

CESL II (Unlevered) S.à r.l.

Société à responsabilité limitée

Annual Report - for the year ended December 31, 2020

412F, route d'Esch
L-2086 Luxembourg
Grand Duchy of Luxembourg
R.C.S Luxembourg: B227689

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Balance Sheet

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RCSL Nr. : B227689 Matricule :

ABRIDGED BALANCE SHEET
Financial year from 01/01/2020 to 31/12/2020
(In EUR)

ASSETS

	Reference(s)		Current year		Previous year
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	109	277,250,547	110	130,164,771
I. Intangible assets	1111	111	-	112	-
II. Tangible assets	1125	125	-	126	-
III. Financial assets	1135	3 135	277,250,547	136	130,164,771
D. Current assets	1151	151	8,217,988	152	36,089,635
I. Stocks	1153	153	-	154	-
II. Debtors	1163	163	6,091,868	164	10,187,184
a) becoming due and payable within one year	1203	4 203	6,091,868	204	10,187,184
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	197	2,126,120	198	25,902,451
E. Prepayments	1199	199	2,606	200	-
TOTAL (ASSETS)		201	285,471,141	202	166,254,406

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

Balance Sheet (Continued)

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RCSL Nr. : B227689	Matricule :
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CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year
A. Capital and reserves	1301	301	8,136,802	302	1,045,730
I. Subscribed capital	1303	5 303	15,000	304	15,000
II. Share premium account	1305	5 305	11,378,659	306	1,091,318
III. Revaluation reserves	1307	307	-	308	-
IV. Reserves	1309	6 309	1,075	310	-
V. Profit or loss brought forward	1319	319	(61,663)	320	(82,088)
VI. Profit or loss for the financial year	1321	7 321	(3,196,269)	322	21,500
VII. Interim dividends	1323	323	-	324	-
VIII. Capital investment subsidies	1325	325	-	326	-
B. Provisions	1331	8 331	-	332	1,846,935
C. Creditors	1435	435	276,674,771	436	163,297,212
a) becoming due and payable within one year	1453	9, 10 453	22,485,723	454	86,679,596
b) becoming due and payable after more than one year	1455	11 455	254,189,048	456	76,617,616
D. Deferred income	1403	403	659,568	404	64,529
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	285,471,141	406	166,254,406

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

Profit and Loss Account

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RCSL Nr. : B227689

Matricule :

ABRIDGED PROFIT AND LOSS ACCOUNT Financial year from 01/01/2020 to 31/12/2020 (in EUR)

ABRIDGED PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. to 5. Gross profit or loss	1651 <u>12</u> 651	<u>(237,826)</u>	<u>(499,826)</u>
6. Staff costs	1605 _____ 605	-	-
a) Wages and salaries	1607 _____ 607	-	-
b) Social security costs	1609 _____ 609	-	-
i) relating to pensions	1653 _____ 653	-	-
ii) other social security costs	1655 _____ 655	-	-
c) Other staff costs	1613 _____ 613	-	-
7. Value adjustments	1657 _____ 657	<u>187,669</u>	<u>(955,724)</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____ 659	-	-
b) in respect of current assets	1661 _____ 661	187,669	(955,724)
8. Other operating expenses	1621 <u>13</u> 649	<u>1,837,741</u>	<u>(1,880,095)</u>

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

Profit and Loss Account (Continued)

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	RCSL Nr. : B227689		Matricule :	
	Reference(s)		Current year	Previous year
9. Income from participating interests	1715	715	14,985,494	4,761,482
a) derived from affiliated undertakings	1717	717	-	-
b) other income from participating interests	1719	719	14,985,494	4,761,482
10. Income from other investments and loans forming part of the fixed assets	1721	721	-	-
a) derived from affiliated undertakings	1723	723	-	-
b) other income not included under a)	1725	725	-	-
12. Other interest receivable and similar income	1727	727	1,133,471	282,664
a) derived from affiliated undertakings	1729	729	-	-
b) other interest and similar income	1731	731	1,133,471	282,664
13. Share of profits or loss of undertakings accounted for under the equity method	1663	663	-	-
14. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	1,045,921	2,238,880
15. Interest payable and other similar expenses	1627	627	(22,139,129)	(3,925,881)
a) concerning affiliated undertakings	1629	629	-	-
b) other interest and similar expenses	1631	631	(22,139,129)	(3,925,881)
16. Tax on profit or loss	1635	635	-	-
17. Profit or loss after taxation	1667	667	(3,186,659)	21,500
18. Other taxes not shown under items 1 to 16	1637	637	(9,610)	-
19. Profit or loss for the financial year	1669	669	(3,196,269)	21,500

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, 2020.

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 (“DEL 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 (“DEL 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 eleventh and final closing on March 13, 2020. 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 are to 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, 2020 were:

1.000 [EUR] = GBP [0.8938]	(2019: 1.000 [EUR] = GBP [0.8457])
1.000 [EUR] = USD [1.2213]	(2019: 1.000 [EUR] = USD [1.1210])
1.000 [EUR] = DKK [7.4406]	(2019: 1.000 [EUR] = DKK [7.4681])

Income: Interest income is recognised in the Profit and Loss Account and is accrued on a daily basis. For the year ended December 31, 2020 the Company received €14,327,230 (2019: €4,761,482) of investment income and received €658,264 (2019: €Nil) of commitment fee 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, 2020, the LuxSLP and CayLP II Unlevered subscribed to €265,567,707 (2019: €77,708,934) of Loan Notes. During the year, the Company converted €10,287,341 (2019: €1,091,318) to Share Premium. As at December 31, 2020, the Company had a payable balance of €254,189,048 (2019: €76,617,616).

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, 2020.

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, 2020.

	Fair value as at January 1, 2020	Additions	Disposals / Paydowns	Value adjustments for the year	Fair value as at December 31, 2020
	€	€	€	€	€
Crusoe Bidco Limited	26,539,444	3,552,161	-	(1,871,239)	28,220,366
PharComp Bidco B.V.	23,015,685	2,290,837	-	(45,131)	25,261,391
Armitage Pet Care Limited	3,701,660	378,759	(3,710,043)	(370,376)	-
Expert Bidco Limited	15,117,167	1,332,652	-	(2,023,692)	14,426,127
SEMA Beteiligungs GmbH	7,642,347	513,255	(1,591,582)	180,454	6,744,474
Jupiter Bidco Limited	23,390,134	10,184,888	(981,462)	2,431,129	35,024,689
Project Floss Bidco B.V.	12,274,373	957,816	-	348,780	13,580,969
DDS Subholding B.V.	18,483,961	9,471,316	-	689,398	28,644,675
Auction Bidco Limited	-	41,321,220	-	(2,795,228)	38,525,992
Australian 3B Scientific Parent, LLC	-	3,420,397	-	85,254	3,505,651
Bluefin Bidco AS	-	17,215,290	-	(707,781)	16,507,509
Q Anne Bidco Limited	-	4,567,054	-	32,499	4,599,553
Spyder Bidco Limited	-	10,332,983	-	(167,735)	10,165,248
Yield Bidco B.V.	-	43,150,335	-	(11,271)	43,139,064
Zorginvest B.V.	-	10,316,003	-	(1,411,164)	8,904,839
Total	130,164,771	159,004,966	(6,283,087)	(5,636,103)	277,250,547

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

	As at December 31, 2020	As at December 31, 2019
	€	€
Due from related parties	3,369,469	959,936
Investment interest receivable	2,319,634	290,887
Due from Parallel Funds	305,337	4,845,254
Commitment fee receivable	97,428	-
Investment receivable	-	4,091,002
Foreign exchange contracts	-	105
Total	6,091,868	10,187,184

As at December 31, 2020, the Company had a receivable balance from CESL II Parallel funds of €305,337 (2019: €4,845,254) 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 (2019: €15,000) in relation to share capital contributions, a €4,469,942 (2019: €944,936) receivable balance in relation to intercompany transfers for expenses and a €1,115,473 (2019: €Nil) payable balance for interest on the Loan Notes, as described in Note 2.

Notes to Financial Statements (continued)

NOTE 5 - SUBSCRIBED CAPITAL

As at December 31, 2020, the capital of the Company was set at 15,000 (2019: 15,000) shares of €1.00 (2019: €1.00) each entirely subscribed and paid up.

During the year, the share premium account increased by €10,287,341 (2019: €986,715) after part of the Loan Notes (as described in note 2) was converted to share premium. As at December 31, 2020, the share premium account was €11,378,659 (2019: €1,091,318).

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.

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, 2020	15,000	1,091,318	-	(60,588)	1,045,730
Movement during the year	-	10,287,341	-	-	10,287,341
Profit or loss for the year	-	-	-	(3,196,269)	(3,196,269)
Allocation of previous year's profits	-	-	1,075	(1,075)	-
As at December 31, 2020	15,000	11,378,659	1,075	(3,257,932)	8,136,802

	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

NOTE 8 - PROVISIONS

As at December 31, 2020, the Company had a provision of €Nil (2019: €1,846,935) 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, 2020	As at December 31, 2019
	€	€
Due to related parties	16,701,174	3,660,263
Bank loan and overdraft	3,903,513	36,060,211
Unrealised depreciation on forward foreign exchange contracts	1,528,623	176,414
Due to main fund	276,436	323,016
Interest payable	48,574	75,463
Other creditors	25,694	38,787
Due to Parallel Funds	1,709	46,345,442
Total	22,485,723	86,679,596

Notes to Financial Statements (continued)

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

As at December 31, 2020, the Company had a payable of €3,903,513 (2019: €36,060,211) in relation to Bank loans.

As at December 31, 2020, the Company had an intercompany net payable balance to the LuxSLP and CayLP II Unlevered of €16,701,174 (2019: €3,660,263) 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 (2019: €15,000) in relation to share capital contributions paid on behalf of the Company and €261,436 (2019: €308,016) in relation to other expenses.

In addition, the Company had a payable balance of €25,694 (2019: €38,787) in relation to various expenses.

NOTE 10 - FORWARD FOREIGN EXCHANGE CONTRACTS

For the year ended December 31, 2020, the Company's forward foreign exchange contracts included twenty (2019: three) EUR/GBP contract with an average notional amount of £12,449,125 (2019: £12,564,222), and nine (2019: Nil) EUR/USD with an average notional amount of \$20,883,083 (2019: \$Nil) and five (2019: one) EUR/DKK with an average notional amount of kr.9,957,290 (2019: a notional amount of kr. 15,286,521). The primary risk exposure related to these activities is foreign currency exchange risk. As at December 31, 2020, 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		Expiration	Assets		Liabilities	
			for EUR					
Sell GBP	£ 75,459,104	€	82,564,490	08/01/2021	€	111,864	€	1,527,916
Buy GBP	£ 3,781,233	€	4,171,540	08/01/2021	€	33,655	€	704
Sell USD	kr. 70,669,636	€	59,645,586	08/01/2021	€	1,706,431	€	-
Sell DKK	kr. 17,023,649	€	2,286,137	08/01/2021	€	21	€	3

For the year ended December 31, 2020, the total net unrealised appreciation was €1,352,314 (2019: €176,309 depreciation).

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

	As at December 31, 2020	As at December 31, 2019
	€	€
Loan Notes (due to LuxSLP and CayLP II Unlevered)	254,189,048	76,617,616
Total	254,189,048	76,617,616

As at December 31, 2020, the Company owed €254,189,048 (2019: €76,617,616) to the LuxSLP and CayLP II Unlevered in relation to the Loan Notes, as described in note 2.

Notes to Financial Statements (continued)

NOTE 12 - OTHER EXTERNAL CHARGES

	For the year ended December 31, 2020	For the year ended December 31, 2019
	€	€
Credit facility fees	195,808	216,605
Legal and other professional fees	52,816	168,174
Bank charges	42,263	7,801
Administrator fees	16,788	15,482
Filing and regulatory fees	5,220	3,500
Subscription charges	350	350
Audit fees	(330)	5,205
Other fees	(626)	356
Deal fees	(74,463)	82,353
Total	237,826	499,826

NOTE 13 - OTHER OPERATING EXPENSES

	For the year ended December 31, 2020	For the year ended December 31, 2019
	€	€
Board of Managers' fees	9,194	33,160
Provision against Forex exposure on Loan Notes	(1,846,935)	1,846,935
Total	(1,837,741)	1,880,095

NOTE 14 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

For the year ended December 31, 2020, the Company recognised €909,312 (2019: €282,664) in relation to the unrealised OID, and €79,470 (2019: €Nil) in relation to arrangement fee income, €523 (2019: €Nil) in relation to termination fee income as described in note 2. In addition, the Company recognized realised OID from sale of investments of €144,166 (2019: €Nil).

NOTE 15 - INTEREST PAYABLE AND OTHER SIMILAR EXPENSES

	For the year ended December 31, 2020	For the year ended December 31, 2019
	€	€
Bank loan interest expense	596,072	278,047
Commitment fees	98,039	38,236
Loan note interest	21,445,018	3,609,598
Total	22,139,129	3,925,881

For the year ended December 31, 2020, the Company recognised €Nil (2019: €3,609,598) 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 (2019: €Nil).

Notes to Financial Statements (continued)

NOTE 17 - OTHER TAXES

For the year ended December 31, 2020, the Company incurred €9,610 (2019: €Nil) in relation to the Net Wealth Tax.

NOTE 18 - STAFF NUMBER AND COST

The Company does not employ any staff.

NOTE 19 - RELATED PARTY TRANSACTIONS

As at December 31, 2020, the Company had an intercompany payable balance of €276,436 (2019: €323,016) with the CCG and its subsidiaries in relation to various expenses, €254,189,048 (2019: €76,617,616) with the LuxSLP and CayLP II Unlevered in relation to the Loan Notes, as described in note 2.

In addition, the Company had an intercompany net payable balance of €13,331,704 (2019: €2,700,327) 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.

NOTE 20 - SUBSEQUENT EVENTS

On January 7, 2021, the CESL II Funds completed a new investment in Simulator Topco B.V., a specialist provider of hosting and cloud migration services in the Netherlands, to support the buyout of the business by Bencis Capital Partners.

On February 8, 2021, the CESL II Funds completed a new investment in Avania Investments B.V, a leading global full-service CRO headquartered in the Netherlands, in connection with the recapitalisation of the company and the payment of a dividend to the sponsor Kester Capital.

On February 25, 2021, the CESL II Funds completed a new investment in Kansas Midco Limited, a UK-based medical devices manufacturer specialised in the pressure ulcer prevention segment, in connection with the recapitalisation of the company and the payment of a dividend to the sponsor Kester Capital.

On February 25, 2021, the CESL II Funds completed a new investment in STAR Pacific Intermediate Holdco 2 Limited, a leading global provider of corporate, private client and fund administration services, in connection with the buyout of the company by STAR Capital.

On February 25, 2021, the CESL II Funds provided follow-on investment to an existing portfolio company, Spy Alarms, to finance the bolt-on acquisitions of Crimefighter Alarms Limited and Judge Limited.

On February 26, 2021, an existing CESL II portfolio company, Auction Technology Group, successfully completed an initial public offering on the London Stock Exchange which valued the company at £600 million. As part of the transaction, we have been repaid half of our initial Unitranche and underwritten a new £20 million undrawn RCF.

On March 2, 2020, the CESL II funds completed a new investment in Avicenna Ltd in connection with the transformative add-on acquisition of Dudley Taylor Pharmacies Ltd. The combined group now operates a portfolio of 101 pharmacies across the UK.

On March 24, 2021, the CESL II Funds provided follow-on investment to an existing portfolio company, Medsen, to help support two small add-on acquisitions.

Notes to Financial Statements (continued)

NOTE 20 - SUBSEQUENT EVENTS (Continued)

On April 1, 2021, the CESL II Funds completed a new investment in Cohedron in connection with the recapitalisation of the company, the financing of five add-on acquisitions (Oreon, Budgetondersteuning, Budgetbeheer Nederland, Even Werkt! and Newpublic) and the payment of a dividend to the sponsor Argos Wityu. The amount totalled €99.0 million split across a Unitranche facility (€69.0 million) and a committed acquisition facility (€30.0 million). Headquartered in the Netherlands, Cohedron provides secondment, consultancy and outsourcing services to both the public and private sectors, with a particularly strong position within Dutch municipalities. The Company is the only player with nationwide coverage across its core verticals and provides services to c. 90% of Dutch municipalities.

On April 1, 2021, the CESL II Funds provided follow-on investment to an existing portfolio company, Fresh Tandartsen, to facilitate the payment of a portion of the deferred consideration and finance the bolt-on acquisitions of 4 additional dental practices. The amount totalled €2.2 million drawn from the committed acquisition facility.

On April 15, 2021, the CESL II Funds provided follow-on investment to an existing portfolio company, Avicenna, to finance the bolt-on acquisition of A & JM Sheppard Limited ("Sheppards"), an independent pharmacy chain operator located in South Wales. The combined group now operates a portfolio of 135 pharmacies across the UK. The amount totalled £28.0 million through a Unitranche facility.

Administration

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(formerly IQ EQ Fund Services (Luxembourg) S.A.)
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L-2086 Grand Duchy of Luxembourg
Grand Duchy of Luxembourg

Depository Bank

NatWest Markets Plc
Luxembourg Branch
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L-1855 Luxembourg - Kirchberg

Paying Agent

The Royal Bank of Scotland International Limited
Luxembourg Branch
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Legal Advisers as to Luxembourg Law

Loyens & Loeff Luxembourg S.à r.l.
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Grand Duchy of Luxembourg

Board of Managers

William Blackwell, Manager, Luxembourg
Jonathan R Insull, Manager, New York
Jason Breaux, Manager, Los Angeles
(*appointed as Manager effective December 18, 2020*)
Jeroen Matteredne, Manager, Luxembourg
(*resigned as Manager effective May 15, 2020,*
appointed as Manager effective December 18, 2020)
Andrej Grossmann, Manager, Luxembourg
(*appointed as Manager effective May 15, 2020,*
resigned as Manager effective December 15, 2020)