

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 nd 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.

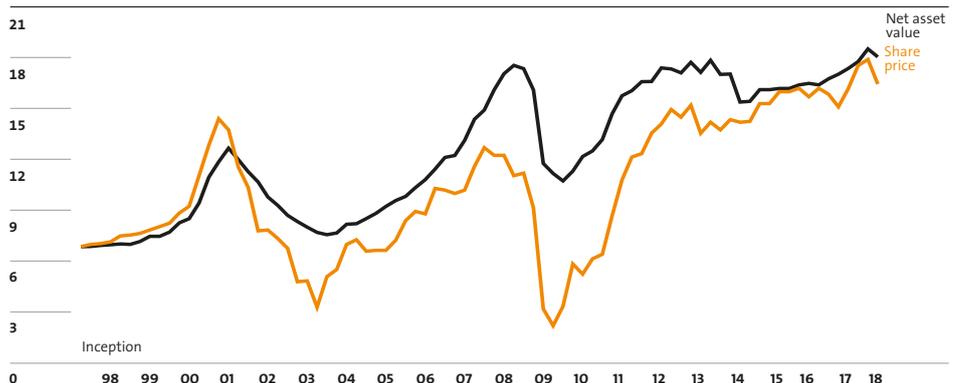
With capital calls of only USD 1 million during the first six months, Castle Private Equity's net liquidity position ended the period at USD 119 million, after taking account of investment activity within the portfolio, capital distributions and share buybacks.

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,

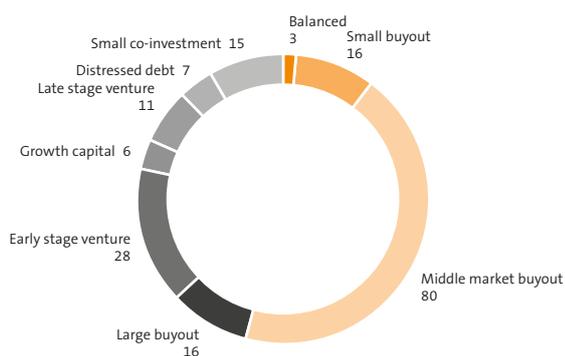
LGT Private Equity Advisers AG

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 |

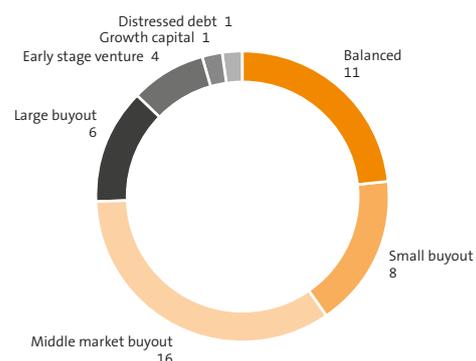
Private equity assets by financing stage

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 |
|---|------|-----------------------------|-----------------------------|
| Income | | | |
| Income from non-current assets: | | | |
| Net gain on investments designated at fair value through profit or loss | 4 | 13,892 | 30,055 |
| Total gains from non-current assets | | 13,892 | 30,055 |
| Income from current assets: | | | |
| 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 | – |
| Total losses from current assets | | (3,277) | (41) |
| Total income | | 10,615 | 30,014 |
| Expenses | | | |
| Management and performance fees | 9 | (1,651) | (8,324) |
| Expenses from investments | | (424) | (1,048) |
| Other operating expenses | | (732) | (684) |
| Total operating expenses | | (2,807) | (10,056) |
| Operating profit | | 7,808 | 19,958 |
| Finance costs | | (2) | (2) |
| Profit for the period before taxes | | 7,806 | 19,956 |
| Tax expense | 6 | (441) | (308) |
| Profit/(Loss) for the period after taxes | | 7,365 | (308) |
| Total comprehensive income for the period | | 7,365 | 19,648 |
| Profit attributable to: | | | |
| Shareholders | | 7,365 | 19,648 |
| Non-controlling interests | | – | – |
| | | 7,365 | 19,648 |
| Total comprehensive income attributable to: | | | |
| Shareholders | | 7,365 | 19,648 |
| Non-controlling interests | | – | – |
| | | 7,365 | 19,648 |
| Earnings per share (USD) attributable to equity holders | | | |
| 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 |
|--|------|----------------|------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | | 118,500 | 230,212 |
| Accrued income and other receivables | | 18,814 | 379 |
| Total current assets | | 137,314 | 230,591 |
| Non-current assets: | | | |
| Investments designated at fair value through profit or loss | 4 | 183,251 | 228,925 |
| Total non-current assets | | 183,251 | 228,925 |
| Total assets | | 320,565 | 459,516 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accrued expenses and other payables | | 2,262 | 6,759 |
| Total current liabilities | | 2,262 | 6,759 |
| Equity | | | |
| Shareholders' equity: | | | |
| 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 |
| Total shareholders' equity before non-controlling interests | | 318,302 | 452,756 |
| Non-controlling interests | | 1 | 1 |
| Total equity | | 318,303 | 452,757 |
| Total liabilities and equity | | 320,565 | 459,516 |
| Net asset value per share (USD) | | | |
| 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 |
| Net asset value per share | | 18.04 | 18.52 |

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 |
|--|-----------------------------|-----------------------------|
| Cash flows from/(used in) operating activities: | | |
| 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) |
| Net cash flows from operating activities | 32,433 | 75,501 |
| Cash flows from/(used in) financing activities: | | |
| Finance costs | (208) | (16) |
| Purchase of treasury shares (bought for cancellation) | (122,272) | (27,982) |
| Capital repayments to investors | (11,548) | — |
| Net cash flows used in financing activities | (134,028) | (27,998) |
| Net (decrease)/increase in cash and cash equivalents | (101,595) | 47,503 |
| Cash and cash equivalents at beginning of period | 230,212 | 129,750 |
| Exchange (loss)/gain on cash and cash equivalents | (10,117) | 46 |
| Cash and cash equivalents at end of period | 118,500 | 177,299 |
| Cash and cash equivalents consist of the following as at 30 June: | | |
| Cash at banks | 90,500 | 177,299 |
| Time deposits < 90 days | 28,000 | — |
| Total | 118,500 | 177,299 |

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 |
|---|---------------|----------------------------|----------------------|-------------------|---------------------------|----------------|
| 1 January 2017 | 99,434 | 62,965 | (39,278) | 335,019 | 1 | 458,141 |
| Total comprehensive income for the period | — | — | — | 19,648 | — | 19,648 |
| Purchase of treasury shares (bought for cancellation) | — | — | (32,437) | — | — | (32,437) |
| 30 June 2017 | 99,434 | 62,965 | (71,715) | 354,667 | 1 | 445,352 |
| 1 January 2018 | 893 | 151,624 | (34,117) | 334,356 | 1 | 452,757 |
| 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) |
| 30 June 2018 | 893 | 133,524 | (157,836) | 341,721 | 1 | 318,303 |

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 loss¹⁾

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

| 2018 | Value per 1 January 2018 | Additions (capital calls) ²⁾ | Disposals (returns of capital) | Unrealised gains | Unrealised losses | Value per 30.6.2018 | Total real- ised gains/ (losses) per 30.6.2018 ³⁾ | Net gains/ (losses) per 30.6.2018 | Uncalled commit- ment amount |
|--|--------------------------------|---|--------------------------------------|---------------------|----------------------|------------------------|---|---|---------------------------------------|
| Marketable securities | — | 660 | (660) | — | — | — | 9 | 9 | — |
| Balanced stage | 5,232 | — | (1,530) | 40 | (719) | 3,023 | — | (679) | 10,858 |
| Buyout stage | | | | | | | | | |
| 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 |
| Total buyout stage | 139,625 | 300 | (35,184) | 20,735 | (12,770) | 112,707 | 4,712 | 12,677 | 30,548 |
| Special situations stage | | | | | | | | | |
| distressed debt stage | 14,744 | — | (6,607) | 2,882 | (4,344) | 6,675 | 378 | (1,084) | 1,010 |
| Total special situations stage | 14,744 | — | (6,607) | 2,882 | (4,344) | 6,675 | 378 | (1,084) | 1,010 |
| Venture stage | | | | | | | | | |
| 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 |
| Total venture stage | 53,598 | (145) | (11,576) | 5,787 | (1,725) | 45,938 | (275) | 3,787 | 5,186 |
| Co-Investment | | | | | | | | | |
| large buyout stage | — | — | — | — | — | — | — | — | — |
| small buyout stage | 15,726 | — | — | — | (818) | 14,908 | — | (818) | — |
| Total Co-Investment | 15,726 | — | — | — | (818) | 14,908 | — | (818) | — |
| Total investments | 228,925 | 155 | (54,897) | 29,444 | (20,376) | 183,251 | 4,815 | 13,883 | 47,602 |
| Total investments and marketable securities designated at fair value through profit or loss | 228,925 | 815 | (55,557) | 29,444 | (20,376) | 183,251 | 4,824 | 13,892 | 47,602 |

¹⁾ Numbers may not fully add up due to rounding.

²⁾ Includes callable returns of capital and adjustments due to sales of investments.

³⁾ Includes callable distributed realised gains.

| 2017 | Value per 1 January 2017 | Additions (capital calls) ¹⁾ | Disposals (returns of capital) | Unrealised gains | Unrealised losses | Value per 30.6.2017 | Total real- ised gains/ (losses) per 30.6.2017 ²⁾ | Net gains/ (losses) per 30.6.2017 | Uncalled commit- ment amount ⁴⁾ |
|--|--------------------------------|---|--------------------------------------|---------------------|----------------------|------------------------|---|---|---|
| Marketable securities | — | 52 | (52) | — | — | — | (3) | (3) | — |
| Balanced stage | 8,744 | — | — | 407 | (999) | 8,152 | 998 | 406 | 10,858 |
| Buyout stage | | | | | | | | | |
| 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 |
| Total buyout stage | 218,502 | 574 | (30,014) | 12,835 | (22,080) | 179,817 | 31,049 | 21,804 | 33,827 |
| Special situations stage | | | | | | | | | |
| distressed debt stage | 25,479 | — | (46) | 10 | (6,823) | 18,620 | 5,243 | (1,570) | 1,090 |
| Total special situations stage | 25,479 | — | (46) | 10 | (6,823) | 18,620 | 5,243 | (1,570) | 1,090 |
| Venture stage | | | | | | | | | |
| 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 |
| Total venture stage | 60,923 | (436) | (2,959) | 2,376 | (2,638) | 57,266 | 5,490 | 5,228 | 4,969 |
| Co-Investment | | | | | | | | | |
| 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 | — |
| Total Co-Investment | 16,943 | — | (1,445) | 2,643 | (1,547) | 16,594 | 3,091 | 4,187 | — |
| Total investments | 330,591 | 138 | (34,464) | 18,271 | (34,087) | 280,449 | 45,871 | 30,055 | 50,744 |
| Total investments and marketable securities designated at fair value through profit or loss | 330,591 | 190 | (34,516) | 18,271 | (34,087) | 280,449 | 45,868 | 30,052 | 50,744 |

¹⁾ Numbers may not fully add up due to rounding.

²⁾ Includes callable returns of capital and adjustments due to sales of investments.

³⁾ Includes callable distributed realised gains.

⁴⁾ 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 loss¹⁾

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 % |
|--|------------------|-----------------|---------------|--------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------|-------------------------|--------------|
| Balanced stage | | | | | | | | | | | |
| 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) ^{2),5)} | 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% |
| Total balanced stage | | | | 291,689 | 5,257 | 2,617 | 5,232 | 279,518 | 1,087 | 3,023 | 1.65% |
| Buyout stage | | | | | | | | | | | |
| Large buyout | | | | | | | | | | | |
| 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 ³⁾ | EUR | 2000 | Europe | 12,005 | 2,132 | 2,132 | 58 | 11,675 | 2,132 | 57 | 0.03% |
| Permira Europe II, L.P. ³⁾ | 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 ³⁾ | 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. ³⁾ | 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 ³⁾ | 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% |
| Total large buyout | | | | 231,727 | 74,610 | 64,204 | 26,680 | 227,059 | 44,898 | 16,482 | 8.99% |
| Middle market buyout | | | | | | | | | | | |
| Carlyle II Co-Investments ⁶⁾ | USD | 1997 | North America | 395 | 108 | 108 | 3 | — | — | — | 0.00% |
| The Triton Fund (No. 9) L.P. ³⁾ | 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. ³⁾ | 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 ³⁾ | 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. ³⁾ | 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. ³⁾ | 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% |
| Advent Latin American Private Equity | | | | | | | | | | | |
| 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. ³⁾ | 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% |
| Total middle market buyout | | | | 279,306 | 105,606 | 69,765 | 88,906 | 277,040 | 61,192 | 80,047 | 43.68% |
| Small buyout | | | | | | | | | | | |
| Chequers Capital FCPR ³⁾ | EUR | 2002 | Europe | 10,205 | 1,933 | 1,933 | 529 | 9,923 | 1,405 | — | 0.00% |
| MBO Capital FCPR ³⁾ | EUR | 2002 | Europe | 6,003 | — | — | 69 | 5,837 | — | 66 | 0.04% |
| Nmas ¹ Private Equity Fund No.2 L.P. ³⁾ | 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) ³⁾ ⁵⁾ | EUR | 2006 | Europe | 4,197 | — | — | 139 | 4,081 | — | 97 | 0.05% |
| J.P. Morgan Italian Fund III (Secondary – Atlantic) ³⁾ ⁵⁾ | 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 ³⁾ | EUR | 2007 | Europe | 36,017 | 14,346 | 5,935 | 13,337 | 35,024 | 3,225 | 12,599 | 6.88% |
| PortPEP Limited (Secondary – Port) ³⁾ | EUR | 2011 | Europe | 12,966 | — | — | 3,806 | 12,608 | — | 2,741 | 1.50% |
| Total small buyout | | | | 104,039 | 30,268 | 20,898 | 24,039 | 101,192 | 13,891 | 16,178 | 8.83% |
| Total buyout stage | | | | 615,072 | 210,484 | 154,867 | 139,625 | 605,291 | 119,981 | 112,707 | 61.50% |

| | 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 % |
|--|------------------|-----------------|---------------|--------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------|-------------------------|--------------|
| Special situations stage | | | | | | | | | | | |
| Distressed debt | | | | | | | | | | | |
| 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. ³⁾ | 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. ³⁾ | 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% |
| Total distressed debt | | | | 119,210 | 18,789 | 17,085 | 14,744 | 113,631 | 10,477 | 6,675 | 3.64% |
| Total special situations stage | | | | 119,210 | 18,789 | 17,085 | 14,744 | 113,631 | 10,477 | 6,675 | 3.64% |
| Venture stage | | | | | | | | | | | |
| Early stage venture | | | | | | | | | | | |
| Strategic European Technologies N.V. ³⁾ | 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 ³⁾ | 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. ³⁾ | 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) ⁴⁾⁵⁾ | 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) ⁵⁾ | 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 % |
|--|------------------|-----------------|-----------|--------------------------|------------------|--------------------|--------------------------|-------------------------------|-------------------|-------------------------|----------------|
| Small buyout | | | | | | | | | | | |
| Co-Investment 4 ³⁾ | EUR | 2011 | Europe | 2,252 | 2,527 | 2,525 | 2,963 | 2,189 | 2,526 | 2,450 | 1.34% |
| Co-Investment 5 ³⁾ | EUR | 2011 | Europe | 4,802 | 5,440 | 5,440 | 12,763 | 4,670 | 5,441 | 12,458 | 6.80% |
| Total small buyout | | | | 7,054 | 7,967 | 7,965 | 15,726 | 6,859 | 7,967 | 14,908 | 8.13% |
| Total Co-Investment and other | | | | 14,649 | 10,074 | 7,965 | 15,726 | 6,859 | 7,967 | 14,908 | 8.13% |
| Total investments designated at fair value through profit or loss | | | | 1,235,896 | 321,007 | 251,401 | 228,925 | 1,183,748 | 196,659 | 183,251 | 100.00% |
| Total | | | | 1,235,896 | 321,007 | 251,401 | 228,925 | 1,183,748⁷⁾ | 196,659 | 183,251 | 100.00% |

¹⁾ Numbers may not fully add up due to rounding.

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

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

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

⁵⁾ 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.

⁶⁾ Total paid in amounted is maintained as the commitment.

⁷⁾ 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 |
| Movement schedule (page 13) | 155 | (54,897) | (4,815) | 660 | (660) |
| 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 ¹⁾ | (17) | 17,057 | 1,576 | — | — |
| In kind distributions ²⁾ | — | — | 660 | (660) | — |
| Revaluation of foreign currency positions ³⁾ | — | 1,454 | (1,454) | — | — |
| Accounts receivable | — | 20,134 | (20,134) | — | — |
| Total cash and non-cash transactions | (155) | 54,897 | 4,815 | (660) | 660 |
| Reconciliation | — | — | — | — | — |

| 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 |
| Movement schedule (page 14) | 138 | (34,464) | (45,871) | 52 | (52) |
| 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 ¹⁾ | (34) | 1 | (821) | — | — |
| In kind distributions ²⁾ | — | — | 52 | (52) | — |
| Revaluation of foreign currency positions ³⁾ | — | 2,929 | (2,929) | — | — |
| Total cash and non-cash transactions | (138) | 34,464 | 45,871 | (52) | 52 |
| Reconciliation | — | — | — | — | — |

¹⁾ 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.

²⁾ In kind distributions – a distribution of marketable securities instead of a cash distribution.

³⁾ 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) |
| Total | — | — |

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 |
| Total | 441 | 308 |

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 2nd 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 |
| Total | | | | 3,055,627 | 16.70 | 16.42 | 51,040 |
| 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 |
| Total | | | | 8,533,383 | 18.20 | 17.33 | 155,284 |

| Movement of treasury shares 2 nd line and tradable put options (bought for cancellation) | Number of shares | Cost TUSD |
|---|------------------|----------------|
| Shares held as of 1 January 2017 | 2,320,072 | 39,278 |
| Additions 2017 via 2 nd 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) |
| Shares held as of 31 December 2017 | 1,876,234 | 34,117 |
| Additions 2018 via 2 nd line | 642,310 | 11,010 |
| Additions 2018 buyback fixed price | 6,165,955 | 112,709 |
| Shares held as of 30 June 2018 | 8,684,499 | 157,836 |

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 | |
|--|---|--|----------------------------|--------------------|-------------------|----|
| Castle Private Equity (International) PLC | 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 | — | | |
| Castle Private Equity (Overseas) Limited | 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 | |
| | Castle Private Equity AG | 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./ | | Management Agreement/direct | General managers expenses | 52 | 100 | 48 |
| | | 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 |
|---|--------------------------|----------------|--------------|---------------|---------------|
| As of 30 June 2018 | | | | | |
| Income | | | | | |
| 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) |
| Total income | 2,456 | 1,473 | 6,676 | 10 | 10,615 |
| As of 30 June 2017 | | | | | |
| Income | | | | | |
| 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) |
| Total income | 6,268 | 18,870 | 4,083 | 793 | 30,014 |

The assets are geographically allocated as follows:

| | 30.6.2018 TUSD | | 31.12.2017 TUSD | |
|---------------------------------|-------------------|---------------|--------------------|---------------|
| Non-current assets | | | | |
| 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% |
| Total non-current assets | 183,251 | 100.0% | 228,925 | 100.0% |

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 |
|--|-----------------|-----------------|-----------------|---------------|
| Assets | | | | |
| Assets designated at fair value through profit or loss: | | | | |
| Investments | – | – | 183,251 | 183,251 |
| Total | – | – | 183,251 | 183,251 |
| | | | | |
| As of 31 December 2017 | Level 1 TUSD | Level 2 TUSD | Level 3 TUSD | Total TUSD |
| Assets | | | | |
| Assets designated at fair value through profit or loss: | | | | |
| Investments | – | – | 228,925 | 228,925 |
| Total | – | – | 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.

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

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 |
|---------------------------------------|---------------------|---------|--------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-------------------------------|
| Share information | | | | | | | | | | | | | |
| Number of issued shares | | | | | | | | | | | | | |
| at year end (ooo) ¹⁾ | 4,320 ²⁾ | 43,200 | 43,200 | 43,200 ³⁾ | 43,200 ⁴⁾ | 41,700 ⁵⁾ | 37,530 ⁶⁾ | 35,630 ⁷⁾ | 33,464 ⁸⁾ | 29,228 ⁹⁾ | 26,324 ¹⁰⁾ | 26,324 ¹⁰⁾ | |
| USD net asset value ¹⁾ | 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 ¹⁾ | 13.81 | 3.43 | 5.40 | 8.11 | 10.10 | 13.00 | 11.95 | 14.35 | 16.40 | 15.35 | 17.90 | 16.45 | |
| Share performance¹⁾ | | | | | | | | | | | | | |
| USD net asset value | 29.9% | (31.0%) | 3.5% | 20.7% | 7.2% | 10.4% | 10.6% ¹²⁾ | 6.3% ¹³⁾ | 5.2% | 5.2% | 8.7% | 6.0% ¹⁴⁾ | 162.9% ^{12),13),14)} |
| 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% |

¹⁾ Adjusted for the ten for one share split.

²⁾ Of which 800,000 owned by the Group.

³⁾ Of which 191,853 owned by the Group.

⁴⁾ Of which 1,726,060 owned by the Group.

⁵⁾ 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.

⁶⁾ 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.

⁷⁾ 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.

⁸⁾ 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.

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

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

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

¹²⁾ 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.

¹³⁾ 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.

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

Listing

SIX Swiss Exchange 4885474 (Swiss security number)

Price information

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Bloomberg: CPEN SW <Equity>

Publication of net asset value

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