

Five Arrows Debt Partners III Holding S.A.
Société Anonyme

Audited Financial Statements for the period from 27 March 2020
(date of incorporation) to 31 December 2020 and Report of the
Réviseur d'entreprises agréé

33, rue Sainte Zithe
L-2763 Luxembourg
RCS Luxembourg: B243397

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To the Shareholders of
**Five Arrows Debt Partners III Holding
S.A.
Société Anonyme**

R.C.S. Luxembourg B.243397

33, rue Sainte Zithe
L-2763 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Five Arrows Debt Partners III Holding S.A.** (the «Company»), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the period from 27 March 2020 to 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, or give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of its operations for the period from 27 March 2020 to 31 December 2020 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession («Law of 23 July 2016») and with International Standards on Auditing («ISAs») as adopted for Luxembourg by the «Commission de Surveillance du Secteur Financier» («CSSF»). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the «Responsibilities of «réviseur d'entreprises agréé» for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

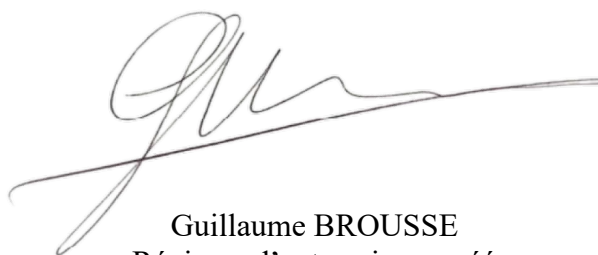
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 1 April 2021

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L – 1882 LUXEMBOURG

A handwritten signature in dark ink, appearing to be 'Guillaume Brousse', with a long horizontal stroke extending to the right.

Guillaume BROUSSE
Réviseur d'entreprises agréé

MANAGEMENT REPORT

Report of Five Arrows Debt Partners III Holding S.A. to the Annual General Meeting of Shareholders

Dear Shareholders,

In accordance with article 68 of the law of 19th December 2002 on the register of commerce and companies, Five Arrows Debt Partners III Holding (“the Company”) is pleased to present you its management report for the period from 27 March 2020 to 31 December 2020.

1. Presentation and allocation of results

The Company was incorporated on 27 March 2020 to purchase debt instruments in mid-market European companies.

We request that you approve the Balance Sheet as well as the Profit and Loss Account for the period under review as we have established them. The total Balance Sheet amounts to € 193,087,462 and the result for the year is a profit of € 131,836.

We suggest the following allocation of the result:

Profit for period from 27 March to 31 December 2020	€ 131,836
Result carried forward	€ -
Accumulated results as at 31 December 2020	€ 128,736
To the legal reserve	€ 3,100
To carry forward	€ 128,736

2. Comments

During the period under review, the Company made its first investments in Aquam, Dutscher, Heinenoord, Biogroup and Totalmobile for a total amount of € 189 million.

The Directors believe that they have sufficient information to assess the financial situation of the financial assets of the Company as of 31 December 2020. To the best knowledge of the Directors, there are no uncertainties, events or circumstances likely to cast a serious doubt on the Company’s ability to continue to conduct its business.

The Company has not entered into any research and development activity, neither has it repurchased any of its own shares during the period from 27 March to 31 December 2020.

The Company has no branches.

MANAGEMENT REPORT

3. Subsequent events

- i) The Company proceeded with the issue and redemption of Notes as follows:

Date	Type	Compartment III (in million)	Compartment III-A (in million)
February 2021	issue	€ 58.9	€ 19.8
February 2021	Redemption	€ 46.7	-
March 2021	Issue	€ 18.5	€ 2.2
March 2021	Redemption	€ 6.1	€ 0.7

- ii) In early 2021, the Company made a new investment in Exemplar for an amount of € 59.6 million. The Company also financed follow-on investments in Totalmobile and Heinenoord for a total of € 26.5 million.
- iii) In February 2021, the Company disposed the investment in Biogroup for a total amount of € 33.5 million.
- iv) In March 2021, the Company has partially disposed the investment in Exemplar for a total amount of € 6.8 million.
- v) In relation to the global outbreak of the Covid-19 virus and the indeterminable impact the pandemic could have on economies, finance, liquidity and human capital, in addition to the market and other risk factors disclosed in the financial statements, the Directors are unable to determine or quantify the future financial and reporting impact this global crisis will have on the investments, future performance or valuations. The Directors believe the Company has sufficient remaining capital commitments to meet its obligations in the near term and the Company's shareholders and their Investment Managers are spending a material amount of time on investment monitoring activities.

Luxembourg, 01 April 2021

Five Arrows Debt Partners III Holding S.A.



Represented by:
Mr. Charles Tritton, class A Director



Represented by:
Mr. Alain Peigneux, class B Director

Annual Accounts Helpdesk :

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RCSL Nr. : B243397

Matricule : 20202201556

BALANCE SHEET

Financial year from ⁰¹ 27/03/2020 to ⁰² 31/12/2020 (in
⁰³ EUR)

Five Arrows Debt Partners III Holding S.A.
33 Rue Sainte Zitthe
L-2763 Luxembourg

ASSETS

	Reference(s)	Current year
A. Subscribed capital unpaid	1101	101
I. Subscribed capital not called	1103	103
II. Subscribed capital called but unpaid	1105	105
B. Formation expenses	1107	107
C. Fixed assets	1109	109
I. Intangible assets	1111	111
1. Costs of development	1113	113
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117
b) created by the undertaking itself	1119	119
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121
4. Payments on account and intangible assets under development	1123	123
II. Tangible assets	1125	125
1. Land and buildings	1127	127
2. Plant and machinery	1129	129

The accompanying notes form an integral part of these Financial Statements.

Five Arrows Debt Partners III Holding S.A.

RCSL Nr. : B243397		Matricule : 20202201556	
	Reference(s)	Current year	
3. Other fixtures and fittings, tools and equipment	1131	131	
4. Payments on account and tangible assets in the course of construction	1133	133	
III. Financial assets	1135	135	190,015,084.83
1. Shares in affiliated undertakings	1137	137	
2. Loans to affiliated undertakings	1139	139	
3. Participating interests	1141	141	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	
5. Investments held as fixed assets	1145	145	48,704,651.00
6. Other loans	1147	147	141,310,433.83
D. Current assets	1151	151	2,959,530.29
I. Stocks	1153	153	
1. Raw materials and consumables	1155	155	
2. Work in progress	1157	157	
3. Finished goods and goods for resale	1159	159	
4. Payments on account	1161	161	
II. Debtors	1163	163	1,445,375.74
1. Trade debtors	1165	165	
a) becoming due and payable within one year	1167	167	
b) becoming due and payable after more than one year	1169	169	
2. Amounts owed by affiliated undertakings	1171	171	
a) becoming due and payable within one year	1173	173	
b) becoming due and payable after more than one year	1175	175	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	
a) becoming due and payable within one year	1179	179	
b) becoming due and payable after more than one year	1181	181	
4. Other debtors	1183	183	1,445,375.74
a) becoming due and payable within one year	1185	185	1,445,375.74

The accompanying notes form an integral part of these Financial Statements.

Five Arrows Debt Partners III Holding S.A.

b) becoming due and payable after more than one year	1187		187	
III. Investments	1189		189	
1. Shares in affiliated undertakings	1191		191	
2. Own shares	1209		209	
3. Other investments	1195		195	
IV. Cash at bank and in hand	1197		197	1,514,154.85
E. Prepayments	1199	<u>5.</u>	199	<u>112,846.57</u>
TOTAL (ASSETS)			201	<u>193,087,461.99</u>

The accompanying notes form an integral part of these Financial Statements.

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year
A. Capital and reserves	1301	162,835.73
I. Subscribed capital	1303 6.1	31,000.00
II. Share premium account	1305	
III. Revaluation reserve	1307	
IV. Reserves	1309	
1. Legal reserve	1311	
2. Reserve for own shares	1313	
3. Reserves provided for by the articles of association	1315	
4. Other reserves, including the fair value reserve	1429	
a) other available reserves	1431	
b) other non available reserves	1433	
V. Profit or loss brought forward	1319	
VI. Profit or loss for the financial year	1321	131,835.73
VII. Interim dividends	1323	
VIII. Capital investment subsidies	1325	
B. Provisions	1331	
1. Provisions for pensions and similar obligations	1333	
2. Provisions for taxation	1335	
3. Other provisions	1337	
C. Creditors	1435	192,924,626.26
1. Debenture loans	1437	
a) Convertible loans	1439	
i) becoming due and payable within one year	1441	
ii) becoming due and payable after more than one year	1443	
b) Non convertible loans	1445	
i) becoming due and payable within one year	1447	
ii) becoming due and payable after more than one year	1449	
2. Amounts owed to credit institutions	1355	
a) becoming due and payable within one year	1357	

The accompanying notes form an integral part of these Financial Statements.

Five Arrows Debt Partners III Holding S.A.

RCSL Nr. : B243397		Matricule : 20202201556	
	Reference(s)	Current year	
b) becoming due and payable after more than one year	1359	359	
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	
a) becoming due and payable within one year	1363	363	
b) becoming due and payable after more than one year	1365	365	
4. Trade creditors	1367	8.2.1, 8.2.2	775,999.16
a) becoming due and payable within one year	1369	369	775,999.16
b) becoming due and payable after more than one year	1371	371	
5. Bills of exchange payable	1373	373	
a) becoming due and payable within one year	1375	375	
b) becoming due and payable after more than one year	1377	377	
6. Amounts owed to affiliated undertakings	1379	8.3.1, 8.3.2	192,121,212.88
a) becoming due and payable within one year	1381	381	3,164,855.52
b) becoming due and payable after more than one year	1383	383	188,956,357.36
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	
a) becoming due and payable within one year	1387	387	
b) becoming due and payable after more than one year	1389	389	
8. Other creditors	1451	8.4.1, 8.4.2	27,414.22
a) Tax authorities	1393	393	3,740.63
b) Social security authorities	1395	395	
c) Other creditors	1397	397	23,673.59
i) becoming due and payable within one year	1399	399	23,673.59
ii) becoming due and payable after more than one year	1401	401	
D. Deferred income	1403	403	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	193,087,461.99

The accompanying notes form an integral part of these Financial Statements.

Annual Accounts Helpdesk :

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RCSL Nr. : B243397

Matricule : 20202201556

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 27/03/2020 **to** ⁰² 31/12/2020 *(in*
⁰³ EUR)

Five Arrows Debt Partners III Holding S.A.
 33 rue Sainte Zithe
 L-2763 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year
1. Net turnover	1701 _____	701 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____
4. Other operating income	1713 _____	713 _____
5. Raw materials and consumables and other external expenses	1671 <u>9.1, 9.2</u>	671 <u>-169,064.81</u>
a) Raw materials and consumables	1601 _____	601 _____
b) Other external expenses	1603 _____	603 <u>-169,064.81</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 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____
b) in respect of current assets	1661 _____	661 _____
8. Other operating expenses	1621 _____	621 _____

The accompanying notes form an integral part of these Financial Statements.

Five Arrows Debt Partners III Holding S.A.

RCSL Nr. : B243397		Matricule : 20202201556	
Reference(s)		Current year	
1715	_____	715	_____
1717	_____	717	_____
1719	_____	719	_____
1721	<u>11.1, 11.2</u>	721	<u>11,493,831.23</u>
1723	_____	723	_____
1725	_____	725	<u>11,493,831.23</u>
1727	<u>12.1, 12.2</u>	727	<u>473,631.43</u>
1729	_____	729	_____
1731	_____	731	<u>473,631.43</u>
1663	_____	663	_____
1665	_____	665	_____
1627	<u>13.1, 13.2</u>	627	<u>-11,666,562.12</u>
1629	_____	629	_____
1631	_____	631	<u>-11,666,562.12</u>
1635	_____	635	_____
1667	_____	667	<u>131,835.73</u>
1637	_____	637	_____
1669		669	131,835.73

The accompanying notes form an integral part of these Financial Statements.

1. General information

Five Arrows Debt Partners III Holding S.A. (hereafter the “Company”) was incorporated on 27 March 2020 as a *Société Anonyme de titrisation* in accordance with the Luxembourg Law of 10 August 1915, as amended (the “Company Law”) and the Luxembourg Law of 22 March 2004 on securitisation (the “Securitisation Law”). The Company is registered with the Luxembourg Trade and Companies Register under the number B243397.

The registered office of the Company is established at 33, rue Sainte Zithe L-2763 Luxembourg.

The Company’s financial year starts on 1 January and ends on 31 December of each year.

Exceptionally, the first Company's financial period starts on from 27 March 2020 (date of incorporation) and ends on 31 December 2020.

As from 27 March 2020 (date of incorporation) to 31 December 2020, the Company is composed of two compartments:

- Five Arrows Debt Partners III Holding S.A. – Compartment III
- Five Arrows Debt Partners III Holding S.A. – Compartment III-A

The corporate object of the Company is to act as an acquisition and/or an issuing entity in the context of one or several securitisation transactions within the meaning of, and governed by, the Securitisation Law.

The Company may enter into any transaction by which it acquires or assumes, directly or indirectly or through another entity, risks relating to claims or assets, including loans, receivables, other assets or liabilities of third parties and to directly or indirectly invest in, acquire, hold or dispose of any of such underlying assets. The acquisition or assumption of such risks by the Company will be financed by the issuance of securities by itself or by another entity the value or return of which depend on the risks acquired or assumed by the Company.

Without prejudice to the generality of the foregoing, the Company may in particular:

- a) Subscribe or acquire in any other appropriate manner any securities or financial instruments (in the widest sense of the word) or receivables issued or originated by international institutions or organisations, sovereign states, banks, public and private companies;
- b) Sell, transfer, assign, charge or otherwise dispose of its assets in such manner and for such compensation as the Board shall approve at such time;

1. General information (Continued)

- c) In the furtherance of its object, dispose of, apply or otherwise use all of its assets, securities or other financial instruments, and provide, within the limits of article 61(3) of the Securitisation Law, for any kind of guarantees and security rights, by way of mortgage, pledge, charge, assignment or other means over the assets and rights held by the Company;
- d) In the context of its operations enter into securities ending transactions and repo agreements;
- e) Lend funds, including those resulting from loans and/or bonds issues, to its subsidiaries, its affiliates and to any other company;
- f) Enter into and perform derivatives transactions (including, but not limited to, swaps, futures, forwards and options) and any similar transactions;
- g) Issue shares, bonds, notes or any other form of debt securities (including by way of unsecured profit participating notes) or equity securities, the return or value of which shall depend on the risks acquired or assumed by the Company. Such securities shall be issued by way of private placement or otherwise, in a manner which will not require the Company to obtain a license under article 19 of the Securitisation Law;
- h) Enter into arrangements with third parties in order to ensure the necessary liquidity for the operations of the Company, including in particular for the service of securities issued and the acquisition and assumption of risks, including through the entry into liquidity facility arrangements;
- i) Open bank accounts with accounts bank; or
- j) Appoint third parties to provide certain corporate services, in particular with respect to administration and management services.

The Company may establish one or more compartments to directly or indirectly invest in, acquire, hold and dispose of one or more of its underlying assets.

The Company may take any measure to safeguard its rights and make any transactions whatsoever which are directly or indirectly connected with or useful for its purposes and which are able to promote their accomplishment or development.

Based on the criteria defined by Luxembourg law, the Company is exempt from the obligation to draw up consolidated accounts and a consolidated management report for the period that has ended 31 December 2020. Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis for the approval of the shareholders during the Annual General Meeting.

2. Summary of significant accounting policies and valuation methods

2.1. Basis of preparation

The Financial Statements have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention except for the use of the fair value option for the financial fixed assets as allowed by the law of 19 December 2002 on the register of trade and companies and the accounting and financial statements of undertakings, as amended (the “Accounting Law”).

The Company maintains its accounting records in Euros (“EUR”) and its Financial Statements are expressed in this currency.

Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, as amended, determined and applied by the Board of Directors.

2.2. Significant accounting policies

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

2.2.1. Formation expenses

The formation expenses of the Company are directly charged to the Profit and Loss Account of the period in which they are incurred.

2.2.2. Financial fixed assets

Financial fixed assets include investments held as fixed assets. They are initially recorded at their purchase price or, where applicable, at their nominal value, including the expenses incidental thereto.

Where the Company considers that investments have suffered a durable decline in value, a value adjustment is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

2.2.3. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.4. Creditors

Debts are recorded at their reimbursement value. They are recorded under the caption “Creditors” in the Balance Sheet.

2. Summary of significant accounting policies and valuation methods (Continued)

2.2.5. 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 which originate in the financial year/period under review or in a previous financial year/period, 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 for taxation corresponding to the tax liability estimated by the Company for the financial years/periods which have not been assessed are recorded under the caption “Creditors”. The advance payments are shown in the assets of the Balance Sheet under the “Debtors” item.

2.2.6. Revenue recognition

Interest income is recorded on an accrual basis.

Dividends are recorded when declared.

Arrangement fees on financial assets are recorded in full at starting date of the related loan/bond.

2.2.7. Equalisation provision

Losses during the period as a result of sales, default, lower market or cost may reduce the value of the securities issued. Such shortfalls will be borne by the security-holders in inverse order of the priority of payments. Consequently, a provision for value diminution will be made and deducted from the amount repayable of the securities issued and booked in the Profit and Loss Account as an “equalisation provision” in the position of “other operating income”.

2.2.8. Expense recognition

Expenses are accounted for on an accrual basis. Expenses are charged to the Profit and Loss Account.

2. Summary of significant accounting policies and valuation methods (Continued)

2.2.9. Foreign currency translation

The acquisition cost of financial fixed assets expressed in a currency other than EUR is translated at the exchange rate prevailing at the time of the transaction.

Financial fixed assets in foreign currencies, measured at fair value, are translated at the exchange rate effective at the Balance Sheet date. Foreign exchange differences on those assets are recognized in the Profit and Loss Account.

Transactions in foreign currencies are translated at the exchange rate prevailing at the date of the transactions.

Other assets and liabilities expressed in currencies other than EUR are converted at exchange rates prevailing at year-end. The realised or unrealised gains and losses on foreign exchange are recognised in the Profit and Loss Account.

3. Financial assets

3.1. Financial fixed assets – Compartment III

This item is composed of EUR 48,065,246.00 investments held as fixed assets and EUR 139,533,575.00 other loans for a total amount of EUR 187,598,821.00.

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

3. Financial assets (Continued)

3.1. Financial fixed assets – Compartment III

Investments held as fixed assets - Commitments for the period from 27 March 2020 (date of incorporation) to 31 December 2020												
Name of the investee company	Nature of the loan	Tranche	Currency	Effective date	Interest rate	Maturity date	Original cost in CCY	Total cost 31/12/2020 in EUR	Accumulated PIK margin in EUR	PIK accrued in EUR	Value adjustment in EUR 31/12/2020	Carrying value in EUR
Aquam	Senior Facility	Tranche A	GBP	17/06/2020	Margin (7.00%) + LIBOR 4 months (Floor: 0.75%)	16/06/2026	11,580,652	12,947,751	-	-	(66,476)	12,881,275
Biogroup	Senior Facility	Second Lien	EUR	30/10/2020	Margin (8.25%)	N/A	33,500,000	33,500,000	-	-	-	33,500,000
Heinenoord	Bond	Facility B	EUR	22/10/2020	Margin (6.0%)	22/10/2027	33,155,640	33,155,640	-	-	-	33,155,640
Heinenoord	Bond	Acquisition Facility	EUR	22/10/2020	Margin (6.0%)	22/10/2027	14,015,413	14,015,413	-	-	-	14,015,413
Totalmobile (GBP)	Senior Facility	Facility B1 & B2	GBP	06/11/2020	Margin (5.50%) + LIBOR 3 months (Floor: 0.04463%)	06/11/2027	40,649,021	44,949,455	-	-	264,855	45,214,309
SUBTOTAL LOANS								138,568,259	-	-	198,379	138,766,638
Dutscher	Bond	Senior Tranche	EUR	09/07/2020	Margin (7.25%) + PIK Margin (8.50%)	09/07/2027	48,065,246	48,065,246	-	568,558	-	48,633,804
SUBTOTAL BONDS								48,065,246	-	568,558	-	48,633,804
TOTAL								186,633,505	-	568,558	198,379	187,400,442

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

3. Financial assets (Continued)

3.1. Financial fixed assets – Compartment III

Movements on Financial assets in EUR	
Investments held as fixed assets	For the period from 27 March 2020 (date of incorporation) to 31 December 2020
Gross book value - opening balance	-
Additions for the period	187,202,063
Settlements/transfers for the period	-
Gross book value - closing balance	187,202,063
Accumulated fair value adjustments - opening balance	-
Positive fair value adjustments for the period	264,855
Negative fair value adjustments for the period	(66,476)
Accumulated fair value adjustments - closing balance	198,379
Fair value - opening balance	-
Fair value - closing balance	187,400,442

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

3. Financial assets (Continued)

3.1. Financial fixed assets – Compartment III

Investments held as fixed assets - Additions during the period from 27 March 2020 (date of incorporation) to 31 December 2020 in EUR	
	For the period from 27 March 2020 (date of incorporation) to 31 December 2020
Loans drawn	
Aquam	12,947,751
Biogroup	33,500,000
Totalmobile B2	33,712,091
Totalmobile B1	11,237,364
Dutscher	48,065,246
Heinenoord	47,171,053
Total amount drawn for the period	186,633,505
Dutscher	568,558
Interest income capitalised (PIK)	568,558
Total additions during for the period	187,202,063

3. Financial assets (Continued)

3.1. Financial fixed assets – Compartment III-A

This item is composed of EUR 639,404.00 investments held as fixed assets and EUR 1,975,238.57 other loans for a total amount of EUR 2,614,642.57.

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

3. Financial assets (Continued)

3.1. Financial fixed assets – Compartment III-A

Investments held as fixed assets - Commitments for the period from 27 March 2020 (date of incorporation) to 31 December 2020												
Name of the investee company	Nature of the loan	Tranche	Currency	Effective date	Interest rate	Maturity date	Original cost in CCY	Total cost 31/12/2020 in EUR	Accumulated PIK margin in EUR	PIK accrued in EUR	Value adjustment in EUR 31/12/2020	Carrying value in EUR
Aquam	Senior Facility	Tranche A	GBP	17/06/2020	Margin (7.00%) + LIBOR 4 months (Floor: 0.75%)	27/10/2025	217,301	241,983	-	-	(277)	242,260
Heinenoord	Bond	Facility B	EUR	22/10/2020	Margin (6.00%)	23/10/2027	622,137	622,137				622,137
Heinenoord	Bond	Acquisition Facility	EUR	22/10/2020	Margin (6.00%)	23/10/2027	262,987	262,987				262,987
Totalmobile (GBP)	Senior Facility	Facility B1 & B2	GBP	06/11/2020	Margin (5.50%) + LIBOR 3 months (Floor: 0.04%)	06/11/2027	762,744	844,834	-	-	3,574	848,408
SUBTOTAL LOANS								1,971,942	-	-	3,296	1,975,793
Dutscher	Bond	Senior Tranche	EUR	09/07/2020	Margin (7.25%) + PIK Margin (8.50%)	09/07/2027	639,404	639,404	-	-	-	639,404
SUBTOTAL BONDS								639,404	-	-	-	639,404
TOTAL								2,611,346	-	-	3,296	2,615,197

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

3. Financial assets (Continued)

3.1. Financial fixed assets – Compartment III-A

Movements on Financial assets in EUR	
Investments held as fixed assets	For the period from 27 March 2020 (date of incorporation) to 31 December 2020
Gross book value - opening balance	-
Additions for the period	2,614,642
Settlements/transfers for the period	-
Gross book value - closing balance	2,614,642
Accumulated fair value adjustments - opening balance	-
Positive fair value adjustments for the period	3,574
Negative fair value adjustments for the period	(277)
Accumulated fair value adjustments - closing balance	3,297
Fair value - opening balance	-
Fair value - closing balance	2,617,939

3. Financial assets (Continued)

3.1. Financial fixed assets – Compartment III-A

Investments held as fixed assets - Additions during the period from 27 March 2020 (date of incorporation) to 31 December 2020 in EUR	
	For the period from 27 March 2020 (date of incorporation) to 31 December 2020
Loans drawn	
Aquam	241,706
Biogroup	-
Totalmobile B2	212,103
Totalmobile B1	636,306
Dutscher	639,404
Heinenoord	885,125
Total amount drawn for the period	2,614,642
Interest income capitalised (PIK)	-
Total additions during for the period	2,614,642

4. Current assets

4.1. Equalization provision

Losses during the year as a result of sales, default, lower market or cost may reduce the value of the securities issued. Such shortfalls will be borne by the security-holders in inverse order of the priority of payments. Consequently, a provision for value diminution will be made and deducted from the amount repayable of the securities issued and booked in the Profit and Loss Account as an “equalisation provision” in the position of “other operating income”.

4.2. Current assets - Compartment III

This item is composed of EUR 1,424,970.12 as receivable from other debtors and EUR 1,416,445.98 as cash at bank for a total amount of EUR 2,841,416.10.

4.2.1. Debtors - Compartment III

This item is composed of receivable from compartment III-A of 23,672.59 and interest receivable from fixed assets of EUR 1,401,297.53.

4.3. Current assets - Compartment III-A

This item is composed of EUR 20,405.62 as receivable from other debtors and EUR 97,708.87 as cash at bank for a total amount of EUR 118,114.49.

4.3.1. Debtors - Compartment III-A

This item is composed of interest receivable from fixed assets of EUR 20,405.62.

5. Prepayments

5.1. Prepayments - Compartment III

The item is composed of fees from ING of EUR 110,805.69.

5.2 Prepayments - Compartment III-A

The item is composed of fees from ING of EUR 2,040.88.

6. Subscribed capital

6.1. Subscribed capital

As at 31 December 2020, the subscribed capital amounts to EUR 31,000 and is divided into 3,100 shares with a par value of EUR 10 each. All subscribed shares are fully paid up. The authorised capital amounts to EUR 125,000 represented by 12,500 shares with a par value of EUR 10 each.

Movement on the equity accounts in EUR					
	Subscribed capital	Legal reserve	Profit or (loss) brought forward	Profit or (loss) for the for the period from 27 March 2020 (date of incorporation) to 31 December 2020	Total
Movements for the period:					-
Allocation of prior year's profit	-	-	-	-	-
Profit for the financial period	31,000	-	-	131,836	162,836
As at 31 December 2020	31,000	-	-	131,836	162,836

6.2 Subscribed capital – Compartment III

Movement on the equity accounts in EUR					
	Subscribed capital	Legal reserve	Profit or (loss) brought forward	Profit or (loss) for the for the period from 27 March 2020 (date of incorporation) to 31 December 2020	Total
Movements for the period:					-
Allocation of prior year's profit	-	-	-	-	-
Profit for the financial period	31,000	-	-	129,627	160,627
As at 31 December 2020	31,000	-	-	129,627	160,627

6.3 Subscribed capital – Compartment III - A

Movement on the equity accounts in EUR					
	Subscribed capital	Legal reserve	Profit or (loss) brought forward	Profit or (loss) for the for the period from 27 March 2020 (date of incorporation) to 31 December 2020	Total
Movements for the period:					-
Allocation of prior year's profit	-	-	-	-	-
Profit for the financial period	-	-	-	2,209	2,209
As at 31 December 2020	-	-	-	2,209	2,209

7. Legal reserve

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, after deducting any losses brought forward, until this reserve equals 10% of the nominal value of the subscribed share capital. This reserve is not available for distribution to the shareholders, except upon dissolution of the Company.

In accordance with the Company Law, the Company is required to allocate a minimum of 5% of its net profit for each financial year / period to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders, except upon dissolution of the Company.

8. Creditors

8.1. Trade Creditors

8.1.1. Trade Creditors - Compartment III

This item is composed of payables to creditors becoming due and payable within one year amounting to EUR 730,622.27.

8.1.1.1. Other Creditors – Compartment III

This item is composed of receivable from Tax Authorities for an amount of EUR 1,963.09 and receivable from becoming due and payable within one year for an amount of EUR 1.00. The total amount of this item is EUR 1,964.09.

8.1.2. Trade Creditors - Compartment III-A

This item is composed of payables to creditors becoming due and payable within one year amounting to EUR 45,376.89.

8.1.2.1. Other Creditors – Compartment III-A

This item is composed of receivable from Tax Authorities for an amount of EUR 1,777.54 and receivable from becoming due and payable within one year for an amount of EUR 23,672.59. The total amount of this item is EUR 25,450.13

8. Creditors (Continued)

8.2. Amounts owed to affiliated undertakings

8.2.1. Amounts owed to affiliated undertakings - Compartment III

This item is composed of payables to affiliated undertakings becoming due and payable after more than one year for an amount of EUR 186,350,742.98 and interests payable to affiliated undertakings becoming due and payable within one year for an amount of EUR 3,108,707.58. The total amount of this item is EUR 189,459,450.56.

8.2.2. Amounts owed to affiliated undertakings - Compartment III-A

This item is composed of payables to affiliated undertakings becoming due and payable after more than one year for an amount of EUR 2,605,614.38 and interests payable to affiliated undertakings becoming due and payable within one year for an amount of EUR 56,147.94. The total amount of this item is EUR 2,661,762.32.

8.3. Other Creditors

8.3.1. Other Creditors – Compartment III

This item is composed of EUR 1,963.09 due to tax authorities.

8.3.2. Other Creditors – Compartment III-A

This item is composed of EUR 1,777.54 due to tax authorities.

9. Other external expenses

9.1. Other external expenses – Compartment III

This item is composed of expenses from creditors amounting to EUR 114,474.40.

9.2. Other external expenses – Compartment III-A

This item is composed of expenses from creditors amounting to EUR 54,590.41.

10. Staff costs

The Company has no employees.

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

11.1. Income from other investments and loans forming part of the fixed assets – Compartment III

This item is composed of other income from fixed assets and loans for an amount of EUR 4,434,112.02 and upfront fees on investments of EUR 6,878,624.13 for a total amount of EUR 11,312,736.15.

11.2. Income from other investments and loans forming part of the fixed assets – Compartment III-A

This item is composed of other income from fixed assets and loans for an amount of EUR 57,792.09 and upfront fees on investments of EUR 123,302.99 for a total amount of EUR 181,095.08.

12. Other interest receivable and similar income

12.1. Other interest receivable and similar income – Compartment III

This item is composed of exchange income of EUR 466,900.36.

12.2. Other interest receivable and similar income – Compartment III-A

This item is composed of exchange income of EUR 6,731.07.

13. Interest payable and similar expenses

13.1. Interest payable and similar expenses – Compartment III

This item is composed of debt interest and expenses of EUR 10,696,503.85, other financial charges of EUR 66,476.37 and exchange losses of EUR 772,554.76 for a total amount of EUR 11,535,534.98.

13.2. Interest payable and similar expenses – Compartment III-A

This item is composed of debt interest and expenses of EUR 90,573.89, other financial charges of EUR 27,354.53 and exchange losses of EUR 13,098.72 for a total amount of EUR 131,027.14.

14. Tax status

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

15. Subsequent events

- i) The Company proceed with the issue and redemption of Notes as follows:

Date	Type	Compartment III (in million)	Compartment III-A (in million)
February 2021	issue	€ 58.9	€ 19.8
February 2021	Redemption	€ 46.7	-
March 2021	Issue	€ 18.5	€ 2.2
March 2021	Redemption	€ 6.1	€ 0.7

- ii) In early 2021, the Company made a new investment in Exemplar for an amount of € 59.6 million. The Company also financed follow-on investments in Totalmobile and Heinenoord for a total of € 26.5 million.
- iii) In February 2021, the Company disposed the investment in Biogroup for a total amount of € 33.5 million.
- iv) In March 2021, the Company has partially disposed the investment in Exemplar for a total amount of € 6.8 million.
- v) In relation to the global outbreak of the Covid-19 virus and the indeterminable impact the pandemic could have on economies, finance, liquidity and human capital, in addition to the market and other risk factors disclosed in the financial statements, the Directors are unable to determine or quantify the future financial and reporting impact this global crisis will have on the investments, future performance or valuations. The Directors believe the Company has sufficient remaining capital commitments to meet its obligations in the near term and the Company's shareholders and their Investment Managers are spending a material amount of time on investment monitoring activities.

16. Going concern

As at 31 December 2020, the Company generated a profit of EUR 131,835.73. The Board expects the Company to continue generating profits in the foreseeable future and that it will, therefore, remain a going concern.

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

17. Off-Balance sheet commitments

Compartment III

Investments held as fixed assets - Unfunded commitments for the period from 27 March 2020 (date of incorporation) to 31 December 2020							
Name of the investee company	Nature of the loan	Tranche	Local Currency	Commitment (in local currency)	Amount drawn (in local currency)	Unfunded commitment (in local currency)	Unfunded commitment EUR (*)
Aquam	Senior Facility	Tranche B	GBP	965,054.36	-	965,054.36	1,073,439.55
Aquam	Senior Facility	Tranche C	GBP	4,825,271.78	-	4,825,271.78	5,367,197.73
Totalmobile	Senior Facility	Facility C1	GBP	5,510,367.54	-	5,510,367.54	6,129,236.55
Totalmobile	Senior Facility	Facility C2	GBP	16,531,102.61	-	16,531,102.61	18,387,709.65
Exemplar	Senior Facility	Acquisition Capex Senior	GBP	5,116,611.13	-	5,116,611.13	5,691,257.39
Exemplar	Junior Facility	Acquisition Capex Junior	GBP	10,487,069.65	-	10,487,069.65	11,664,871.75
Dutscher	Senior Facility	Senior Tranche	EUR	9,155,391.00	-	9,155,391.00	9,155,391.00
Heinenoord	Senior Facility	Acquisition Facility	EUR	45,103,378.72	13,972,201.58	31,131,177.14	31,131,177.14
Total							88,600,280.77

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

17. Off-Balance sheet commitments (Continued)

Compartment III-A

Investments held as fixed assets - Unfunded commitments for the period from 27 March 2020 (date of incorporation) to 31 December 2020							
Name of the investee company	Nature of the loan	Tranche	Local Currency	Commitment (in local currency)	Amount drawn (in local currency)	Unfunded commitment (in local currency)	Unfunded commitment EUR (*)
Aquam	Senior Facility	Tranche B	GBP	18,108.42	-	18,108.42	20,142.18
Aquam	Senior Facility	Tranche C	GBP	90,542.11	-	90,542.11	100,710.89
Totalmobile	Senior Facility	Facility C1	GBP	136,691.29	-	136,691.29	152,043.08
Totalmobile	Senior Facility	Facility C2	GBP	410,073.86	-	410,073.86	456,129.23
Exemplar	Senior Facility	Acquisition Capex Senior	GBP	126,923.70	-	126,923.70	141,178.49
Dutscher	Senior Facility	Senior Tranche	EUR	227,110.00	-	227,110.00	227,110.00
Heinenoord	Senior Facility	Acquisition Facility	EUR	817,616.41	306,198.42	511,417.99	511,417.99
Total							1,608,731.85

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

APPENDIX

ASSETS

	Reference(s)	Compartment III-A	Compartment III	31 December 2020 Combined
C. Fixed assets		2,614,642.57	187,400,442.26	190,015,084.83
I. Intangible assets		0.00	0.00	0.00
II. Tangible assets		0.00	0.00	0.00
III. Financial assets	3.1	2,614,642.57	187,400,442.26	190,015,084.83
5. Investments held as fixed assets		639,404.00	48,065,247.00	48,704,651.00
6. Other loans		1,975,238.57	139,335,195.26	141,310,433.83
D. Current assets	4.1; 4.2	118,114.49	2,841,416.10	2,959,530.59
II. Debtors	4.1.1; 4.2.1	20,405.62	1,424,970.12	1,445,375.74
4. Other debtors		20,405.62	1,424,970.12	1,445,375.74
a) becoming due and payable within one year		20,405.62	1,424,970.12	1,445,375.74
IV. Cash at bank and in hand		97,708.87	1,416,445.98	1,514,154.85
E. Prepayments		2,040.88	110,805.69	112,846.57
TOTAL (ASSETS)		2,734,797.94	190,352,664.05	193,087,461.99

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Compartment III-A	Compartment III	31 December 2020 Combined
A. Capital and reserves		2,208.60	160,627.13	162,835.73
I. Subscribed capital	6.1	0.00	31,000.00	31,000.00
IV. Reserves	7	0.00	0.00	0.00
V. Profit or loss brought forward		0.00	0.00	0.00
VI. Profit or loss for the financial year		2,208.60	129,627.13	131,835.73
VII. Interim dividends		0.00	0.00	0.00
				0.00
C. Creditors		2,732,589.34	190,192,036.92	192,924,626.26
2. Amounts owed to credit institutions		0.00	0.00	0.00
a) becoming due and payable within one year		0.00	0.00	0.00
b) becoming due and payable after more than one year		0.00	0.00	0.00
4. Trade creditors	8.2.1; 8.2.2	45,376.89	730,622.27	775,999.16
a) becoming due and payable within one year		45,376.89	730,622.27	775,999.16
6. Amounts owed to affiliated undertakings	8.3.1; 8.3.2	2,661,762.32	189,459,450.56	192,121,212.88
a) becoming due and payable within one year		56,147.94	3,108,707.58	3,164,855.52
b) becoming due and payable after more than one year		2,605,614.38	186,350,742.98	188,956,357.36
8. Other creditors	8.4.1; 8.4.2	25,450.13	1,964.09	27,414.22
a) Tax authorities		1,777.54	1,963.09	3,740.63
b) Social security authorities		0.00	0.00	0.00
c) Other creditors		23,672.59	1.00	23,673.59
i) becoming due and payable within one year		23,672.59	1.00	23,673.59
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		2,734,797.94	190,352,664.05	193,087,461.99

Five Arrows Debt Partners III Holding S.A.

Notes to the Financial Statements for the period from 27 March 2020 to 31 December 2020

ABRIDGED PROFIT AND LOSS ACCOUNT

5. Raw materials and consumables and other external expenses

6. Staff costs

a) Wages and salaries

b) Social security costs

i) relating to pensions

ii) other social security costs

c) Other staff costs

8. Other operating expenses

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

a) derived from affiliated undertakings

b) other income not included under a)

11. Other interest receivable and similar income

a) derived from affiliated undertakings

b) other interest and similar income

13. Value adjustments in respect of financial assets and of investments held as current assets

14. Interest payable and similar expenses

a) concerning affiliated undertakings

b) other interest and similar expenses

15. Tax on profit or loss

16. Profit or loss after taxation

17. Other taxes not shown under items 1 to 16

18. Profit or loss for the financial year

	Reference(s)	Compartment III-A	Compartment III	31 December 2020 Combined
	9.1; 9.2	-54,590.41	-114,474.40	-169,064.81
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
	11.1; 11.2	181,095.08	11,312,736.15	11,493,831.23
		0.00	0.00	0.00
		181,095.08	11,312,736.15	11,493,831.23
	12.1; 12.2	6,731.07	466,900.36	473,631.43
		0.00	0.00	0.00
		6,731.07	466,900.36	473,631.43
		0.00	0.00	0.00
	13.1; 13.2	-131,027.14	-11,535,534.98	-11,666,562.12
		0.00	0.00	0.00
		-131,027.14	-11,535,534.98	-11,666,562.12
				0.00
		2,208.60	129,627.13	131,835.73
		0.00	0.00	0.00
		2,208.60	129,627.13	131,835.73