Oberon Investments Group Plc
“Pillar 3” Disclosure

In accordance with

Part Eight of the Capital Requirements Regulation

1. Contents

2. Overview

2.1 Introduction

On 21 January 2021, Baskerville Capital Plc entered into an agreement to acquire Oberon Investments Ltd. Following completion of the acquisition, the name of the company has been changed to Oberon Investments Plc.

The Oberon Investments Group will operate in the UK wealth and fund management sector and in the corporate broking and financial advisory sectors.

These business activities regulated by the Financial Conduct Authority and bring the Group into scope of the United Kingdom's Capital Requirements Regulation. This sets out three regulatory 'pillars'.

Pillar One imposes a minimum capital requirement which is determined according to the nature and scale of the risks to which a firm is exposed in the course of its business.

Pillar Two provides for an evaluation by a firm and its regulator of any additional capital that should be held in addition to the Pillar One minimum.

Pillar Three seeks to establish market discipline through the disclosure of core information about a firm's capital position.

The rules governing the Pillar Three disclosure are set out in part eight of the Capital Requirements Regulation. Oberon Investments Group Plc discloses information under these where it is relevant to the company's business unless it is considered by the Board of Directors to be proprietary or Confidential information. If information is not disclosed for this reason, we will make reference to that fact.

This disclosure has been prepared on a pro forma basis consistent with the unaudited pro forma statement of net assets of the Group which was included in its Admission Document published on 21 January 2021. Because of its nature, the document addresses a hypothetical situation and, therefore, does not represent the actual financial position of the Group.

The quantitative information in that table shows the pro forma position of the Group as if the acquisition of Oberon Investments Ltd had taken place on 31 March 2020. It also reflects the fundraising completed by the Oberon

Investments Limited since its year end of £1.59 million, together with the estimated funds raised on Admission by Baskerville Capital of £0.75m.

The pro forma net assets of the Group has been prepared as an aggregate of the following items:

- the net assets of Oberon Investments Limited as at 31 March 2020 as extracted from the underlying accounting records;
- the net assets of Baskerville Capital Plc as at 30 June 2020 as extracted from the underlying accounting records;
- transaction 1 – 4 as set out below;
- the net proceeds of the fundraises since the year end of both companies; and
- no adjustment has been made to reflect trading results since these dates.

Notes to the unaudited *pro forma* consolidated net asset statement of the Group

1. The funds raised (net of costs) in Oberon Investments Limited in the period from 1 April 2020 to the date of Admission.
2. Net asset acquisition of Hanson Asset Management on 26 June 2020 when £100 million of AUM was purchased.
3. The expected net proceeds of the capital raise, which is the amount after capital raise costs.
4. Reverse acquisition of Oberon Investments Limited by Baskerville Capital Plc.
   By way of the share exchange agreement, the Company is expected to acquire the entire issued share capital of Oberon Investments Limited from its shareholders in return for the issue and allotment of 323,919,525 Ordinary Shares in the Company to those shareholders being the current shareholders of Oberon Investments Limited prior to the Admission. As a result of the acquisition Oberon Investments Limited became a wholly owned legal subsidiary of the Company.

2.2 Scope and Frequency of Disclosures

Following the acquisition, Oberon Investments Group Plc will be a Financial Holding Company for the purposes of the United Kingdom's Capital

Requirements Regulation. This means that the Group will be regulated by the Financial Conduct Authority on a consolidated basis.

In accordance with Article 433 of the Capital Requirements Regulation, the Pillar Three disclosures are generally published on an annual basis.

This initial disclosure for the Group has been prepared to be consistent with the pro forma figures contained in the Admission Document dated 21 January 2021. Future disclosures will be published alongside the Group's audited accounts.

The Group will operate in the UK wealth and fund management sector and in the corporate broking and financial advisory sectors.

This document has been prepared solely to meet the legal requirements of the Capital Requirements Regulation and must not be relied upon in making any judgement about the Company.

The Group uses only the standard methods provided under the Capital Requirements Regulation. It does not have approval to use internal models for the purpose of measuring and allocating capital to credit or market risk. Consequently, this document does not contain any disclosures relating to the use of internal models.

3. Risk Management

Upon Admission, the Group will establish a Risk and Compliance Committee. The committee will meet at least every two months (or more frequently if required). The main members of the committee will comprise Simon McGivern, Jaspreet Dhariwal, Nicola Mitchell and John Beaumont.

The Risk and Compliance Committee will expand the existing risk management framework of the regulated entity and maintain it going forward at a Group level. The risk management framework forms an integral part of the overall internal capital adequacy assessment process.

The Board of Directors has identified the main risk currently facing the Company as operational risk.

4. Capital Resources and requirements

4.1 Total Capital Resources

Pro forma position	2020 £'000
Shareholders' equity per pro forma balance sheet	14,923
Less Intangible Assets not allowed as regulatory capital	(12,598)
Common Equity Tier 1 Capital	**2,325**
Total Own Funds	**2,325**
Risk weighted credit and counterparty exposures	2,421
Total risk exposure for foreign exchange	22
Total risk exposure for operational risk	1,929
Total Risk Exposure Amount	**4,372**
CET1 Capital Ratio (minimum 4.5%)	**53.2%**
T1 Capital Ratio (minimum 6%)	**53.2%**
Total Capital Ratio (minimum 8%)	**53.2%**
Capital Headroom (£'000)	**1,975**

4.1.1 Common Equity Tier 1 Capital ('CET1')

CET1 Capital comprises equity share capital, share premium and associated reserves.

The Capital Requirement Regulations prescribe certain items that must be deducted from CET1 capital.

The pro forma balance sheet shows £12,597,586 of intangible assets representing goodwill arising from the acquisition of the Group's business. This is deducted in full from Common Equity Tier 1 capital.

4.1.2 Other Capital Items

The Capital Requirement Regulations allow for a number of other items to be treated as Capital. None of these apply to the Company.

4.2 Capital Adequacy and Minimum Requirements

4.2.1 Internal Capital Adequacy Assessment Process

The Group will undertake an internal assessment of its capital requirements at least annually. Additional assessments will be undertaken if, in the opinion of the board of Directors, the circumstances of the Group have changed, or are likely to change, materially since the most recent assessment.

Outside of the review process, the ICAAP is monitored by the Board of Directors on an ongoing basis as part of the Company's business-as-normal risk management process.

4.2.2 Pillar One Minimum Requirements

In accordance with the Capital Requirement Regulations, the Company is required to maintain a minimum:

- Common Equity Tier 1 Capital Ratio of 4.5%
- Tier 1 Capital Ratio of 6%
- Total Capital Ratio of 8%

4.2.3 Regulatory Capital Buffers

Because the Company meets the definition of a 'Small and Medium Sized Enterprise' ('SME'), it is exempt from the Capital Conservation Buffer and the Countercyclical Buffer. The Company is not subject to any buffers that require it to hold additional capital in excess of its Pillar One minima.

5. Risk Disclosures

5.1 Credit Risk

The table in section 4.1 above shows the total risk weighted exposure amounts for credit and counterparty risks.

Credit risk is calculated on non-trading book items such as cash in the Company's bank account and fixed assets.

Counterparty risk arises on trading book items such as long settlement transactions and failed settlements.

5.1.1 Credit Exposures

The following table analyses the total amount of exposures in £'000, after accounting for offsets and after allowing for margin deposits.

Exposure Class	Trading Book £'000	Non-Trading Book £'000	Total £'000
Government	0	0	0
Institutions	149	2,691	2,840
Corporate	0	29	29
Retail	114	0	114
Other Assets	0	1,738	1,738

The company does not treat client money accounts under trust arrangements as credit exposures.

5.1.2 Geographical distribution of credit exposures

The Company's credit exposures are substantially located in the UK with the exception of amounts deposited with overseas payment services business to facilitate margin deposits by overseas clients. These are categorised within 'Corporate' in the table above.

5.1.3 Credit Exposures by maturity

All of the Company's credit exposures represent current items with the exception of Fixed Assets categorised within Other Items in the table above.

5.2 Market Risk Capital Requirements

The Group trades in the markets as agent for its customers. It does not take proprietary positions for its own account.

5.2.1 Foreign Exchange Risk

The Group has some small balances in foreign currencies arising from commissions received on overseas transactions. These are converted back to sterling periodically.

5.3 Operational Risk

The Pillar One operational risk requirement is calculated using the Basic Indicator Approach set out in Article 315 of the Capital Requirements Regulation. Matched principal firms are not subject to a Pillar One capital requirement in respect of operational risk.

5.4 Interest Rate Risk Outside the Trading Book

The Company has analysed the potential for an adverse impact on its future cash flows and profits arising from an adverse move in interest rates.

Because the Company holds significant cash deposits and does not pay interest to clients on their margin deposits, any upward move in interest rates should be beneficial to the Company.

In the normal course of events, a downward move in interest rates would be detrimental to the Company's cash flow and profits. However, because interest rates are currently low, the Board of Directors does not currently believe that any such impact could be material to the Company.