

**GreenOak UK Secured Lending II S.à r.l.**

**Annual Unaudited Accounts**  
**for the year ended December 31, 2020**

*5 Rue Heienhaff,  
L-1736 Senningerberg  
R.C.S. Luxembourg B 206647  
Share capital: GBP 13,000*

# **GreenOak UK Secured Lending II S.à r.l.**

Annual Unaudited Accounts

For the year ended December 31, 2020

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R.C.S. Luxembourg: B 206647  
5 Rue Heienhaff  
L-1736 Senningerberg

BALANCE SHEET (in GBP)

as at 31 December 2020

ASSETS				
	Reference(s)	Current year	Previous year	
<b>A. Subscribed capital unpaid</b>	1101	101	-	102
I. Subscribed capital not called	1103	103	-	104
II. Subscribed capital called but unpaid	1105	105	-	106
<b>B. Formation expenses</b>	1107	107	-	108
<b>C. Fixed assets</b>	1109	3	109	463,412,131
I. Intangible assets	1111	111	-	112
1. Costs of development	1113	113	-	114
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115	-	116
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117	-	118
b) created by undertaking itself	1119	119	-	120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121	-	122
4. Payments on account and intangible assets under development	1123	123	-	124
II. Tangible assets	1125	125	-	126
1. Land and buildings	1127	127	-	128
2. Plant and machinery	1129	129	-	130
3. Other fixtures and fittings, tools and equipment	1131	131	-	132
4. Payments on account and tangible assets in the course of construction	1133	133	-	134
III. Financial assets	1135	3	135	463,412,131
1. Shares in affiliated undertakings	1137	137	-	138
2. Loans to affiliated undertakings	1139	139	-	140
3. Participating interests	1141	141	-	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	-	144
5. Investments held as fixed assets	1145	145	-	146
6. Other loans	1147	3	147	463,412,131
<b>D. Current assets</b>	1151	151	3,521,334	152
I. Stocks	1153	153	-	154
1. Raw materials and consumables	1155	155	-	156
2. Work in progress	1157	157	-	158
3. Finished goods and goods for resale	1159	159	-	160
4. Payments on account	1161	161	-	162
II. Debtors	1163	4	163	3,482,395
1. Trade debtors	1165	165	-	166
a) becoming due and payable within one year	1167	167	-	168
b) becoming due and payable after more than one year	1169	169	-	170
2. Amounts owed by affiliated undertakings	1171	171	-	172
a) becoming due and payable within one year	1173	173	-	174
b) becoming due and payable after more than one year	1175	175	-	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	-	178
a) becoming due and payable within one year	1179	179	-	180
b) becoming due and payable after more than one year	1181	181	-	182
4. Other debtors	1183	4	183	3,482,395
a) becoming due and payable within one year	1185	4	185	3,482,395
b) becoming due and payable after more than one year	1187	187	-	188
III. Investments	1189	189	-	190
1. Shares in affiliated undertakings	1191	191	-	192
2. Own shares	1209	209	-	210
3. Other investments	1195	195	-	196
IV. Cash at bank and in hand	1197	5	197	38,939
<b>E. Prepayments</b>	1199	199	-	200
<b>TOTAL (ASSETS)</b>	201	466,933,465	202	395,272,023

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BALANCE SHEET (in GBP)

as at 31 December 2020

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>	1301	<b>6 301 995,028</b>	302 <b>602,251</b>
I. Subscribed capital	1303	6 303 13,000	304 13,000
II. Share premium account	1305	305 -	306 -
III. Revaluation reserve	1307	307 -	308 -
IV. Reserves	1309	6 309 1,300	310 1,300
1. Legal reserve	1311	311 1,300	312 1,300
2. Reserve for own shares	1313	313 -	314 -
3. Reserves provided for by the articles of association	1315	315 -	316 -
4. Other reserves, including the fair value reserve	1429	429 -	430 -
a) other available reserves	1431	431 -	432 -
b) other non available reserves	1433	433 -	434 -
V. Profit or loss brought forward	1319	6 319 587,951	320 251,812
VI. Profit or loss for the financial year	1321	6 321 392,777	322 336,139
VII. Interim dividends	1323	323 -	324 -
VIII. Capital investment subsidies	1325	325 -	326 -
<b>B. Provisions</b>	1331	331 -	332 -
1. Provisions for pensions and similar obligations	1333	333 -	334 -
2. Provisions for taxation	1335	335 -	336 -
3. Other provisions	1337	337 -	338 -
<b>C. Creditors</b>	1435	<b>7 435 465,938,437</b>	436 <b>394,669,772</b>
1. Debenture loans	1437	437 -	438 -
a) Convertible loans	1439	439 -	440 -
i) becoming due and payable within one year	1441	441 -	442 -
ii) becoming due and payable after more than one year	1443	443 -	444 -
b) Non convertible loans	1445	445 -	446 -
i) becoming due and payable within one year	1447	447 -	448 -
ii) becoming due and payable after more than one year	1449	449 -	450 -
2. Amounts owed to credit institutions	1355	355 -	356 -
a) becoming due and payable within one year	1357	357 -	358 -
b) becoming due and payable after more than one year	1359	359 -	360 -
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361 -	362 -
a) becoming due and payable within one year	1363	363 -	364 -
b) becoming due and payable after more than one year	1365	365 -	366 -
4. Trade creditors	1367	367 -	368 -
a) becoming due and payable within one year	1369	369 -	370 -
b) becoming due and payable after more than one year	1371	371 -	372 -
5. Bills of exchange payable	1373	373 -	374 -
a) becoming due and payable within one year	1375	375 -	376 -
b) becoming due and payable after more than one year	1377	377 -	378 -
6. Amounts owed to affiliated undertakings	1379	7 379 465,452,302	380 394,038,615
a) becoming due and payable within one year	1381	7 381 12,686,249	382 9,364,157
b) becoming due and payable after more than one year	1383	7,15 383 452,766,053	384 384,674,458
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385 -	386 -
a) becoming due and payable within one year	1387	387 -	388 -
b) becoming due and payable after more than one year	1389	389 -	390 -
8. Other creditors	1451	8 451 486,135	452 631,157
a) Tax authorities	1393	8 393 363,307	394 344,442
b) Social security authorities	1395	395 -	396 -
c) Other creditors	1397	8 397 122,828	398 286,715
i) becoming due and payable within one year	1399	8 399 122,828	400 286,715
ii) becoming due and payable after more than one year	1401	8 401 -	402 -
<b>D. Deferred income</b>	1403	403 -	404 -
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	405	<b>466,933,465</b>	406 <b>395,272,023</b>



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PROFIT AND LOSS ACCOUNT (GBP)

For the year ended 31 December 2019

**PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701 -	701 -
2. Variation in stocks of finished goods and in work in progress	1703	703 -	703 -
3. Work performed by the undertaking for its own purposes and capitalised	1705	705 -	705 -
4. Other operating income	1713	713 -	713 -
5. Raw materials and consumables and other external charges	1671	671 -	671 -
a) Raw materials and consumables	1601	601 -	601 -
b) Other external expenses	1603	603 -	603 -
6. Staff costs	1605	605 -	605 -
a) Wages and salaries	1607	607 -	607 -
b) Social security costs	1609	609 -	609 -
i) relating to pensions	1653	653 -	653 -
ii) other social security costs	1655	655 -	655 -
c) Other staff costs	1613	613 -	613 -
7. Value adjustments	1657	657 -	657 -
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659 -	659 -
b) in respect of current assets	1661	661 -	661 -
8. Other operating expenses	1621	9 621 (225,445)	621 (189,271)
9. Income from participating interests	1715	715 -	716 -
a) derived from affiliated undertakings	1717	717 -	718 -
b) other income from participating interest	1719	719 -	720 -
10. Income from other investments and loans forming part of the fixed assets	1721	10 721 5,754,272	722 6,135,236
a) derived from affiliated undertakings	1723	723 -	724 -
b) other income not included under a)	1725	10 725 5,754,272	726 6,135,236
11. Other interest receivable and similar income	1727	11 727 24,311,711	728 20,151,077
a) derived from affiliated undertakings	1729	729 -	730 -
b) other interest and financial income	1731	11 731 24,311,711	732 20,151,077
12. Share of profit 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 -	666 -
14. Interest payable and similar expenses	1627	12 627 (29,313,687)	628 (25,699,003)
a) concerning affiliated undertakings	1629	12 629 (29,313,687)	630 (25,699,003)
b) other interest and similar expenses	1631	631 -	632 -
15. Tax on profit or loss	1635	13 635 (137,070)	636 (103,421)
16. Profit or loss after taxation	1667	6 667 389,781	668 294,618
17. Other taxes not shown under items 1 to 16	1637	13 637 2,996	638 41,521
18. Profit or loss for the financial year	1669	6 669 392,777	670 336,139



# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
For the year ended December 31, 2020

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## **1. ORGANISATION**

GreenOak UK Secured Lending II S.à r.l. (hereafter “the **Company**”) was incorporated on June 2, 2016 and organised under the laws of Luxembourg as a private limited liability company (*société à responsabilité limitée*). The Company is established for an unlimited period of time and is registered under R.C.S. in Luxembourg, number B 206647. The registered office of the Company is established at 5, Rue Heienhaff, L-1736 Senningerberg.

The Company’s financial year starts on January 1 and ends on December 31 of each year, with the exception of the first period which runs from the date of incorporation on June 2, 2016 to December 31, 2016.

The reporting period presented in these financial statements is from January 1, 2020 to December 31, 2020.

The Company is 100% owned by GreenOak UK Secured Lending II L.P.

The Company invests in loans secured against commercial real estate in the United Kingdom (“UK”). The Company targets mid-market-sized loans between £10 million to £25 million, which are secured by real estate assets located throughout the UK which it is believed to provide attractive risk adjusted investment returns.

The Company may also render every assistance, whether by way of loans, guarantees or otherwise to its subsidiaries or companies in which it has a direct or indirect interest or any company being a direct or indirect shareholder of the Company or any company belonging to the same group as the Company or any other entity, it being understood that the Company will not enter into any transaction which would cause it to be engaged in any activity that would be considered as a regulated activity of the financial sector.

The Company can perform all legal, commercial, technical and financial investments, operations and in general, all transactions which are necessary to fulfil its objects as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
For the year ended December 31, 2020

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.1 Basis of preparation (continued)**

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of December 19, 2002, determined and applied by the Board of Managers (hereafter “the Managers”).

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period on which the assumptions changed. Management believes that the underlying assumptions are appropriate and the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **2.2 Significant accounting policies**

The main valuation rules applied by the Company are the following:

#### **a) Formation expenses**

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

#### **b) Financial assets**

Financial assets are stated at purchase price or nominal value including the expenses incidental thereto. In case of durable decrease in value according to the opinion of the Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

#### **c) Foreign currency translation**

The Company maintains its books and records in British Pounds (“GBP”).

Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Realised exchange losses and gains are recorded in the profit and loss account of the year.

# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
For the year ended December 31, 2020

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Significant accounting policies (continued)**

#### **c) Foreign currency translation (continued)**

Other assets and liabilities are translated separately respectively at lower (for assets) or at the higher (for liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Solely the unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account whereas the net unrealised exchange gains are not recognised.

#### **d) Prepayments**

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

#### **e) Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges that have originated in the financial period/year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

#### **f) Provision for taxation**

##### Current tax provision

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years are recorded under the caption "Tax debts". The advance payments are shown in the assets of the balance sheet under "Other receivables" item.

#### **g) Debts**

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years are recorded under the caption "Tax debts". The advance payments are shown in the assets of the balance sheet under "Other receivables" item.

##### Subordinated debts

Debts are recorded under subordinated debts when their status is subordinated to unsecured debts.



# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
For the year ended December 31, 2020

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Significant accounting policies (continued)**

**h) Deferred income**

This liability item includes income received during the financial year but relating to a subsequent financial year.

**i) Cash at bank**

Cash at bank is valued at the closing date of the financial statements.

**j) Creditors**

Creditors are initially recorded at nominal value.

The amounts owed to affiliated undertakings are limited in recourse to the amounts recoverable from its corresponding financial asset, and to all interest derived from the corresponding asset. The amounts owed to affiliated undertakings are adjusted for value adjustments in order to reflect its limited recourse nature.

The creditors are subsequently valued at their repayable amount.

**k) Other interest receivable and similar income**

‘Other interest receivable and similar income’ is recognised on an accrual basis. This includes arrangement fees that are recognised when earned generally when a ‘financial asset’ is acquired.

# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
For the year ended December 31, 2020

## 3. FINANCIAL ASSETS

C. Fixed assets

III. Financial assets

6. Other loans

As at December 31, 2020, the Company invested in the following:

	Opening balance January 1, 2020	Acquisitions during the year	Repayments during the year	Closing balance December 31, 2020
	GBP	GBP	GBP	GBP
Other loans held as financial assets:				
Spa	5,500,000	-	(5,500,000)	-
Shea	3,775,000	-	-	3,775,000
Cromwell	25,000,000	-	-	25,000,000
Celtic	22,500,000	-	(22,500,000)	-
Kew	8,040,000	320,000	-	8,360,000
Chandler	12,740,216	136,697	(12,876,913)	-
Norwich	40,860,502	139,497	-	41,000,000
Brook	10,119,475	2,165,797	(7,257,100)	5,028,172
SAS	35,500,000	-	(1,750,000)	33,750,000
Symes	3,079,244	190,152	(3,269,396)	-
Dewen	22,390,713	9,226,776	-	31,617,489
Carlos	10,772,807	-	(10,772,807)	-
Rox	11,170,817	6,829,086	-	17,999,903
Birch	4,905,280	7,581,465	-	12,486,745
Navy	35,030,533	2,628,889	-	37,659,422
Bell	54,212,508	803,915	(35,732,234)	19,284,189
Verse	11,853,466	146,534	-	12,000,000
Chalk	10,439,401	700,129	-	11,139,530
Hayes	49,250,000	617,678	-	49,867,678
Banner	8,427,513	-	-	8,427,513
Birch II	2,250,000	387,834	-	2,637,834
Wheatsheaf	727,600	17,545,941	-	18,273,541
Vantage	-	4,257,500	-	4,257,500
Nexus	-	6,239,698	-	6,239,698
Dean	-	13,217,917	-	13,217,917
River	-	7,640,000	-	7,640,000
Majesty	-	93,750,000	-	93,750,000
	388,545,075	174,525,505	(99,658,449)	463,412,131

The Managers considered all factors which affect valuation and noted that the cost of financial assets as at December 31, 2020 was not materially different from the fair value and that there is no indication of durable decrease in value.

# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
For the year ended December 31, 2020

## 3. FINANCIAL ASSETS (continued)

As at December 31, 2019, the Company invested in the following:

	Opening balance January 01, 2019	Acquisitions during the year	Repayments during the year	Closing balance December 31, 2019
	GBP	GBP	GBP	GBP
Spa	5,500,000	-	-	5,500,000
Shea	3,775,000	-	-	3,775,000
Cromwell	25,000,000	-	-	25,000,000
Broad	4,247,000	-	(4,247,000)	-
Impact	39,608,312	4,389,477	(43,997,789)	-
Nel	9,267,778	-	(9,267,778)	-
Celtic	22,000,000	500,000	-	22,500,000
Kew	7,487,298	552,702	-	8,040,000
Chandler	8,289,877	4,450,339	-	12,740,216
Norwich	22,923,663	17,936,839	-	40,860,502
Brook	7,570,332	2,549,143	-	10,119,475
SAS	36,348,544	1,151,456	(2,000,000)	35,500,000
Symes	2,850,000	229,244	-	3,079,244
Dewen	19,770,600	2,620,113	-	22,390,713
Carlos	10,179,850	592,957	-	10,772,807
Rox	6,656,775	4,514,042	-	11,170,817
Birch	-	4,905,280	-	4,905,280
Navy	-	35,030,533	-	35,030,533
Bell	-	54,212,508	-	54,212,508
Verse	-	11,853,466	-	11,853,466
Chalk	-	13,839,401	(3,400,000)	10,439,401
Hayes	-	49,250,000	-	49,250,000
Banner	-	8,427,513	-	8,427,513
Birch II	-	2,250,000	-	2,250,000
Wheatsheaf	-	727,600	-	727,600
	231,475,029	219,982,613	(62,912,567)	388,545,075

# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
For the year ended December 31, 2020

## **3. FINANCIAL ASSETS (continued)**

The characteristics of financial assets are as follows:

	Total commitment GBP	Interest rate	Current Maturity
Shea	3,775,000	7.25%	30/09/2021
Cromwell	25,000,000	7.50%	31/03/2021
KEW	10,960,000	7.50%	22/03/2021
Norwich	41,000,000	6.35%	17/05/2021
Brook House	15,007,100	6.50%	30/03/2022
SAS	37,500,000	6.20%	05/04/2021
Dewen	33,160,000	5.55%	28/02/2021
Rox	21,620,000	6.25%	28/12/2020
Birch	13,870,000	6.00%	20/02/2021
Navy	59,900,000	6.10%	06/12/2021
Bell	57,250,000	4.45%	09/08/2022
Verse	12,000,000	5.70%	11/08/2021
Chalk	14,650,000	6.45%	15/02/2021
Hayes	63,000,000	4.50%	22/11/2022
Banner	8,427,513	6.50%	20/06/2022
Wheatsheaf	37,400,000	6.75%	20/12/2022
Birchgrove II	13,705,000	6.00%	20/12/2021
Vantage	7,207,500	6.50%	11/07/2022
Nexus	12,550,000	6.00%	31/01/2022
Dean	21,000,000	6.60%	21/02/2022
River	7,640,000	6.50%	11/12/2021
Majesty	93,750,000	6.75%	02/03/2022
	610,372,113		

# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
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## **4. DEBTORS**

D. Current assets

II. Debtors

4. Other debtors

a) becoming due and payable within one year

As at December 31, 2020, other debtors were as follows:

	December 31, 2020	December 31, 2019
	GBP	GBP
Interest receivable from financial assets:		
Interest receivable	3,240,542	3,198,339
Others	241,853	678,192
	<u>3,482,395</u>	<u>3,876,531</u>

## **5. CASH AT BANK**

D. Current assets

IV. Cash at bank and in hand

The Cash at bank and in hand consists of:

	December 31, 2020	December 31, 2019
	GBP	GBP
RBSI Luxembourg	38,939	2,850,417
	<u>38,939</u>	<u>2,850,417</u>

## **6. CAPITAL RESERVES**

A. Capital and reserves

I. Subscribed capital

As at December 31, 2020, the share capital of the Company amounts to GBP 13,000 and is represented by 13,000 shares of GBP 1 each.

During the year ended December 31, 2020, the Company did not acquire nor dispose of any of its own shares and the Company did not hold any of its own shares at December 31, 2020.

# GreenOak UK Secured Lending II S.à r.l.

Annual Unaudited Accounts  
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## **6. CAPITAL RESERVES (continued)**

### IV. Reserves

#### 1. Legal reserve

Under Luxembourg law, an amount equal to at least 5% of the annual net income must be allocated to a legal reserve until such reserve equals 10% of the paid-in share capital. This reserve is not available for dividend distribution.

### V. Profit or loss brought forward

### VI. Profit or loss for the financial year

The movement in 'capital and reserves' are as follows:

	December 31, 2020 GBP	December 31, 2019 GBP
Beginning balance	602,251	266,112
Profit for the financial year	392,777	336,139
	<u>995,028</u>	<u>602,251</u>

## **7. CREDITORS**

### C. Creditors

#### 6. Amounts owed to affiliated undertakings

##### a) becoming due and payable within one year

As at December 31, 2020, amounts owed to affiliated undertakings becoming due and payable within one year are as follows:

	December 31, 2020 GBP	December 31, 2019 GBP
Due to GreenOak UK Secured Lending II LP		
Interest payable	12,686,249	9,364,157
	<u>12,686,249</u>	<u>9,364,157</u>

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## **7. CREDITORS (continued)**

### b) becoming due and payable after more than one year

The amounts owed to affiliated undertakings becoming due and payable after more than one year as at December 31, 2020 consist of the following:

	December 31, 2020 GBP	December 31, 2019 GBP
Due to GreenOak UK Secured Lending II LP		
Beginning balance	384,674,458	225,340,079
Drawdowns during the year	134,100,000	174,600,000
Repayments during the year	(66,008,405)	(15,265,621)
Closing balance	452,766,053	384,674,458

The Company executed a Loan Note Instrument (the "Loan Note Instrument") with GreenOak UK Secured Lending II L.P. (the "Lender") on July 15, 2016 for a maximum amount of GBP 500,000,000, maturing at the end of the fiscal year in which the Partnership Termination Date occurs, or such other later date as the Issuer shall communicate to the loan notes holders. The Partnership Termination Date is the seventh year anniversary of the final closing date of the Partnership. In June 2017, the General Partner and the majority of the Limited Partners of the Partnership provided consent in extending the final closing date from June 13, 2017 to no later than December 13, 2017. In accordance with the Loan Note Instrument, notes are issued from time to time in order to fund acquisition of financial assets. The issued notes are listed on the International Stock Exchange (the "TISE").

The loan notes holders are entitled to a fixed interest of 1% per annum and a variable interest amount determined in accordance with Clause 3 of the Loan Note Instrument.

Any recourse of the loan notes holders in respect of any amount they are entitled to under the Loan Note Instrument is limited to any income, proceeds or other monies received by the Company from or in relation to the assets funded by means of the loan notes.

## **8. OTHER CREDITORS**

### C. Creditors

#### 8. Other creditors

##### a) Tax authorities

The Company is subject to all taxes applicable to commercial companies in Luxembourg.

	December 31, 2020 GBP	December 31, 2019 GBP
VAT payable	112,127	169,119
Income tax payable	251,180	175,323
	363,307	344,442

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## **8. OTHER CREDITORS (continued)**

### c) Other creditors

#### i) becoming due and payable within one year

Other creditors becoming due and payable within one year are as follows:

	December 31, 2020	December 31, 2019
	GBP	GBP
Administration fee payable	54,943	75,740
Professional fees	21,889	14,222
Other creditors	45,996	196,753
	<u>122,828</u>	<u>286,715</u>

## **9. OTHER OPERATING EXPENSES**

### 8. Other operating expenses

Other operating expenses for the year ended December 31, 2020 are as follows:

	January 1, 2020 to December 31, 2020	January 1, 2019 to December 31, 2019
	GBP	GBP
Administration fees	(126,998)	(115,423)
Bank charges	(3,156)	(2,162)
Other fees	(35,094)	-
Professional fees	(37,913)	(37,598)
VAT	(22,284)	(34,088)
	<u>(225,445)</u>	<u>(189,271)</u>

Other fees as of December 31, 2020 includes the unrealised forex loss balance of GBP 5,094 (2019: GBP nil).

## **10. INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS**

### 10. Income from other investments and loans forming part of the fixed assets

#### b) other income not included under a)

Income from other investments and loans forming part of the fixed assets for the year ended December 31, 2020, is as follows:

	January 1, 2020 to December 31, 2020	January 1, 2019 to December 31, 2019
	GBP	GBP
Arrangement fees	2,204,394	4,237,606
Other income	3,549,878	1,897,630
	<u>5,754,272</u>	<u>6,135,236</u>



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## **11. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

11. Other operating income

b) other income not included under a)

For the year ended December 31, 2020 other operating income is comprised of the following:

	January 1, 2020 to December 31, 2020 GBP	January 1, 2019 to December 31, 2019 GBP
Interest income	24,311,711	20,151,077
	<u>24,311,711</u>	<u>20,151,077</u>

## **12. INTEREST PAYABLE AND SIMILAR EXPENSES**

14. Interest payable and similar expenses

a) concerning affiliated undertakings

Interest expense for the year ended December 31, 2020 amounted to GBP 29,313,687 (2019: GBP 25,699,003).

## **13. TAXATION**

The Company may be subject to Luxembourg VAT in respect of fees charged for certain services rendered to the Company.

### **Advance Tax Avoidance Directive ("ATAD 1")**

Since January 1, 2019, Article 168bis of the Luxembourg Income Tax Law limits the deductibility of "exceeding borrowing costs" generally to a maximum of 30% of the corporate taxpayers' earnings before interest, taxes, depreciation and amortization (EBITDA). The scope of the interest limitation rules includes all interest-bearing debts (irrespective of whether the debt financing is obtained from a related party or a third party). However, exceeding borrowing costs up to an amount of EUR 3,000,000 may be deducted without any limitation.

The implementation of the Advance Tax Avoidance Directive ("ATAD 1") into Luxembourg law has left a significant amount of uncertainty in respect to certain technical aspects and there is no clear definition or guidance on the definition of "interest and economically equivalent income/expenses". Any structure and/or entity is required to be assessed on an individual basis.

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## **13. TAXATION (continued)**

On 8 August 2019, two new Bills (No 7465 and No 7466) were introduced to the Luxembourg Parliament. They will transpose Directive 2017/952/EU on hybrid mismatch arrangements (ATAD II) and Directive 2018/822 on mandatory tax disclosure rules (DAC 6) into Luxembourg law. Expectation is that EU member states are able to introduce domestic legislation for ATAD II to be applicable as of 1 January 2020 (except for reverse hybrid mismatches, which is applicable as of 1 January 2022). The entity is not invested in any hybrid instruments.

Therefore, the Managers have prepared an assessment of the impact of ATAD 1 on the financial statements of the Company as of December 31, 2020. Considering the nature of the Company's transactions, the Managers have concluded that no provision is required to be recorded in the accounts of the Company as of December 31, 2020.

Income tax expense

	January 1, 2020 to December 31, 2020 GBP	January 1, 2019 to December 31, 2019 GBP
Reversal of 2017 tax accrual	-	(41,521)
Reversal of 2018 tax accrual	(5,250)	-
2019 tax accrual true up	2,254	-
2020 tax accrual	137,070	103,421
	<u>134,074</u>	<u>61,900</u>

## **14. STAFF**

In the year to December 31, 2020, the Company did not employ any personnel (2019: nil). No compensation is due nor has been paid to the Managers.

## **15. RELATED PARTIES TRANSACTIONS**

C. Creditors

6. Amounts owed to affiliated undertakings

a) becoming due and payable within one year

In 2016, the Company entered into a Loan Note Instrument with GreenOak UK Secured Lending II L.P. (the "Lender"). As at December 31, 2020 the interest payable on the loan notes is GBP 12,686,249 (2019: GBP 9,364,157) (Note 7).

b) becoming due and payable after more than one year

In 2016, the Company entered into a Loan Note Instrument with GreenOak UK Secured Lending II L.P. (the "Lender"). As at December 31, 2020 the outstanding balance of the loan notes is GBP 452,766,053 (2019: GBP 384,674,458) (Note 7).

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## **15. RELATED PARTIES TRANSACTIONS (continued)**

Three Managers are also Directors of wholly owned subsidiaries of Sanne Fiduciary Services Limited, a company providing administration and domiciliation services to the Company. Total administration fees for Sanne Group (Luxembourg) S.A. in respect of the year ended December 31, 2020 amounted to GBP 126,998 (2019: GBP 115,423) of which GBP 54,943 (2019: 75,740) is outstanding.

## **16. SUBSEQUENT EVENTS**

The Company has evaluated whether any subsequent events that require recognition or disclosure in the financial statements and notes thereto have taken place through the date of signing of the annual unaudited accounts, which have been listed below:

- Birch loan maturity extended by 6 months from February 20, 2021 to August 20, 2021.
- Chalk loan maturity extended by 6 months from February 15, 2021 to August 16, 2021.
- Dewen loan maturity extended by 12 months from February 28, 2021 to February 28, 2022.
- Verse loan maturity extended by 6 months from August 11, 2021 to February 28, 2022.
- Kew matured on March 22, 2021 and is expected to repay in April 2021.
- In March 2021, a new investment loan, Shed, was made for a total commitment of £59,990,000.
- Bell made partial repayments totalling £637,653 between January 5, 2021 and May 25, 2021.
- Majesty made a partial repayment of £450,000 on February 15, 2021.
- Verse made a partial repayment of £1,706,250 on March 26, 2021.
- Banner made a partial repayment of £200,000 on April 20, 2021.
- Majesty made partial repayments totalling £33,844,000 on May 17, 2021.
- Investment loan SAS was repaid on May 5, 2021.