018 <sup>3)</sup>	Net gains/ (losses) per 30.6.2018	Uncalled commit- ment amount
<b>Marketable securities</b>	—	<b>660</b>	<b>(660)</b>	—	—	—	<b>9</b>	<b>9</b>	—
<b>Balanced stage</b>	<b>5,232</b>	—	<b>(1,530)</b>	<b>40</b>	<b>(719)</b>	<b>3,023</b>	—	<b>(679)</b>	<b>10,858</b>
<b>Buyout stage</b>									
large buyout stage	26,680	329	(19,634)	10,790	(1,683)	16,482	(8,465)	642	6,280
middle market buyout stage	88,906	(29)	(8,543)	7,805	(8,092)	80,047	10,084	9,797	16,062
small buyout stage	24,039	—	(7,007)	2,140	(2,995)	16,178	3,093	2,238	8,206
<b>Total buyout stage</b>	<b>139,625</b>	<b>300</b>	<b>(35,184)</b>	<b>20,735</b>	<b>(12,770)</b>	<b>112,707</b>	<b>4,712</b>	<b>12,677</b>	<b>30,548</b>
<b>Special situations stage</b>									
distressed debt stage	14,744	—	(6,607)	2,882	(4,344)	6,675	378	(1,084)	1,010
<b>Total special situations stage</b>	<b>14,744</b>	—	<b>(6,607)</b>	<b>2,882</b>	<b>(4,344)</b>	<b>6,675</b>	<b>378</b>	<b>(1,084)</b>	<b>1,010</b>
<b>Venture stage</b>									
early stage venture	28,894	(4)	(2,287)	1,975	(413)	28,165	979	2,541	4,007
growth capital stage	11,109	(78)	(7,705)	2,969	—	6,295	(2,271)	698	701
late stage venture	13,595	(63)	(1,584)	843	(1,312)	11,478	1,017	548	478
<b>Total venture stage</b>	<b>53,598</b>	<b>(145)</b>	<b>(11,576)</b>	<b>5,787</b>	<b>(1,725)</b>	<b>45,938</b>	<b>(275)</b>	<b>3,787</b>	<b>5,186</b>
<b>Co-Investment</b>									
large buyout stage	—	—	—	—	—	—	—	—	—
small buyout stage	15,726	—	—	—	(818)	14,908	—	(818)	—
<b>Total Co-Investment</b>	<b>15,726</b>	—	—	—	<b>(818)</b>	<b>14,908</b>	—	<b>(818)</b>	—
<b>Total investments</b>	<b>228,925</b>	<b>155</b>	<b>(54,897)</b>	<b>29,444</b>	<b>(20,376)</b>	<b>183,251</b>	<b>4,815</b>	<b>13,883</b>	<b>47,602</b>
<b>Total investments and marketable securities designated at fair value through profit or loss</b>	<b>228,925</b>	<b>815</b>	<b>(55,557)</b>	<b>29,444</b>	<b>(20,376)</b>	<b>183,251</b>	<b>4,824</b>	<b>13,892</b>	<b>47,602</b>

<sup>1)</sup> Numbers may not fully add up due to rounding.

<sup>2)</sup> Includes callable returns of capital and adjustments due to sales of investments.

<sup>3)</sup> Includes callable distributed realised gains.

2017	Value per 1 January 2017	Additions (capital calls) <sup>1)</sup>	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 30.6.2017	Total real- ised gains/ (losses) per 30.6.2017 <sup>2)</sup>	Net gains/ (losses) per 30.6.2017	Uncalled commit- ment amount <sup>4)</sup>
<b>Marketable securities</b>	—	<b>52</b>	<b>(52)</b>	—	—	—	<b>(3)</b>	<b>(3)</b>	—
<b>Balanced stage</b>	<b>8,744</b>	—	—	<b>407</b>	<b>(999)</b>	<b>8,152</b>	<b>998</b>	<b>406</b>	<b>10,858</b>
<b>Buyout stage</b>									
large buyout stage	48,290	301	(7,873)	353	(5,744)	35,327	7,835	2,444	9,379
middle market buyout stage	142,083	78	(16,025)	7,754	(16,036)	117,854	23,224	14,942	15,881
small buyout stage	28,129	195	(6,116)	4,728	(300)	26,636	(10)	4,418	8,567
<b>Total buyout stage</b>	<b>218,502</b>	<b>574</b>	<b>(30,014)</b>	<b>12,835</b>	<b>(22,080)</b>	<b>179,817</b>	<b>31,049</b>	<b>21,804</b>	<b>33,827</b>
<b>Special situations stage</b>									
distressed debt stage	25,479	—	(46)	10	(6,823)	18,620	5,243	(1,570)	1,090
<b>Total special situations stage</b>	<b>25,479</b>	—	<b>(46)</b>	<b>10</b>	<b>(6,823)</b>	<b>18,620</b>	<b>5,243</b>	<b>(1,570)</b>	<b>1,090</b>
<b>Venture stage</b>									
early stage venture	32,038	(378)	(1,189)	1,260	(989)	30,742	889	1,160	3,653
growth capital stage	12,243	(58)	(1,396)	1,084	—	11,873	2,054	3,138	901
late stage venture	16,642	—	(374)	32	(1,649)	14,651	2,547	930	415
<b>Total venture stage</b>	<b>60,923</b>	<b>(436)</b>	<b>(2,959)</b>	<b>2,376</b>	<b>(2,638)</b>	<b>57,266</b>	<b>5,490</b>	<b>5,228</b>	<b>4,969</b>
<b>Co-Investment</b>									
large buyout stage	4,719	—	(1,445)	—	(866)	2,408	3,091	2,225	—
small buyout stage	12,224	—	—	2,643	(681)	14,186	—	1,962	—
<b>Total Co-Investment</b>	<b>16,943</b>	—	<b>(1,445)</b>	<b>2,643</b>	<b>(1,547)</b>	<b>16,594</b>	<b>3,091</b>	<b>4,187</b>	—
<b>Total investments</b>	<b>330,591</b>	<b>138</b>	<b>(34,464)</b>	<b>18,271</b>	<b>(34,087)</b>	<b>280,449</b>	<b>45,871</b>	<b>30,055</b>	<b>50,744</b>
<b>Total investments and marketable securities designated at fair value through profit or loss</b>	<b>330,591</b>	<b>190</b>	<b>(34,516)</b>	<b>18,271</b>	<b>(34,087)</b>	<b>280,449</b>	<b>45,868</b>	<b>30,052</b>	<b>50,744</b>

<sup>1)</sup> Numbers may not fully add up due to rounding.

<sup>2)</sup> Includes callable returns of capital and adjustments due to sales of investments.

<sup>3)</sup> Includes callable distributed realised gains.

<sup>4)</sup> Does not include paid in capital for deferred put option.

In general, movements in investments and securities designated at fair value through profit or loss, except for unrealised gains and losses, directly result in cash flows for the Group. In certain cases, such transactions may not be settled in cash. The consolidated statement of cash flows on page 8 shows the cash transactions in the portfolio and the cash flow reconciliation on page 20 shows the portfolio's non-cash transactions and provides a reconciliation to the movement schedules.

## Investments and marketable securities designated at fair value through profit or loss<sup>1)</sup>

As of 30 June 2018 (all amounts in USD thousands unless otherwise stated)

	Deal currency	Vintage year	Geography	Commitment 31.12.2017	Cost 1.1.2017	Cost 31.12.2017	Fair value 31.12.2017	Commitment 30.6.2018	Cost 30.6.2018	Fair value 30.6.2018	FMV in %
<b>Balanced stage</b>											
Chancellor Offshore Partnership Fund, L.P.	USD	1997	North America	235,000	—	—	2,864	235,000	—	2,145	1.17%
Chancellor Partnership Fund, L.P.	USD	1997	North America	14,518	—	—	—	14,518	—	—	0.00%
Landmark Equity Partners III, L.P. (Secondary – Vinegar) <sup>2),5)</sup>	USD	1998	North America	12,171	—	—	—	—	—	—	0.00%
Crown Global Secondaries plc	USD	2004	North America	30,000	5,257	2,617	2,368	30,000	1,087	878	0.48%
<b>Total balanced stage</b>				<b>291,689</b>	<b>5,257</b>	<b>2,617</b>	<b>5,232</b>	<b>279,518</b>	<b>1,087</b>	<b>3,023</b>	<b>1.65%</b>
<b>Buyout stage</b>											
<b>Large buyout</b>											
Doughty Hanson & Co III, L.P. 15	USD	1997	Europe	10,000	2,292	734	79	10,000	734	80	0.04%
Clayton, Dubilier & Rice Fund VI, L.P.	USD	1998	North America	10,000	2,600	2,581	3	10,000	2,581	3	0.00%
BC European Capital VII <sup>3)</sup>	EUR	2000	Europe	12,005	2,132	2,132	58	11,675	2,132	57	0.03%
Permira Europe II, L.P. <sup>3)</sup>	EUR	2000	Europe	12,005	2,280	2,280	108	11,675	2,280	105	0.06%
TPG Parallel III, L.P.	USD	2000	North America	5,000	1,218	1,178	22	5,000	1,178	21	0.01%
T3 Parallel II, L.P.	USD	2001	North America	5,000	1,030	1,030	98	5,000	1,030	82	0.04%
Warburg Pincus Private Equity VIII, L.P.	USD	2001	North America	15,000	—	—	1,848	15,000	—	1,716	0.94%
Permira Europe III, L.P. II <sup>3)</sup>	EUR	2003	Europe	12,005	3,227	2,765	55	11,675	2,765	48	0.03%
TPG Partners IV, L.P.	USD	2003	North America	13,954	5,045	4,627	1,188	13,954	—	—	0.00%
Silver Lake Partners II, L.P.	USD	2004	North America	10,000	1,625	1,548	1,403	10,000	1,462	815	0.44%
Clayton, Dubilier & Rice Fund VII, L.P.	USD	2005	North America	15,000	1,712	—	35	15,000	—	35	0.02%
Greenhill Capital Partners II, L.P.	USD	2005	North America	10,000	4,090	3,650	1,016	10,000	3,631	1,010	0.55%
KKR European Fund II, L.P. <sup>3)</sup>	EUR	2005	Europe	12,006	3,068	2,737	145	11,675	2,732	66	0.04%
First Reserve XI, L.P.	USD	2006	North America	15,000	10,094	9,436	793	15,000	9,436	797	0.43%
Permira IV, L.P. 2 <sup>3)</sup>	EUR	2006	Europe	12,605	2,094	2,095	64	12,258	2,099	60	0.03%
TPG Partners V, L.P.	USD	2006	North America	28,727	15,794	13,912	6,580	28,727	—	—	0.00%
Clayton, Dubilier & Rice Fund VII (Co-Investment), L.P.	USD	2007	North America	3,000	132	—	12	—	—	—	0.00%
Bain Capital Fund X, L.P.	USD	2008	North America	12,000	5,474	4,008	4,065	12,000	3,923	3,682	2.01%
Bain Capital X Coinvestment Fund, L.P.	USD	2008	North America	420	238	214	100	420	214	93	0.05%
TPG Partners VI, L.P.	USD	2008	North America	18,000	10,465	9,277	9,008	18,000	8,701	7,812	4.26%
<b>Total large buyout</b>				<b>231,727</b>	<b>74,610</b>	<b>64,204</b>	<b>26,680</b>	<b>227,059</b>	<b>44,898</b>	<b>16,482</b>	<b>8.99%</b>
<b>Middle market buyout</b>											
Carlyle II Co-Investments <sup>6)</sup>	USD	1997	North America	395	108	108	3	—	—	—	0.00%
The Triton Fund (No. 9) L.P. <sup>3)</sup>	EUR	1999	Europe	10,434	720	720	158	10,147	720	154	0.08%
Warburg Pincus International Partners, L.P.	USD	2000	Europe	10,000	—	—	1,375	10,000	—	1,600	0.87%

	Deal currency	Vintage year	Geography	Commitment 31.12.2017	Cost 1.1.2017	Cost 31.12.2017	Fair value 31.12.2017	Commitment 30.6.2018	Cost 30.6.2018	Fair value 30.6.2018	FMV in %
Bain Capital Fund VII-E, L.P.	USD	2002	Europe	8,000	1,205	1,205	48	8,000	1,205	44	0.02%
J.W. Childs Equity Partners III, L.P.	USD	2002	North America	12,000	952	952	1	12,000	952	1	0.00%
Bain Capital Fund VIII-E, L.P. <sup>3)</sup>	EUR	2004	Europe	12,006	3,527	3,488	357	11,675	3,488	334	0.18%
Odyssey Investment Partners III, L.P.	USD	2004	North America	10,000	1,736	281	224	10,000	281	—	0.00%
Newbridge Asia IV, L.P.	USD	2005	Asia	10,000	3,722	3,722	907	10,000	3,133	139	0.08%
SB Asia Investment Fund II, L.P.	USD	2005	Asia	7,000	2,063	1,656	4,578	7,000	1,010	3,449	1.88%
Chequers XV, FCPR <sup>3)</sup>	EUR	2006	Europe	9,603	3,126	2,659	1,087	9,340	1,940	273	0.15%
Court Square Capital Partners II, L.P.	USD	2006	North America	15,000	5,416	5,043	3,418	15,000	5,043	3,336	1.82%
Polish Enterprise Fund VI, L.P. <sup>3)</sup>	EUR	2006	Europe	12,006	9,333	4,899	1,466	11,675	4,087	1,711	0.93%
The Triton Fund II, L.P. <sup>3)</sup>	EUR	2006	Europe	14,406	5,288	4,082	2,052	14,009	4,082	2,191	1.20%
Wellspring Capital Partners IV, L.P.	USD	2006	North America	10,000	4,152	428	—	10,000	—	—	0.00%
<b>Advent Latin American Private Equity</b>											
Fund IV, L.P.	USD	2007	Other	10,000	5,193	3,048	3,607	10,000	2,348	2,383	1.30%
CDH China Fund III, L.P.	USD	2007	Asia	9,000	—	—	968	9,000	—	604	0.33%
CDH Supplementary Fund III, L.P.	USD	2007	Asia	3,000	234	—	218	3,000	—	151	0.08%
Crown Asia-Pacific Private Equity plc	USD	2007	Asia	40,000	19,255	12,135	18,535	40,000	9,815	16,924	9.24%
EOS Capital Partners IV, L.P.	USD	2007	North America	15,000	8,718	6,542	10,203	15,000	6,067	8,023	4.38%
Genstar Capital Partners V, L.P.	USD	2007	North America	10,000	3,606	1,874	1,948	10,000	1,874	1,978	1.08%
SAIF Partners III, L.P.	USD	2007	Asia	10,000	6,204	5,269	14,284	10,000	4,997	16,913	9.23%
STG III, L.P.	USD	2007	North America	9,450	4,211	—	2,898	9,519	—	—	0.00%
Bain Capital Europe Fund III, L.P. <sup>3)</sup>	EUR	2008	Europe	12,006	3,648	2,006	2,713	11,675	1,886	1,154	0.63%
Hahn & Company I, L.P.	USD	2011	Asia	10,000	6,772	4,734	10,033	10,000	3,634	10,536	5.75%
Bain Capital Asia Fund II, L.P.	USD	2012	Asia	10,000	6,417	4,914	7,825	10,000	4,630	8,149	4.45%
<b>Total middle market buyout</b>				<b>279,306</b>	<b>105,606</b>	<b>69,765</b>	<b>88,906</b>	<b>277,040</b>	<b>61,192</b>	<b>80,047</b>	<b>43.68%</b>
<b>Small buyout</b>											
Chequers Capital FCPR <sup>3)</sup>	EUR	2002	Europe	10,205	1,933	1,933	529	9,923	1,405	—	0.00%
MBO Capital FCPR <sup>3)</sup>	EUR	2002	Europe	6,003	—	—	69	5,837	—	66	0.04%
Nmas <sup>1</sup> Private Equity Fund No.2 L.P. <sup>3)</sup>	EUR	2002	Europe	6,003	1,255	918	132	5,837	918	216	0.12%
Arsenal Capital Partners QP II-B, L.P.	USD	2006	North America	13,000	3,724	3,769	5,652	12,459	—	—	0.00%
Bancroft II, L.P. (Secondary – Atlantic) <sup>3)</sup> <sup>5)</sup>	EUR	2006	Europe	4,197	—	—	139	4,081	—	97	0.05%
J.P. Morgan Italian Fund III (Secondary – Atlantic) <sup>3)</sup> <sup>5)</sup>	EUR	2006	Europe	8,148	6,183	6,085	—	7,923	6,085	—	0.00%
Wynnchurch Capital Partners II, L.P.	USD	2006	North America	7,500	2,827	2,258	375	7,500	2,258	459	0.25%
Crown European Buyout Opportunities II plc <sup>3)</sup>	EUR	2007	Europe	36,017	14,346	5,935	13,337	35,024	3,225	12,599	6.88%
PortPEP Limited (Secondary – Port) <sup>3)</sup>	EUR	2011	Europe	12,966	—	—	3,806	12,608	—	2,741	1.50%
<b>Total small buyout</b>				<b>104,039</b>	<b>30,268</b>	<b>20,898</b>	<b>24,039</b>	<b>101,192</b>	<b>13,891</b>	<b>16,178</b>	<b>8.83%</b>
<b>Total buyout stage</b>				<b>615,072</b>	<b>210,484</b>	<b>154,867</b>	<b>139,625</b>	<b>605,291</b>	<b>119,981</b>	<b>112,707</b>	<b>61.50%</b>



	Deal currency	Vintage year	Geography	Commitment 31.12.2017	Cost 1.1.2017	Cost 31.12.2017	Fair value 31.12.2017	Commitment 30.6.2018	Cost 30.6.2018	Fair value 30.6.2018	FMV in %
<b>Special situations stage</b>											
<b>Distressed debt</b>											
OCM Opportunities Fund IV, L.P.	USD	2001	North America	5,000	—	—	1	5,000	—	—	0.00%
OCM Principal Opportunities Fund II, L.P.	USD	2001	North America	5,000	—	—	—	—	—	—	0.00%
OCM Opportunities Fund IVb, L.P.	USD	2002	North America	5,000	—	—	—	5,000	—	—	0.00%
Sun Capital Securities Offshore Fund, Ltd.	USD	2004	North America	10,000	4,255	4,249	300	10,000	4,124	220	0.12%
OCM Principal Opportunities Fund IV, L.P.	USD	2006	North America	10,000	—	—	1,648	10,000	—	543	0.30%
Sun Capital Securities Offshore Fund, Ltd. (Second Tranche)	USD	2006	North America	10,000	1,837	1,797	376	10,000	1,665	313	0.17%
Fortress Investment Fund V (Coinvestment Fund D), L.P.	USD	2007	North America	7,200	4,689	4,261	1,492	7,200	—	—	0.00%
Fortress Investment Fund V (Fund D), L.P.	USD	2007	North America	7,500	3,320	2,090	4,114	7,500	—	—	0.00%
OCM Opportunities Fund VII, L.P.	USD	2007	North America	10,000	—	—	924	10,000	—	702	0.38%
Castlelake I, L.P.	USD	2007	North America	15,000	—	—	3,372	15,000	—	2,820	1.54%
Oaktree European Credit Opportunities Fund, L.P. <sup>3)</sup>	EUR	2008	Europe	12,006	4,688	4,688	91	11,675	4,688	83	0.05%
OCM European Principal Opportunities Fund II, L.P. <sup>3)</sup>	EUR	2008	Europe	9,004	—	—	1,366	8,756	—	1,103	0.60%
OCM Opportunities Fund VIIb, L.P.	USD	2008	North America	13,500	—	—	1,060	13,500	—	891	0.49%
<b>Total distressed debt</b>				<b>119,210</b>	<b>18,789</b>	<b>17,085</b>	<b>14,744</b>	<b>113,631</b>	<b>10,477</b>	<b>6,675</b>	<b>3.64%</b>
<b>Total special situations stage</b>				<b>119,210</b>	<b>18,789</b>	<b>17,085</b>	<b>14,744</b>	<b>113,631</b>	<b>10,477</b>	<b>6,675</b>	<b>3.64%</b>
<b>Venture stage</b>											
<b>Early stage venture</b>											
Strategic European Technologies N.V. <sup>3)</sup>	EUR	1997	Europe	8,226	—	—	94	7,999	—	89	0.05%
Invesco Venture Partnership Fund II, L.P.	USD	1999	North America	15,000	1,355	1,355	51	15,000	1,309	48	0.03%
Balderton Capital I, L.P.	USD	2000	Europe	5,333	3,180	3,180	1,178	5,333	3,180	1,177	0.64%
Chancellor V, L.P.	USD	2000	North America	20,000	3,493	2,430	1,267	20,000	2,431	1,146	0.63%
Galileo III FCPR <sup>3)</sup>	EUR	2000	Europe	7,585	1,024	—	—	7,376	—	401	0.22%
Jerusalem Venture Partners IV, L.P.	USD	2000	Other	8,000	—	—	291	8,000	—	291	0.16%
Global Life Science Venture Fund II, L.P. <sup>3)</sup>	EUR	2002	Europe	6,003	3,174	3,174	18	5,837	3,174	17	0.01%
Amadeus II Fund C GmbH & Co. KG (Secondary – Vermont) <sup>4)5)</sup>	GBP	2005	Europe	1,064	820	820	620	901	—	—	0.00%
Balderton Capital II, L.P.	USD	2005	Europe	4,000	3,416	3,134	313	4,000	3,134	610	0.33%
Battery Ventures VII, L.P.	USD	2005	North America	3,000	620	537	54	3,000	512	52	0.03%
BCPI I, L.P. (Secondary – Vermont) <sup>5)</sup>	USD	2005	Other	1,833	895	811	150	1,833	811	150	0.08%
Benchmark Israel II, L.P.	USD	2005	Other	4,602	1,787	1,025	1,555	4,602	1,025	1,555	0.85%
H.I.G. Venture Partners II, L.P.	USD	2005	North America	5,000	4,107	3,773	2,250	5,000	3,773	2,281	1.24%



	Deal currency	Vintage year	Geography	Commitment 31.12.2017	Cost 1.1.2017	Cost 31.12.2017	Fair value 31.12.2017	Commitment 30.6.2018	Cost 30.6.2018	Fair value 30.6.2018	FMV in %
<b>Small buyout</b>											
Co-Investment 4 <sup>3)</sup>	EUR	2011	Europe	2,252	2,527	2,525	2,963	2,189	2,526	2,450	1.34%
Co-Investment 5 <sup>3)</sup>	EUR	2011	Europe	4,802	5,440	5,440	12,763	4,670	5,441	12,458	6.80%
<b>Total small buyout</b>				<b>7,054</b>	<b>7,967</b>	<b>7,965</b>	<b>15,726</b>	<b>6,859</b>	<b>7,967</b>	<b>14,908</b>	<b>8.13%</b>
<b>Total Co-Investment and other</b>				<b>14,649</b>	<b>10,074</b>	<b>7,965</b>	<b>15,726</b>	<b>6,859</b>	<b>7,967</b>	<b>14,908</b>	<b>8.13%</b>
<b>Total investments designated at fair value through profit or loss</b>				<b>1,235,896</b>	<b>321,007</b>	<b>251,401</b>	<b>228,925</b>	<b>1,183,748</b>	<b>196,659</b>	<b>183,251</b>	<b>100.00%</b>
<b>Total</b>				<b>1,235,896</b>	<b>321,007</b>	<b>251,401</b>	<b>228,925</b>	<b>1,183,748<sup>7)</sup></b>	<b>196,659</b>	<b>183,251</b>	<b>100.00%</b>

<sup>1)</sup> Numbers may not fully add up due to rounding.

<sup>2)</sup> Additionally, a commitment of TUSD 359 is maintained as a contingency reserve, should Landmark Equity Partners III, L.P. require capital for operating expenses.

<sup>3)</sup> Total commitment translated from EUR value at 1:167450 as of 30 June 2018 and 1.200550 as of 31 December 2017.

<sup>4)</sup> Total commitment translated from GBP value at 1:320250 as of 30 June 2018 and 1:353050 as of 31 December 2017.

<sup>5)</sup> For the secondary investments no realised profit is recognised for capital distributions received until the cumulative returns on invested capital exceed the cost of a particular investment.

<sup>6)</sup> Total paid in amounted is maintained as the commitment.

<sup>7)</sup> Total paid in amounted to TUSD 1,136,146 (31 December 2017: TUSD 1,183,181).

## 5. Cash flow reconciliation

The following is a reconciliation between the cash flow statement on page 8 and the investments movement schedules on pages 13 and 14.

1 January 2018 – 30 June 2018	Investments			Marketable securities	
	Additions (capital calls)	Disposals (return of capital)	Realised gains and losses	Additions (capital calls)	Disposals (return of capital) and realised losses
<b>Movement schedule (page 13)</b>	<b>155</b>	<b>(54,897)</b>	<b>(4,815)</b>	<b>660</b>	<b>(660)</b>
Cash flows from investment activities	—	16,252	24,167	—	—
Purchase of investments	(138)	—	—	—	—
Proceeds from callable return of invested capital in investments	—	—	—	—	—
Purchase of marketable securities	—	—	—	—	—
Sales of marketable securities	—	—	—	—	660
Sales of investments	—	—	—	—	—
Non-cash transactions	—	—	—	—	—
Deemed distributions and account reclassification <sup>1)</sup>	(17)	17,057	1,576	—	—
In kind distributions <sup>2)</sup>	—	—	660	(660)	—
Revaluation of foreign currency positions <sup>3)</sup>	—	1,454	(1,454)	—	—
Accounts receivable	—	20,134	(20,134)	—	—
<b>Total cash and non-cash transactions</b>	<b>(155)</b>	<b>54,897</b>	<b>4,815</b>	<b>(660)</b>	<b>660</b>
<b>Reconciliation</b>	—	—	—	—	—

1 January 2017 – 30 June 2017	Investments			Marketable securities	
	Additions (capital calls)	Disposals (return of capital)	Realised gains and losses	Additions (capital calls)	Disposals (return of capital) and realised losses
<b>Movement schedule (page 14)</b>	<b>138</b>	<b>(34,464)</b>	<b>(45,871)</b>	<b>52</b>	<b>(52)</b>
Cash flows from investment activities	—	31,534	49,569	—	—
Purchase of investments	(1,001)	—	—	—	—
Proceeds from callable return of invested capital in investments	897	—	—	—	—
Purchase of marketable securities	—	—	—	—	—
Sales of marketable securities	—	—	—	—	52
Non-cash transactions	—	—	—	—	—
Deemed distributions and account reclassification <sup>1)</sup>	(34)	1	(821)	—	—
In kind distributions <sup>2)</sup>	—	—	52	(52)	—
Revaluation of foreign currency positions <sup>3)</sup>	—	2,929	(2,929)	—	—
<b>Total cash and non-cash transactions</b>	<b>(138)</b>	<b>34,464</b>	<b>45,871</b>	<b>(52)</b>	<b>52</b>
<b>Reconciliation</b>	—	—	—	—	—

<sup>1)</sup> Deemed distributions and account reclassification – when a general partner determines to retain and use distributable cash for a future contribution, the amount of such cash will be treated as a non-cash contribution and distribution. Account reclassification is required when such a deemed distribution is reported by the general partner.

<sup>2)</sup> In kind distributions – a distribution of marketable securities instead of a cash distribution.

<sup>3)</sup> Revaluation of foreign currency positions – as at every month-end the Group revalues the cumulative return of capital amount for foreign currency investments based on the average paid-in capital exchange rate. The resulting adjustment is booked as realised forex gain/(loss) on investments.

## 6. Taxes

General: taxes are provided based on reported income. Capital taxes paid are recorded in other operating expenses.

The Group currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Taxes are shown as a separate item in the consolidated statement of comprehensive income.

Castle Private Equity AG, Pfäffikon: for Schwyz cantonal and communal tax purposes, the Company is taxed as a holding company and is as such only liable for capital taxes. All relevant income of the Company, including the dividend income and capital gains from its investments, is exempt from taxation at the cantonal and communal level. The result of the participation exemption relief is that dividend income and capital gains are almost fully excluded from taxation.

Castle Private Equity (Overseas) Ltd., Grand Cayman: the activity of the Overseas Subsidiary is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Generally, the Overseas Subsidiary intends to conduct its affairs so as not to be liable to taxation in any other jurisdiction.

Castle Private Equity (International) plc, Dublin: the Ireland Subsidiary is not liable to Irish tax on its income or gain.

Reconciliation of income tax calculated with the applicable tax rate:

Income tax reconciliation	30.6.2018 TUSD	30.6.2017 TUSD
Profit for the period before taxes	7,806	19,956
Applicable tax rate	7.8%	7.8%
Income tax	609	1,557
Effect from: non-taxable income	(609)	(1,557)
<b>Total</b>	—	—

The applicable tax rate is the same as the effective tax rate.

Taxes	30.6.2018 TUSD	30.6.2017 TUSD
Withholding tax expenses for investments	441	308
<b>Total</b>	<b>441</b>	<b>308</b>

## 7. Borrowings

As of 30 June 2017 the Ireland Subsidiary terminated a credit facility with LGT Bank (Ireland) Ltd., Dublin (related party) and as of 30 June 2018 the Ireland Subsidiary had no borrowings from LGT Bank (Ireland) Ltd., Dublin (31 December 2017: Nil).

## 8. Shareholders' equity

The share capital of the Company at 30 June 2018 amounts to TCHF 1,316 (TUSD 893) (31 December 2017: TCHF 1,316 (TUSD 893)) consisting of 26,323,950 (31 December 2017: 26,323,950) issued and fully paid registered shares with a par value of CHF 0.05 each. In the general meeting on 15 May 2017 it was decided to decrease the share capital after cancellation of 2,904,511 shares by carrying out a nominal capital reduction from CHF 5.00 to CHF 0.05 per share from TCHF 131,620 (TUSD 99,434) to TCHF 1,316 (TUSD 893). The nominal capital reduction of CHF 4.95 per share, effective on 25 September 2017, was credited to a segregated capital account within the legal reserves from capital contributions. In the general meeting it was decided to release this reserve in the next reduction of share capital by cancellation of treasury shares. The translation into US Dollar has been done at the corresponding historical foreign exchange rate. Each share entitles the holder to participate in any distribution of income and capital. The Group regards shareholders' equity as the capital that it manages. Shareholders' equity amounts to TUSD 318,303 as of 30 June 2018 (31 December 2017: TUSD 452,757).

On 14 May 2018, the Company announced a distribution of CHF 1.00 per share from general legal reserves from capital contributions was approved with 100 per cent of votes. The dividend was paid on 22 May 2018.

### Share buyback 2<sup>nd</sup> line (bought for cancellation)

Since 2011, the Company has announced openings of second trading lines on a yearly basis for the Company's shares on the SIX Swiss Exchange. The Company is always the exclusive buyer on these trading lines and repurchases shares for the purpose of subsequently reducing its share capital. The treasury shares are treated as a deduction from shareholder's equity at the average purchase price.

### Share buyback via tradable put options (bought for cancellation)

On 30 May 2017, the Company again announced the issuance of put options tradable on the SIX Swiss Exchange. Every 20 put options entitled shareholders to tender one registered share with a nominal value of CHF 5 at the exercise price of CHF 18.15. The put options were traded from 01 June 2017 until 19 June 2017. On 1 June 2017, the Company announced that a total of 21,682,620 put options were declared for exercise. The net purchase price (exercise price minus 35 per cent withholding tax calculated on the difference between exercise price and the nominal value) was paid on 22 June 2017. Furthermore, following the termination of the buyback via issuance of tradable put options, the board of directors decided to launch a new share buyback program on a second trading line at the SIX Swiss Exchange. It started on 26 June 2017 (first trading day) and a maximum of 1,548,264 registered shares will be purchased for cancellation purposes.

On 8 February 2018 the board of directors of Castle Private Equity Ltd. decided to implement a share buyback program at a fixed price. Castle Private Equity Ltd. repurchased 6,165,955 registered shares at a buyback price of CHF 17.25 per registered share. The net purchase was paid on 13 March 2018.

In the annual general meeting in May 2018 the cancellation of all registered shares was approved.

## Treasury shares

Buyback programs	From	To	Cancelled	Number of shares	Average price USD	Average price CHF	Cost TUSD
Program initiated on 5 July 2016, announced on 11 May 2016							
Additions 2016	07.05.2016	31.12.2016	26.09.2017	1,126,158	15.69	15.49	17,666
Additions 2016 via tradable put options	16.06.2016	29.06.2016	26.09.2017	1,193,914	18.10	17.60	21,612
Additions 2017	01.01.2017	12.05.2017	26.09.2017	584,439	15.76	15.79	9,211
Additions 2017	15.05.2017	31.05.2017	—	151,116	16.88	16.49	2,551
<b>Total</b>				<b>3,055,627</b>	<b>16.70</b>	<b>16.42</b>	<b>51,040</b>
Program initiated on 26 June 2017, announced on 21 June 2017							
Additions 2017	26.06.2017	31.12.2017	—	20,000	17.67	16.99	353
Additions 2017 via tradable put options	01.06.2017	19.06.2017	—	1,084,131	18.75	18.26	20,322
Additions 2017	03.07.2017	31.12.2017	—	620,987	17.54	17.02	10,890
Additions 2018	01.01.2018	23.02.2018	—	36,000	18.50	17.40	666
Additions 2018 at a fixed price	09.03.2018	09.03.2018	—	6,165,955	18.28	17.25	112,709
Additions 2018	13.03.2018	30.06.2018	—	606,310	17.06	16.74	10,344
<b>Total</b>				<b>8,533,383</b>	<b>18.20</b>	<b>17.33</b>	<b>155,284</b>
<b>Movement of treasury shares 2<sup>nd</sup> line and tradable put options (bought for cancellation)</b>				<b>Number of shares</b>			<b>Cost TUSD</b>
<b>Shares held as of 1 January 2017</b>				<b>2,320,072</b>			<b>39,278</b>
Additions 2017 via 2 <sup>nd</sup> line				1,376,542			23,005
Additions 2017 via tradable put options				1,084,131			20,322
Cancellation on 26 September 2017				(2,904,511)			(48,488)
<b>Shares held as of 31 December 2017</b>				<b>1,876,234</b>			<b>34,117</b>
Additions 2018 via 2 <sup>nd</sup> line				642,310			11,010
Additions 2018 buyback fixed price				6,165,955			112,709
<b>Shares held as of 30 June 2018</b>				<b>8,684,499</b>			<b>157,836</b>

### **9. Significant transactions with related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise considerable influence over the other party in making financial or operating decisions. In the opinion of the board of directors, the parties referred to in the schedule accompanying this note are related parties under IAS 24 "Related Party Disclosures". All related party transactions have been carried out within the normal course of business.



## Related party transactions

Entity	Related party Relationship/Agreement(s) Direct/Indirect	Transaction type	30.6.2018 TUSD	31.12.2017 TUSD	30.6.2017 TUSD	
<b>Castle Private Equity (International) PLC</b>	LGT Bank Ltd./					
	Administrator Services Agreement/direct	Cash at banks	—	—	—	
	LGT Private Equity Advisers AG/	Management fees	1,651	4,565	2,284	
	Investment Management Agreement/direct	Management fees payable	798	1,148	1,131	
		Performance fees	—	5,198	6,040	
		Performance fees payable	—	5,198	6,040	
	LGT Fund Managers (Ireland) Ltd./	Administration fees	45	114	62	
	Management Agreement/direct	Administration fees payable	23	24	30	
	LGT Bank (Ireland) Ltd./	Interest income on time deposits	2	4	2	
	Loan Agreement/direct	Credit facility standby fees	—	8	8	
		Credit facility standby fees payable	—	—	4	
	LGT Fund Managers (Ireland) Ltd./	Investment Management Agreement/indirect	Investment management fees	—	—	—
	LGT Capital Partners Ltd./					
	LGT Private Equity Advisers AG/	Advisory Agreement/indirect	Advisory fees	—	—	—
Directors/indirect	Directors' fees	—	2	—		
<b>Castle Private Equity (Overseas) Limited</b>	LGT Fund Managers (Ireland) Ltd./	Administration fees	8	27	16	
	Administration Services Agreement/direct	Administration fees payable	4	5	7	
	LGT Bank Ltd./	Cash at banks	50	81	107	
	Loan Agreement/direct	Interest income	—	1	1	
		Credit facility standby fees	—	—	—	
	LGT Private Equity Advisers AG/	Investment Management Agreement/direct	Management fees	—	—	—
	LGT Capital Partners Ltd./					
	LGT Private Equity Advisers AG/	Consulting Agreement/indirect	Consulting fees	—	—	—
	LGT Bank (Cayman) Ltd./					
	LGT Private Equity Advisers AG/	Advisory Agreement/indirect	Advisory fees	—	—	—
	Directors/indirect	Directors' fees	5	5	5	
<b>Castle Private Equity AG</b>	LGT Bank Ltd./	Administration fees	—	—	—	
	Administrator Services Agreement/direct	Cash at banks	260	325	132	
	LGT Group Holding Ltd./	Administration fees	30	60	30	
	Administrative Services Agreement/direct	Administration fees payable	15	—	—	
	LGT Capital Partners Ltd./					
	Domicile Agreement/direct	Domicile fees	6	10	—	
	LGT Capital Partners Ltd./	General managers expenses	52	100	48	
	Management Agreement/direct	General managers expenses payable	52	—	—	
	Directors/direct	Directors' fees	124	239	120	

## 10. Segment reporting

The sole operating segment of the Group reflects the internal management structure and is evaluated on an overall basis. Revenue is derived by investing in a portfolio of private equity investments with a view to achieving significant value growth and to help shareholders maximise long-term returns. The following results correspond to the sole operating segment of investing in private equity. Items which can not be directly contributed to the operating segment are listed as "other".

The income/(loss) is geographically allocated as follows:

	North America TUSD	Europe TUSD	Asia TUSD	Other TUSD	Total TUSD
<b>As of 30 June 2018</b>					
<b>Income</b>					
Net gain on investments designated at fair value through profit or loss	2,465	4,741	6,676	10	13,892
Net loss on marketable securities investments designated at fair value through profit or loss	(9)	—	—	—	(9)
Other income	—	(3,268)	—	—	(3,268)
<b>Total income</b>	<b>2,456</b>	<b>1,473</b>	<b>6,676</b>	<b>10</b>	<b>10,615</b>
<b>As of 30 June 2017</b>					
<b>Income</b>					
Net gain on investments designated at fair value through profit or loss	6,271	18,908	4,083	793	30,055
Net loss on derivative investments designated at fair value through profit or loss	(3)	—	—	—	(3)
Other income	—	(38)	—	—	(38)
<b>Total income</b>	<b>6,268</b>	<b>18,870</b>	<b>4,083</b>	<b>793</b>	<b>30,014</b>

The assets are geographically allocated as follows:

	30.6.2018 TUSD		31.12.2017 TUSD	
<b>Non-current assets</b>				
North America	43,050	30.3%	69,370	30.3%
Europe	65,014	34.4%	78,972	34.4%
Asia	56,864	25.1%	57,347	25.1%
Other	18,323	10.2%	23,236	10.2%
<b>Total non-current assets</b>	<b>183,251</b>	<b>100.0%</b>	<b>228,925</b>	<b>100.0%</b>

## 11. Fair value estimation

IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Group. The Group 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 within the fair value hierarchy the Group’s financial assets (by class) measured at fair value at 30 June 2018 and 31 December 2017.

As of 30 June 2018	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
<b>Assets</b>				
<b>Assets designated at fair value through profit or loss:</b>				
Investments	–	–	183,251	183,251
<b>Total</b>	–	–	183,251	183,251
As of 31 December 2017	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
<b>Assets</b>				
<b>Assets designated at fair value through profit or loss:</b>				
Investments	–	–	228,925	228,925
<b>Total</b>	–	–	228,925	228,925

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Group does not adjust the quoted price for these investments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations, or alternative pricing sources, supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. level 3 instruments include private equity investments for which observable prices are not available.

Private equity investments for which market quotations are not readily available are valued at their fair values as described in the process below. The sole responsibility for determining the fair values lies with the board of directors. In estimating the fair value of fund investments, the investment manager in its valuation recommendation to the board of directors considers all appropriate and applicable factors (including a sensitivity to non-quantifiable market factors) relevant to their value, including but not limited to the following:

- reference to the fund investment's reporting information including consideration of any time lags between the date of the latest available reporting and the balance sheet date of the Group in those situations where no December valuation of the underlying fund is available. This includes a detailed analysis of exits (trade sales, initial public offerings, etc.) which the fund investments have gone through in the period between the latest available reporting and the balance sheet date of the Group, as well as other relevant valuation information. This information is a result of continuous contact with the investment managers and, specifically, by monitoring calls made to the investment managers, distribution notices received from the investment managers in the period between the latest available report and the balance sheet date of the Group, as well as the monitoring of other financial information sources and the assessment thereof;
- reference to recent transaction prices;
- result of operational and environmental assessments: periodic valuation reviews are made of the valuations of the underlying investments as reported by the investment managers to determine if the values are reasonable, accurate and reliable. These reviews include a fair value estimation using widely recognised valuation methods such as multiples analysis and discounted cash flow analysis;
- review of management information provided by the managers/administrators of the fund investments on a regular basis; and
- mark-to-market valuations for quoted investments held by the managers/administrators of the fund investments which make up a significant portion of the Group's net asset value.

If the board of directors comes to the conclusion upon recommendation of the investment manager after applying the above-mentioned valuation methods, that the most recent valuation reported by the manager/administrator of a fund investment is materially misstated, it will make the necessary adjustments using the results of its own review and analysis.

The Group can also invest in derivative instruments. Options are derivative contracts where the future payoffs to the buyer and seller of the contract are determined by the price of another security. A put option is an agreement in which the buyer has the right (but not the obligation) to exercise by selling an asset at a set price at a future date. Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques such as discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the consolidated statement of comprehensive income.

The following table shows the allocation of the level 3 investments according to financing stage, in percentage of the total fair value of these investments.

<b>Diversification by financing stage (FV)</b>	<b>30.6.2018 in %</b>	<b>31.12.2017 in %</b>
<b>Balanced stage</b>	2%	2%
<b>Buyout stage</b>		
Large buyout stage	9%	12%
Middle market buyout stage	41%	38%
Small buyout stage	13%	11%
<b>Special situations stage</b>		
Distressed debt stage	3%	6%
<b>Venture stage</b>		
Early stage venture	15%	13%
Growth capital stage	3%	5%
Late stage venture	6%	6%
<b>Co-Investment</b>		
Large buyout stage	0%	0%
Small buyout stage	8%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## 12. Subsequent events

Since the balance sheet date of 30 June 2018 Castle Private Equity AG purchased 264,967 treasury shares on its second trading line at a cost amount of TUSD 4,445. As at 15 August 2018 the Company held in total 648,011 treasury shares on its second trading line at a cost amount of TUSD 10,857.

At the 14 May 2018 general meeting of shareholders the cancellation of 8,301,455 shares was approved and has been registered by the commercial register. With regards to the listing of the Company's shares at the SIX Swiss Exchange, the cancellation becomes effective on 7 August 2018 (date of exchange adjustment). From then on, the issued share capital of the Company amounts to 18,022,495 registered shares with a par value of CHF 0.05 each.

Since the balance sheet date of 30 June 2018, there have been no material events that could impair the integrity of the information presented in the consolidated interim financial statements.

## Share information

Exchange rate CHF/USD: 0.9929

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	June 2018	Since inception
<b>Share information</b>													
Number of issued shares													
at year end (ooo) <sup>1)</sup>	4,320 <sup>2)</sup>	43,200	43,200	43,200 <sup>3)</sup>	43,200 <sup>4)</sup>	41,700 <sup>5)</sup>	37,530 <sup>6)</sup>	35,630 <sup>7)</sup>	33,464 <sup>8)</sup>	29,228 <sup>9)</sup>	26,324 <sup>10)</sup>	26,324 <sup>10)</sup>	
USD net asset value <sup>1)</sup>	17.06	11.77	12.18	14.70	15.76	17.40	17.13	15.39	16.19	17.03	18.52	18.04	
CHF closing price <sup>1)</sup>	13.81	3.43	5.40	8.11	10.10	13.00	11.95	14.35	16.40	15.35	17.90	16.45	
<b>Share performance<sup>1)</sup></b>													
USD net asset value	29.9%	(31.0%)	3.5%	20.7%	7.2%	10.4%	10.6% <sup>12)</sup>	6.3% <sup>13)</sup>	5.2%	5.2%	8.7%	6.0% <sup>14)</sup>	162.9% <sup>12),13),14)</sup>
USD closing price	20.1%	(73.9%)	64.1%	65.7%	24.1%	30.6%	11.5%	6.6%	12.7%	—	—	—	
CHF closing price	10.5%	(75.2%)	57.4%	50.2%	24.5%	28.7%	7.3%	20.1%	14.3%	(6.4%)	16.6%	(8.1%)	58.2%

<sup>1)</sup> Adjusted for the ten for one share split.

<sup>2)</sup> Of which 800,000 owned by the Group.

<sup>3)</sup> Of which 191,853 owned by the Group.

<sup>4)</sup> Of which 1,726,060 owned by the Group.

<sup>5)</sup> Of which 3,771,129 owned by the Group (575,885 in treasury and 3,195,244 for cancellation). On 12 July 2012, the 1,500,000 shares purchased in the 2011 share buyback program were cancelled.

<sup>6)</sup> Of which 1,782,385 owned by the Group (575,885 in treasury and 1,206,500 for cancellation). On 22 August 2013, the 4,170,000 shares purchased on the 2012/2013 share buyback program were cancelled.

<sup>7)</sup> Of which 2,057,885 owned by the Group (575,885 in treasury and 1,482,000 for cancellation). On 12 August 2014, 1,900,000 shares purchased on the 2013/2014 share buyback program were cancelled.

<sup>8)</sup> Of which 3,659,175 owned by the Group (3,659,175 for cancellation). On 6 August 2015, 2,166,000 shares purchased on the 2013/2014 share buyback program were cancelled.

<sup>9)</sup> Of which 2,320,072 owned by the Group. On 5 August 2016, 4,235,539 shares purchased via share buyback programs were cancelled.

<sup>10)</sup> Of which 1,876,234 owned by the Group. On 26 September 2017, 2,904,511 shares purchased via share buyback programs were cancelled.

<sup>11)</sup> Trading on Castle's USD trading line (ticker: CPED SW) was terminated on 31 October 2016.

<sup>12)</sup> Adjusted for capital repayments of CHF 0.75 cents/USD 0.77 cents on 23 May 2013, CHF 1.25 cents/USD 1.37 cents on 6 December 2013.

<sup>13)</sup> Adjusted for capital repayments of CHF 1.25/USD 1.40 on 22 May 2014, and CHF 1.40/USD 1.43 on 5 December 2014.

<sup>14)</sup> Adjusted for the fixed price share buyback paid out on 13 March 2018.

### Listing

SIX Swiss Exchange 4885474 (Swiss security number)

### Price information

Reuters: CPE.S

Bloomberg: CPEN SW <Equity>

### Publication of net asset value

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