

CESL II (Unlevered) S.à r.l.

Société à responsabilité limitée

Annual Report - for the year ended December 31, 2019

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L-2086 Luxembourg
Grand Duchy of Luxembourg
R.C.S Luxembourg: B227689

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Contents

Balance Sheet 2

Profit and Loss Account 4

Notes to Financial Statements..... 6

Administration.....15

Balance Sheet

Page 1/2

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RCSL Nr. : B227689

Matricule :

ABRIDGED BALANCE SHEET

Financial year from 01/01/2019 to 31/12/2019

(in EUR)

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 130,164,771	1110 13,479,997
I. Intangible assets	1111	111 -	112 -
II. Tangible assets	1125	1125 -	1126 -
III. Financial assets	1135 3	135 130,164,771	136 13,479,997
D. Current assets	1151	151 36,089,635	152 165,627
I. Stocks	1153	153 -	154 -
II. Debtors	1163	163 -	164 -
a) becoming due and payable within one year	1203 4	203 10,187,184	204 152,142
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 25,902,451	1198 13,485
E. Prepayments	1199	1199 -	1200 -
TOTAL (ASSETS)	201	166,254,406	202 13,645,624

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

Balance Sheet (Continued)

Page 2/2

RCSL Nr. : B227689

Matricule :

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous period
A. Capital and reserves	1301	301	1,045,730	302	37,515
I. Subscribed capital	1303	303	15,000	304	15,000
II. Share premium account	1305	305	1,091,318	306	104,603
III. Revaluation reserves	1307	307	-	308	-
IV. Reserves	1309	309	-	310	-
V. Profit or loss brought forward	1319	319	(82,088)	320	-
VI. Profit or loss for the financial year	1321	321	21,500	322	(82,088)
VII. Interim dividends	1323	323	-	324	-
VIII. Capital investment subsidies	1325	325	-	326	-
B. Provisions	1331	331	1,846,935	332	-
C. Creditors	1435	435	163,297,212	436	13,608,109
a) becoming due and payable within one year	1453	453	86,679,596	454	20,213
b) becoming due and payable after more than one year	1455	455	76,617,616	456	13,587,896
D. Deferred income	1403	403	64,529	404	-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	166,254,406	406	13,645,624

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

Profit and Loss Account

Page 1/2

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RCSL Nr. : B227689

Matricule :

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

ABRIDGED PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous period
1. to 5. Gross profit or loss	1651 <u>12</u>	651 <u>(499,826)</u>	652 <u>(5,254)</u>
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 <u>(955,724)</u>	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 (955,724)	662 -
8. Other operating expenses	1621 <u>13</u>	649 <u>(1,880,095)</u>	650 <u>(1,475)</u>

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

Profit and Loss Account (Continued)

Page 2/2

RCSL Nr. : B227689		Matricule :	
	Reference(s)	Current year	Previous period
9. Income from participating interests	1715	715 4,761,482	716 58,088
a) derived from affiliated undertakings	1717	717 -	718 -
b) other income from participating interests	1719 2	719 4,761,482	720 58,088
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 -
12. Other interest receivable and similar income	1727	727 282,664	728 3,381
a) derived from affiliated undertakings	1729	729 -	732 -
b) other interest and similar income	1731 14	731 282,664	730 3,381
13. Share of profits or loss of undertakings accounted for under the equity method	1663	663 -	664 -
14. Value adjustments in respect of financial assets and of investments held as current assets	1665	665 2,238,880	666 (86,163)
15. Interest payable and other similar expenses	1627	627 (3,925,881)	628 (50,665)
a) concerning affiliated undertakings	1629	629 -	630 -
b) other interest and similar expenses	1631 15	631 (3,925,881)	632 (50,665)
16. Tax on profit or loss	1635 16	635 -	636 -
17. Profit or loss after taxation	1667	667 21,500	668 (82,088)
18. Other taxes not shown under items 1 to 16	1637	637 -	638 -
18. Profit or loss for the financial year	1669	669 21,500	670 (82,088)

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 (Unlevered) 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 B227689.

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 Loan Fund II SCSp (the “LuxSLP”) together with Crescent European Specialty Lending Fund II (Cayman) LP (“CayLP II Unlevered”) invests substantially all of their 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, the LuxSLP invests side by side with CayLP II Unlevered, Crescent European Specialty Loan Fund II (GBP) SCSp (“Lux (GBP) SLP”), Crescent European Specialty Lending Fund II (Delaware) LP (“DELP II Unlevered”) (collectively, the “Unlevered II Partnership”); and Crescent European Specialty Lending Fund II (Cayman-Levered) LP (“CayLP II Levered”), Crescent European Specialty Lending Fund II (Cayman-Levered EUR) LP (“CayLP II Levered EUR”), Crescent European Specialty Lending Fund II (Levered) LP (“DELP II Levered”) (collectively, the “Levered II Partnership”). The Unlevered II Partnership and the Levered 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 eight 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 Euro 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 Euro and the Financial Statements are expressed in that currency. Transactions in a currency other than Euro are converted into Euro at the exchange rate applicable at the date of the transaction.

All asset and liability items expressed in a currency other than Euro 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 [EUR] = GBP [0.8457]	(2018: 1.000 [EUR] = GBP [0.8992])
1.000 [EUR] = USD [1.1210]	(2018: 1.000 [EUR] = USD [1.1469])
1.000 [EUR] = DKK [7.4681]	(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 €4,761,482 (2018: €58,088) of investment 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 the LuxSLP and CayLP II Unlevered 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 LuxSLP and CayLP II Unlevered subscribed to €77,708,934 (2018: €13,587,896) of Loan Notes. During the year, the Company converted €1,091,318 (2018: €nil) to Share Premium. As at December 31, 2019, the Company had a payable balance of €76,617,616 (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, the Partnership'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 Euro. The counterparty to these contracts is NatWest Markets plc.

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.

	Fair value as at January 1, 2019	Additions	Disposals / Paydowns	Value adjustments for the period	Fair value as at December 31, 2019
	€	€	€	€	€
Crusoe Bidco Limited	13,479,997	12,552,173	(1,625,465)	2,132,739	26,539,444
PharComp Bidco B.V.	-	22,409,042	-	606,643	23,015,685
Armitage Pet Care Limited	-	3,331,284	-	370,376	3,701,660
Expert Bidco Limited	-	15,138,889	-	(21,722)	15,117,167
SEMA Beteiligungs GmbH	-	7,659,428	-	(17,081)	7,642,347
Jupiter Bidco Limited	-	22,057,656	-	1,332,478	23,390,134
Project Floss Bidco B.V.	-	12,289,915	-	(15,542)	12,274,373
DDS Subholding B.V.	-	18,484,163	-	(202)	18,483,961
Total	13,479,997	113,922,550	(1,625,465)	4,387,689	130,164,771

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

	As at December 31, 2019	As at 31 December 2018
	€	€
Due from parallel funds	4,845,254	-
Investment receivable	4,091,002	-
Due from related parties	959,936	68,938
Investment interest	290,887	58,087
Unrealised appreciation on forward foreign exchange contracts	105	25,117
Total	10,187,184	152,142

As at December 31, 2019, the Company had a receivable balance from CESL II Parallel funds of €4,845,254 (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 LuxSLP and CayLP II Unlevered of €15,000 (2018: €15,000) in relation to share capital contributions, a €944,936 (2018: €nil) receivable balance in relation to intercompany transfers for expenses, a €nil (2018: €104,603) receivable balance in relation to share premium and a €nil (2018: €50,665) payable balance for interest on the Loan Notes, as described in Note 2.

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 €986,715 (2018: €104,603) 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 €1,091,318 (2018: €104,603).

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 period 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	Legal reserve	Profit or loss b/fwd	Total capital and reserves
	€	€	€	€	€
As at January 1, 2019	15,000	104,603	-	(82,088)	37,515
Movement during the year	-	986,715	-	-	986,715
Profit or loss for the year	-	-	-	21,500	21,500
As at December 31, 2019	15,000	1,091,318	-	(60,588)	1,045,730

	Subscribed capital	Share premium	Legal reserve	Profit or loss b/fwd	Total capital and reserves
	€	€	€	€	€
At incorporation	-	-	-	-	-
Movement during the period	15,000	104,603	-	-	119,603
Profit or loss for the period	-	-	-	(82,088)	(82,088)
As at 31 December 2018	15,000	104,603	-	(82,088)	37,515

NOTE 8 - PROVISIONS

As at December 31, 2019, the Company had a provision of €1,846,935 (2018: €nil) in relation to risk corresponding to the potential foreign exchange exposure on the Loan Notes.

NOTE 9 - CREDITORS: BECOMING DUE AND PAYABLE WITHIN ONE YEAR

	As at December 31, 2019	As at 31 December 2018
	€	€
Due to parallel funds	46,345,442	-
Bank loan and overdraft	36,060,211	-
Due to related parties	3,660,263	-
Due to main fund	323,016	15,405
Unrealised depreciation on forward foreign exchange contracts	176,414	-
Interest payable	75,463	-
Other creditors	38,787	4,808
Total	86,679,596	20,213

As at December 31, 2019, the Company had a payable of €36,060,211 (2018: €nil) in relation to Bank loans.

As at December 31, 2019, the Company had an intercompany balance due to the LuxSLP and CayLP II Unlevered of €3,660,263 (2018: €nil) payable balance for interest on the Loan Notes, as described in note 2.

The Company 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 €308,016 (2018: €405) in relation to other expenses.

In addition, the Company had a payable balance of €38,787 (2018: €4,808) in relation to various expenses.

Notes to Financial Statements (continued)

NOTE 10 - FORWARD FOREIGN EXCHANGE CONTRACTS

For the year ended December 31, 2019, the Company's forward foreign exchange contracts included three (2018: one) EUR/GBP contract with an average notional amount of £12,564,222 (2018: £12,496,110) and one (2018: Nil) EUR/DKK with a notional amount of kr.15,286,521 (2018: kr.Nil). The primary risk exposure related to these activities is foreign currency exchange risk. As at December 31, 2019, the fair value of forward foreign exchange contracts included in the Balance Sheet are as follows.

Contract to Buy or Sell	Notional Amount	In Exchange for EUR €	Expiration	Assets	Liabilities
Sell GBP	£ 10,744,647	€ 12,461,642	08/01/2020	€ -	€ 163,104
Sell GBP	£ 1,819,575	€ 2,117,777	08/04/2020	€ -	€ 13,310
Sell DKK	kr. 15,286,521	€ 2,046,608	08/04/2020	€ 105	€ -

For the year ended December 31, 2019, the total net unrealised depreciation was €176,309 (2018: €25,117 appreciation).

NOTE 11 - CREDITORS: BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR

	As at December 31, 2019	As at 31 December 2018
	€	€
Loan Notes (due to LuxSLP and CayLP II Unlevered)	76,617,616	13,587,896
Total	76,617,616	13,587,896

As at December 31, 2019, the Company owed €76,617,616 (2018: €13,587,896) to the LuxSLP and CayLP II Unlevered in relation to the Loan Notes, as described in note 2.

NOTE 12 - OTHER EXTERNAL CHARGES

	For the year ended December 31, 2019	For the period from September 14, 2018 (date of incorporation) to December 31, 2018
	€	€
Credit facility fees	216,605	1,515
Legal and other professional fees	168,174	-
Deal fees	82,353	-
Administrator fees	15,482	3,334
Bank charges	7,801	-
Audit fees	5,205	-
Filing and regulatory fees	3,500	-
Subscription charges	350	-
Other fees	356	405
Total	499,826	5,254

Notes to Financial Statements (continued)

NOTE 13 – OTHER OPERATING EXPENSES

	For the year ended December 31, 2019	For the period from September 14, 2018 (date of incorporation) to December 31, 2018
	€	€
Provision against Forex exposure on Loan Notes	1,846,935	-
Board of Managers' fees	33,160	1,475
Total	1,880,095	1,475

NOTE 14 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

For the year ended December 31, 2019, the Company recognised €282,664 (2018: €3,381) in relation to the unrealised OID, as described in note 2.

NOTE 15 – INTEREST PAYABLE AND OTHER SIMILAR EXPENSES

	For the year ended December 31, 2019	For the period from September 14, 2018 (date of incorporation) to December 31, 2018
	€	€
Loan note interest	3,609,598	50,665
Bank loan interest expense	278,047	-
Commitment fees	38,236	-
Total	3,925,881	50,665

For the year ended December 31, 2019, the Company recognised €3,609,598 (2018: €50,665) of interest expense in relation to the Loan Notes, as described in note 2.

NOTE 16 – 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 17 – STAFF NUMBER AND COST

The Company does not employ any staff.

NOTE 18 – RELATED PARTY TRANSACTIONS

As at December 31, 2019, the Company had an intercompany payable balance of €323,016 (2018: €15,405) with the CCG and its subsidiaries in relation to various expenses, €76,617,616 (2018: €13,587,896) with the LuxSLP and CayLP II Unlevered in relation to the Loan Notes, as described in note 2, a net payable balance of €41,500,188 (2018: €Nil) to the CESL II Parallel Funds in relation to their pro rata share of investments in accordance with the Inter-Fund Agreement.

In addition, the Company had an intercompany net payable balance of €2,700,327 (2018: net receivable of €68,938) with the LuxSLP and CayLP II Unlevered in relation to share capital contributions, share premium, interest payable on Loan Notes and intercompany transfers for various expenses.

Notes to Financial Statements (continued)

NOTE 19 – 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.

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 Organization 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.

Administration

Independent Administrative Agent

IQEQ Fund Services (Luxembourg) S.A.
(Formerly known as Augentius (Luxembourg) S.A.)
Cloche d'Or
412F Route d'Esch
L-2086 Grand Duchy of Luxembourg

Depository Bank

NatWest Markets Plc
Luxembourg Branch
Avenue J F Kennedy, 46
L-1855 Luxembourg - Kirchberg

Paying Agent

The Royal Bank of Scotland International Limited
Luxembourg Branch
Avenue J F Kennedy, 40
L-1855 Luxembourg – Kirchberg

Legal Advisers as to Luxembourg Law

Loyens & Loeff Luxembourg S.à r.l.
Avocats à la Cour
18-20, rue Edward Steichen
L-2540 Luxembourg City
Grand Duchy of Luxembourg

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)