CESL II (Levered ERISA) S.à r.l.

Société à responsabilité limitée

Annual Report – for the year ended December 31, 2019

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Grand Duchy of Luxembourg
R.C.S Luxembourg: B227688

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Balance Sheet

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RCSL Nr. : B227688 | Matricule :

ABRIDGED BALANCE SHEET
Financial year from 01/01/2019 to 31/12/2019
(in USD)

ASSETS

		Reference(s)		Current year		Previous period
A. Subscribed capital unpaid	1101		101	-	102	-
I. Subscribed capital not called	1103		103	-	104	-
II. Subscribed capital called but unpaid	1105		105	-	106	-
B. Formation expenses	1107		107	-	108	-
C. Fixed assets	1109		1109	75,911,287	1110	30,965,993
I. Intangible assets	1111		111	-	112	-
II. Tangible assets	1125		1125	-	1126	-
III. Financial assets	1135	3	135	75,911,287	136	30,965,993
D. Current assets	1151		151	50,408,589	152	314,409
I. Stocks	1153		153	-	154	-
II. Debtors	1163		163	-	164	-
a) becoming due and payable				-		
within one year	1203	4	203	46,478,025	204	299,702
b) becoming due and payable						
after more than one year	1205		205	-	206	-
III. Investments	1189		189	-	190	-
IV. Cash at bank and in hand	1197		1197	3,930,564	1198	14,707
E. Prepayments	1199		1199	1,791	1200	-
TOTAL (ASSETS)			201	126,321,667	202	31,280,402

The notes in the annex form an integral part of the annual accounts

Balance Sheet (Continued)

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RCSL Nr. : B227688	Matricule :

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		Current year		Previous period
A. Capital and reserves	1301		301	46,739	302	218,404
I. Subscribed capital	1303	5	303	15,000	304	15,000
II. Share premium account	1305	5	305	629,024	306	257,846
III. Revaluation reserves	1307		307	-	308	-
IV. Reserves	1309	6	309	-	310	-
V. Profit or loss brought forward	1319		319	(54,442)	320	-
VI. Profit or loss for the financial period	1321	7	321	(542,843)	322	(54,442)
VII. Interim dividends	1323		323	-	324	-
VIII. Capital investment subsidies	1325		325	-	326	-
B. Provisions	1331		331	-	332	-
C. Creditors	1435		435	126,274,928	436	31,061,998
a) becoming due and payable within one year	1453	8, 9	453	3,752,166	454	64,449
b) becoming due and payable after more than one year	1455	10	455	122,522,762	456	30,997,549
D. Deferred income	1403		403	-	404	-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	126,321,667	406	31,280,402

The notes in the annex form an integral part of the annual accounts

Profit and Loss Account

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Annual Accounts Helpdesk :
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RCSL Nr. : B227688 | Matricule :

ABRIDGED PROFIT AND LOSS ACCOUNT
Financial year from 01/01/2019 to 31/12/2019
(in USD)

ABRIDGED PROFIT AND LOSS ACCOUNT

			Reference(s)		Current year		Previous period
1.	**to 5. Gross profit or loss**	1651	11	651	(755,150)	652	(21,395)
6.	**Staff costs**	1605		605	-	606	-
	a) Wages and salaries	1607		607	-	608	-
	b) Social security costs	1609		609	-	610	-
	i) relating to pensions	1653		653	-	654	-
	ii) other social security costs	1655		655	-	656	
	c) Other staff costs	1613		613	-	614	-
7.	**Value adjustments**	1657		657	(3,467,064)	658	-
	a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659	-	660	-
	b) in respect of current assets	1661		661	(3,467,064)	662	-
8.	**Other operating expenses**	1621	12	621	(14,301)	622	(3,823)

The notes in the annex form an integral part of the annual accounts

Profit and Loss Account (Continued)

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RCSL Nr. : B227688	Matricule :

		Reference(s)		Current year		Previous period
9. Income from participating interests	1715		715	2,614,405	716	133,437
a) derived from affiliated undertakings	1717		717	-	718	-
b) other income from participating interests	1719	2	719	2,614,405	720	133,437
10. Income from other investments and loans forming part of the fixed assets	1721		721	-	722	-
a) derived from affiliated undertakings	1723		723	-	724	-
b) other income not included under a)	1725		725	-	726	-
11. Other interest receivable and similar income	1727		727	159,291	728	7,714
a) derived from affiliated undertakings	1729		729		732	-
b) other interest and similar income	1731	13	731	159,291	730	7,714
12. Share of profits or loss of undertakings accounted for under the equity method	1663		663	-	664	-
13. Value adjustments in respect of financial assets and of investments held as current assets	1665		665	3,526,668	666	(63,794)
14. Interest payable and other similar expenses	1627		627	(2,606,692)	628	(106,581)
a) concerning affiliated undertakings	1629		629	-	630	-
b) other interest and similar expenses	1631	14	631	(2,606,692)	632	(106,581)
15. Tax on profit or loss	1635	15	635	-	636	-
16. Profit or loss after taxation	1667		667	(542,843)	668	(54,442)
17. Other taxes not shown under items 1 to 16	1637		637	-	638	-
18. Profit or loss for the financial year	1669		669	(542,843)	670	(54,442)

The notes in the annex form an integral part of the annual accounts

Notes to Financial Statements

NOTE 1 - GENERAL INFORMATION

General information: CESL II (Levered ERISA) S.à r.l. (the "Company") was incorporated on September 14, 2018, as a private limited liability company under the laws of the Grand Duchy of Luxembourg and qualified as a *Société à responsabilité limitée*.

The Company's registered office is established at 412F, route d'Esch, L-2086 Luxembourg, Luxembourg. The Company is registered with the Register of Commerce in Luxembourg under registration number B227688.

The Financial Statements have been prepared for the year ended December 31, 2019.

The objects of the Company are to invest in a portfolio of domestic or foreign securities or similar instruments, including but not limited to shares (preferred and common), warrants, options and other equity securities, debt securities, bonds, notes, certificates of deposit, rights or participations in senior or mezzanine or other loans, and in financial instruments, financial derivatives agreements and other debt instruments or securities, trade receivables and other forms of claims, obligations (including but not limited to synthetic securities obligations) (individually and collectively, "Investments"); to enter into any agreements relating to such portfolio and to grant pledges, guarantees or other security interests of any kind under any law to Luxembourg or foreign entities; and to do all things relating thereto as permitted under Luxembourg laws.

The Company may in addition establish, acquire, manage, develop and dispose of Investments and other assets of whatever origin, to acquire, by way of investment, subscription, underwriting or option, Investments and other assets, to realise them by way of sale, transfer, exchange or otherwise, and to grant to – or for the benefit of – companies in which the Company has a direct and / or indirect participation and / or entities of the group, any assistance, loan, advance or guarantee.

Investment Structure: Crescent European Specialty Lending Fund II (Cayman - Levered) LP ("CayLP II Levered") invests substantially all of its assets through Subordinated Income Tracking Unsecured Loan Notes issued by the Company.

Inter-Fund Agreement: Pursuant to the Amended and Restated Inter-Fund Agreement (the ''Inter-Fund Agreement'') dated November 15, 2018, CayLP II Levered invests side by side with Crescent European Specialty Lending Fund II (Levered) LP (''DELP II Levered'') and Crescent European Specialty Lending Fund II (Cayman-Levered EUR) LP (''CayLP II Levered EUR'') (collectively, the ''Levered II Partnership''); and Crescent European Specialty Lending Fund II (Cayman) LP (''CayLP II Unlevered''), Crescent European Specialty Lending Fund II (Delaware) LP (''DELP II Unlevered''), Crescent European Specialty Loan Fund II SCSp (''LuxSLP'') and Crescent European Specialty Loan Fund II GBP SCSp (''Lux GBP SLP'') (collectively, the ''Unlevered II Partnership''). The Levered II Partnership and the Unlevered II Partnership together are known as the ''CESL II Parallel Funds''.

The Inter-Fund Agreement provides that each CESL II Parallel Fund agrees to invest on substantially the same terms as each other CESL II Parallel Fund and on economic terms that are no more favourable to any other CESL II Parallel Fund in all investments that any of them makes (an ''Aggregate Investment'') in proportion to their respective available commitments immediately prior to such investment subject to tax, regulatory, legal or other considerations.

The CESL II Parallel Funds had their eighth closing on October 4, 2019. Pursuant to the Inter-Fund Agreement, the CESL II Parallel Funds reallocated the investment, and the income and expenses since inception and related costs as well as certain fees and expenses based on new commitments and exchange rates at the time of purchase of the respective investment. All payables/receivables related to the Inter-Fund Agreement will be settled based on Available Commitments percentages at the Final Close Date.

Notes to Financial Statements (continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation: These Financial Statements are prepared in accordance with Luxembourg legal and regulatory requirements and generally accepted accounting policies. The books and records are maintained in USD and the Financial Statements have been prepared by the Board of Managers in accordance with the accounting policies and valuation rules described below.

The Financial Statements are prepared on the assumption that the entity will continue its operations for the foreseeable future and will be able to realise assets and discharge liabilities in the normal course of operations.

Formation expenses and other operating charges: The formation expenses are expensed in the Profit and Loss Account of the related accounting period in which they are incurred. Other operating charges are recognised on an accrual basis.

Foreign currency translation: The Company carries out its accounting in USD and the Financial Statements are expressed in that currency. Transactions in a currency other than USD are converted into USD at the exchange rate applicable at the date of the transaction.

All asset and liability items expressed in a currency other than USD are converted at the exchange rate applicable at the Balance Sheet date. The Profit and Loss Account only shows realised exchange gains and losses and unrealised losses. Unrealised gains are not recognised, except for Financial fixed assets.

Cash at bank is translated at the exchange rate effective at the Balance Sheet date. Exchange losses and gains are recorded in the Profit and Loss Account.

The exchange rates applied at December 31, 2019 were:
1.000 [USD] = EUR [0.8921] (2018: 1.000 [USD] = EUR [0.8719])
1.000 [USD] = GBP [0.7542] (2018: 1.000 [USD] = GBP [0.7839])
1.000 [USD] = DKK [6.6620] (2018: [N/A])

Income: Interest income is recognised in the Profit and Loss Account and is accrued on a daily basis. For the year ended December 31, 2019, the Company received $2,614,405 (2018: $133,437) of investment interest income.

Other interests and other financial income: Other interests and other financial income are recognised on an accrual basis. The Company received an Original Issue Discount (the "OID") on bought investments. When the investments will be redeemed on their maturity date, this discount will be paid to investors. For accounting purposes, the discount is amortised along the maturity term of the investments on a declining balance method and this interest is treated as interest income by the Company, and is recognised as such in the accounting records.

Receivables: Debtors are recognised at their nominal value. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

Payables: Creditors include the liabilities recognised for amounts to be paid in the future for services received.

Notes to Financial Statements (continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subordinated Income Tracking Unsecured Loan Notes: On December 6, 2018, CayLP II Levered subscribed to Subordinated Income Tracking Unsecured Loan Notes (the "Loan Notes") issued by the Company. Under the terms of the Loan Notes, the Company pays mandatory Fixed Interest and Variable Interest which consists of the allocated percentage of the total result less operating expenses generated by the Company.

Effective March 1, 2019, $1,000,000 of the Loan Notes are listed on the official listing of The International Stock Exchange ("TISE") in Guernsey.

For the year ended December 31, 2019, the CayLP II Levered subscribed to $16,519,980 (2018: $30,997,549) of Loan Notes. During the year, the Company converted $629,024 (2018: $nil) to Share Premium. As at December 31, 2019, the Company had a payable balance of $15,890,956 (2018: $nil).

The Loan Notes are marked to market at each NAV calculation date. The estimated market value is based on the valuation elements laid down in the contracts, and is obtained from third party pricing agents, market makers or internal models. The Loan Notes are Unsecured.

No collateral has been granted to secure repayment of the Loan Notes (the Subscribed Amount and/or Interest). In the event of Liquidation or the insolvency of the Company, CayLP II Levered's right to claim repayment of the Subscribed Amount of the Loan Notes and Interest shall be subordinated to and rank behind all other creditors' claims other than in respect of shares of the Company over which it will have priority.

Forward Foreign Currency Swaps: Forward foreign currency swaps contracts represent obligations to purchase or sell foreign currency on a specified future date at a price fixed at the time the contracts are entered into. The Company may enter into the contracts as a hedge against fluctuations in foreign exchange rates. Forward foreign currency contracts are marked-to-market daily and the change in market value is recorded by the Company as an unrealised gain or loss on the Profit and Loss Account. When the contract is closed or delivery is taken, the Company records a realised gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of the foreign currency relative to the USD. The counterparty to these contracts is Credit Suisse AG (2018: NatWest Markets plc.).

Uncommitted Credit Facility: Effective June 27, 2019, the Levered II Partnership entered into a Leveraged Facility Agreement with Credit Suisse AG for an amount of €150,000,000 of which €112,436,675 (2018: €nil) was utilised as at December 31, 2019.

Going concern: The Financial Statements have been prepared by the Board of Managers under the going concern assumption.

Notes to Financial Statements (continued)

NOTE 3 – FINANCIAL FIXED ASSETS

Financial Fixed Assets: Investments are initially recorded at their acquisition price. The acquisition price includes charges and expenses incurred in connection with the acquisition.

Valuation of Financial Fixed Assets: The Board of Managers approves the fair value of Financial Fixed Assets.

Fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the assets or liabilities or market and the assets' or liabilities' complexity. The Company's fair value analysis includes an analysis of the value of any unfunded loan commitments. Assets and liabilities are categorised for disclosure purposes based upon the level of judgment associated with the inputs used to measure their value. The valuation hierarchical levels are based upon the transparency of the inputs to the valuation of the asset or liability as of the measurement date.

Fair Value Hierarchy: The three levels are defined as follows:

Level 1 values are based on unadjusted quoted market prices in active markets for identical assets.

Level 2 values are based on significant observable market inputs, such as quoted prices for similar assets and quoted prices in inactive markets or other market observable inputs.

Level 3 values are based on significant unobservable inputs that reflect the Company's determination of assumptions that market participants might reasonably use in valuing the assets.

Categorisation within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk associated with investing in those securities. There were no transfers between levels for the year ended December 31, 2019.

The following valuation techniques and significant inputs are used to determine fair value of investments for which reliable market quotations are not available. Some of these inputs are independently observable, however, a significant portion of the inputs and the internal assumptions applied are unobservable.

Forward foreign currency contracts (Level 2) include forward foreign currency contracts entered for hedging against fluctuations in foreign exchange rates. These contracts are marked-to-market daily and the change in market value is recorded by the Company as an unrealised appreciation or depreciation.

Fixed Income Securities (Level 3) include senior secured first lien and senior secured second lien. Such securities are valued based on specific pricing models, internal assumptions and the weighting of the best available pricing inputs. Corporate debt is generally valued at par and a credit and market discount applied based on current expectations about future amounts. Standard pricing inputs include, but are not limited to the financial health of the issuer, place in the capital structure, the value of other issuer debt, credit, industry, and market risk and events; interest rates, spreads and yield curves, terms and conditions including a take-out premium, and comparable market transactions.

Pricing inputs and weightings applied to determine fair value require subjective determination. Accordingly, valuations do not necessarily represent the amounts that may be realised from sales or other dispositions of investments.

Notes to Financial Statements (continued)

NOTE 3 – FINANCIAL FIXED ASSETS (Continued)

The Company classified its Portfolio Investments within the fair value hierarchy under Level 3 as at December 31, 2019.

Summary of Financial Fixed Assets:

	Fair value as at January 1, 2019	Additions	Disposals / Paydowns	Value adjustments for the year	Fair value as at December 31, 2019
	$	$	$	$	$
Crusoe Bidco Limited	30,965,993	245,822	(16,797,502)	986,501	15,400,814
PharComp Bidco B.V.	-	23,242,260	(10,236,928)	288,036	13,293,368
Armitage Pet Care Limited	-	3,303,127	(1,377,879)	238,753	2,164,001
Expert Bidco Limited	-	15,167,491	(6,337,654)	(14,637)	8,815,200
SEMA Beteiligungs GmbH	-	7,602,234	(3,166,460)	43,653	4,479,427
Jupiter Bidco Limited	-	19,601,656	(6,789,944)	933,232	13,744,944
Project Floss Bidco B.V.	-	10,858,854	(3,781,870)	86,261	7,163,245
DDS Subholding B.V.	-	10,816,529	-	33,759	10,850,288
Total	**30,965,993**	**90,837,973**	**(48,488,237)**	**2,595,558**	**75,911,287**

NOTE 4 – DEBTORS: BECOMING DUE AND PAYABLE WITHIN ONE YEAR

	As at December 31, 2019	As at 31 December 2018
	$	$
Due from Parallel Funds	43,300,926	-
Investments Receivable	1,199,697	-
Deferred Credit Facility Fees	1,113,225	-
Due from Related Parties (CESL II Cay Lev*)	693,459	166,265
Investment Interest Receivable	170,718	133,437
Total	**46,478,025**	**299,702**

As at December 31, 2019, the Company had a receivable balance from CESL II Parallel funds of $43,300,926 (2018: $nil) in relation to their pro rata share of investments in accordance with the Inter-Fund Agreement.

In addition, the Company had an intercompany balance due from CayLP II Levered of $15,000 (2018: $15,000) in relation to share capital contributions, a $Nil (2018: $257,846) receivable balance in relation to share premium, a $678,459 (2018: $nil) receivable balance in relation to intercompany transfers for expenses and a $Nil (2018: $106,581) payable balance for interest on the Loan Notes.

The Company also had a receivable of $1,113,225 (2018: $nil) in relation to expenses for the credit loan facility.

NOTE 5 – SUBSCRIBED CAPITAL

As at December 31, 2019, the capital of the Company was set at 15,000 (2018: 15,000) shares of $1.00 (2018: $1.00) each entirely subscribed and paid up.

During the year, the share premium account increased by $371,178 (2018: $257,846) after part of the Loan Notes (as described in note 2) was converted to share premium. As at December 31, 2019, the share premium account was $629,024 (2018: $257,846).

NOTE 6 – RESERVES

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve until the legal reserve reaches 10% of the issued share capital. This reserve may not be distributed. However, if at any time and for any reason whatsoever the legal reserve falls below one tenth of the issued capital the 5% annual contribution shall be resumed until such one tenth proportion is restored.

Notes to Financial Statements (continued)

NOTE 7 – MOVEMENTS IN CAPITAL AND RESERVES

	Subscribed capital	Share premium	Profit or loss b/fwd	Total capital and reserves
	$	$	$	$
As at January 1, 2019	15,000	257,846	(54,442)	218,404
Movement during the year	-	371,178	-	371,178
Profit or loss for the year	-	-	(542,843)	(542,843)
As at December 31, 2019	15,000	629,024	(597,285)	46,739

	Subscribed capital	Share premium	Profit or loss b/fwd	Total capital and reserves
	$	$	$	$
At incorporation	-	-	-	-
Movement during the period	15,000	257,846	-	272,846
Profit or loss for period	-	-	(54,442)	(54,442)
As at December 31, 2018	15,000	257,846	(54,442)	218,404

NOTE 8 – CREDITORS: BECOMING DUE AND PAYABLE WITHIN ONE YEAR

	As at December 31, 2019	As at December 31, 2018
	$	$
Due to Related Parties	1,972,296	15,040
Due to Parallel Funds	959,967	-
Credit Loan Interest payable	736,373	-
Investment payable - Direct Investments	37,880	-
Unrealised depreciation on forward foreign exchange contracts	-	24,524
Other creditors	45,650	24,885
Total	**3,752,166**	**64,449**

As at December 31, 2019, the Company had a payable balance to CESL II Parallel funds of $959,967 (2018: $nil) in relation to their pro rata share of investments in accordance with the Inter-Fund Agreement.

The Company also had intercompany balances with Crescent Capital Group LP ("CCG") of $15,000 (2018: $15,000) in relation to share capital contributions paid on behalf of the Company and $214,408 (2018: $40) in relation to other expenses and a payable balance of $410,977 (2018: $nil) to CayLP II Levered in relation to a gain on derivatives and a $1,331,911 (2018: $Nil) payable balance for interest on the Loan Notes, as described in Note 2.

In addition, the Company had a payable balance of $45,650 (2018: $24,885) in relation to various expenses.

NOTE 9 – FORWARD FOREIGN EXCHANGE CONTRACTS

For the year ended December 31, 2019, the Company's foreign exchange contracts were Nil.

For the period ended December 31, 2018, the Company's foreign exchange contracts included one GBP/USD contract with a notional amount of £25,024,461. The primary risk exposure related to these activities is foreign currency exchange risk. As of December 31, 2018, the fair value of derivative contracts included in the Balance Sheet are as follows.

Contract to Buy or Sell	Notional Amount	In Exchange for U.S. $	Expiration	Assets	Liabilities
Sell GBP	£ 25,024,461	$ 32,221,496	07/06/2019	$ -	$ 24,524

For the year ended December 31, 2019, the net change in unrealised appreciation was $24,524 (2018: unrealised depreciation of $24,524).

Notes to Financial Statements (continued)

NOTE 10 – CREDITORS: BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR

	As at December 31, 2019	As at 31 December 2018
	$	$
Credit loan facility	106,631,806	-
Loan Notes (due to CayLP II Levered)	15,890,956	30,997,549
Total	**122,522,762**	**30,997,549**

As at December 31, 2019, the Company had a payable of $106,631,806 (2018: $nil) in relation to credit loan facility.

In addition, the Company owed $15,890.956 (2018: $30,997,549) to CayLP II Levered in relation to the Loan Notes, as described in Note 2.

NOTE 11 – OTHER EXTERNAL CHARGES

	For the year ended December 31, 2019	For the period ended December 31, 2018
	$	$
Legal and Other Professional Fees	431,879	-
Credit Facility Fees	181,159	-
Deal Fees	48,380	-
Organisational Costs	45,748	19,370
Filing and Regulatory Fees	24,949	-
Administration Expenses	17,525	1,691
Bank Charges	5,124	334
Subscription Charges	386	-
Total	**755,150**	**21,395**

NOTE 12 – OTHER OPERATING EXPENSES

For the year ended December 31, 2019, the Company incurred $14,301 (2018: $3,823) in relation to Board of Managers' fees.

NOTE 13 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

For the year ended December 31, 2019, the Company recognised $159,291 (2018: $7,714) in relation to the unrealised OID, as described in Note 2.

NOTE 14 – INTEREST PAYABLE AND OTHER SIMILAR EXPENSES

	For the year ended December 31, 2019	For the period ended December 31, 2018
	$	$
Loan note interest	1,225,330	106,581
Credit loan facility interest	1,194,248	-
Commitment Fees	187,114	-
Total	**2,606,692**	**106,581**

For the year ended December 31, 2019, the Company recognised $1,225,330 (2018: $106,581) of interest expense in relation to the Loan Notes, as described in Note 2.

Notes to Financial Statements (continued)

NOTE 15 – TAX ON PROFIT OR LOSS

The Company is subject to the applicable tax regulation in Luxembourg. The Company incurs taxation on its profits and margin at the prevailing tax rates in Luxembourg. The tax fees for the year were $nil (2018: $nil).

NOTE 16 - STAFF NUMBER AND COST

The Company does not employ any staff.

NOTE 17 – RELATED PARTY TRANSACTIONS

As at December 31, 2019, the Company had an intercompany balance due from CayLP II Levered of $15,000 (2018: $15,000) in relation to share capital contributions, a $Nil (2018: $257,846) receivable balance in relation to share premium, a $678,459 (2018: $nil) receivable balance in relation to intercompany transfers for expenses.

The Company also had intercompany balances with Crescent Capital Group LP (“CCG”) of $15,000 (2018: $15,000) in relation to share capital contributions paid on behalf of the Company and $214,408 (2018: $40) in relation to other expenses and a payable balance of $410,977 (2018: $nil) to CayLP II Levered in relation to a gain on derivatives and a payable balance of $1,331,911 (2018: $106,581) for interest on the Loan Notes, as described in Note 2.

In addition, the Company had a payable balance of $15,890.956 (2018: $30,997,549) to CayLP II Levered in relation to the Loan Notes, as described in Note 2

NOTE 18 – SUBSEQUENT EVENTS

On January 3, 2020, the CESL II Funds provided investment to European Lifecare Group in connection with the add-on acquisition of CityDoc. European Lifecare Group is currently owned by Inflexion Private Equity. The company is a leading provider of vaccinations in Denmark and the UK, focusing on both the private market (through travel clinics) and public programs. Public programs consist of vaccinations to schools under contracts with NHS England as well as the administration of flu vaccinations to at-risk citizens in Denmark under contracts with the Danish Health Authority. The company operates 35 private travel clinics across Denmark, being the only player with nationwide coverage. In the UK, the Company operates 16 travel clinics, with a particularly strong footprint in London. CityDoc is a UK-based network of healthcare clinics specialised in the provision of travel medicine and vaccinations in addition to private blood screening.

On January 21, 2020, the CESL II Funds provided investment to Highcare in connection with its acquisition by funds advised by Bencis Capital Partners. Highcare is a leading provider of healthcare staffing and education services in the Netherlands. The company focuses on the provision of healthcare professionals to the Dutch public and private healthcare industry on a temporary basis and for long-term commitment. These staffing services are provided to hospitals, ambulance and dispatch centres, mental care institutions and care homes. Highcare operates a database of nearly 3,000 qualified healthcare professionals and serves over 500 well-known healthcare institutions, covering c. 70% of hospitals in the Netherlands.

On January 29, 2020, the CESL II Funds provided follow-on investment to 3B Scientific to support the bolt-on acquisition of iSimulate, an educational technology device company that replicates live action simulations of medical emergency events. iSimulate delivers screen-based simulation of patient vitals and defibrillators. This offers a viable alternative to much higher priced high-fidelity mannequins which appeals to simulation centres in universities, hospitals, emergency services and training companies. The iSimulate acquisition further strengthens 3B Scientific’s position in medical simulation which is an attractive market that continues to experience strong growth of c. 12% per annum. In addition, there are synergies to be gained from iSimulate being able to leverage 3B Scientific’s existing global distribution capabilities.

Notes to Financial Statements (continued)

NOTE 18 – SUBSEQUENT EVENTS (Continued)

On February 13, 2020, the CESL II Funds provided investment to ATG in connection with the buyout of Auction Technology Group by funds advised by TA Associates ("TA") and to support the concurrent bolt-on acquisition of Proxibid. Founded in 1971, ATG is the leading digital marketplace platform for auctions in the art & antiques and industrial & commercial equipment sectors across Europe and the US. The Company's proprietary, cloud-based technology platform connects 1,000+ auctioneers (who run c. 14,000 auctions annually) with bidders who span across 148 countries, which in turn generates >53 million web sessions, >27 million bids and >4 million lots sold annually. Proxibid is a leading digital auction marketplace company in the industrial & commercial equipment segment in the US. The Proxibid acquisition increases the proportion of group revenues derived from industrial and commercial equipment which is segment that has historically demonstrated good resilience / countercyclical qualities in a downturn. Furthermore, TA and ATG management team also believe that there are significant cost synergies which can be realised.

During March 2020, the World Health Organisation declared a pandemic due to the outbreak of a virus known as COVID-19. The Board of Managers do not believe that COVID-19 will prevent the Company from pursuing its objective for the remainder of 2020 or continuing as a going concern and is considered a non-adjusting event.

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Board of Managers

William Blackwell, Manager, Luxembourg
Jonathan R Insull, Manager, New York
Jeroen Matterne, Manager, Luxembourg
(appointed as Manager effective February 1, 2019; resigned as Manager effective May 15, 2020)
Malcolm Wilson, Manager, Luxembourg
(resigned as Manager effective January 22, 2019)
Andrej Grossmann, Manager, Luxembourg
(appointed as Manager effective May 15, 2020)