

Five Arrows Direct Lending Holding S.A.

Société Anonyme

Audited Financial Statements for the financial year ended 31
December 2020 and Report of the Réviseur d'entreprises agréé

33, rue Sainte Zithe
L-2763 Luxembourg
RCS Luxembourg: B206586

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To the Shareholders of
Five Arrows Direct Lending Holding
Société Anonyme de Titrisation

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 Direct Lending Holding** (the «Company»), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, 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 year then ended 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.

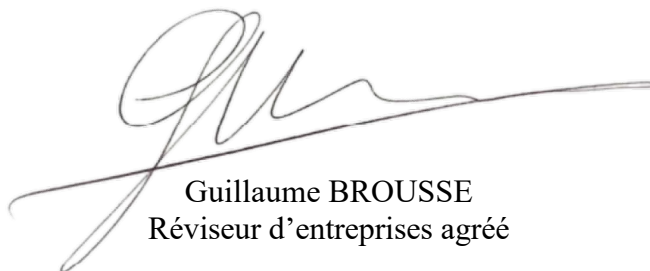
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 01 April 2021

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, RUE GUILLAUME J. KROLL
L – 1882 LUXEMBOURG

A handwritten signature in dark ink, consisting of a large, stylized 'G' followed by a series of loops and a long horizontal stroke extending to the right.

Guillaume BROUSSE
Réviseur d'entreprises agréé

Report of Five Arrows Direct Lending 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 Direct Lending Holding ("the Company") is pleased to present you its management report for the year ended 31 December 2020.

1. Presentation and allocation of results

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 € 580,050,255 and the result for the year is a profit of € 1,272,677.

We suggest the following allocation of the result:

Profit for year ended 31 December 2020	€ 1,272,677
Result carried forward	€ 1,948,198
Accumulated results as at 31 December 2020	€ 3,220,875
To the legal reserve	€ -
To carry forward	€ 3,220,875

2. Comments

During the year under review, the Company made new investments in Dutscher, Heinenoord and Totalmobile for a total amount of € 40.1 million. Moreover, the Company made the additional follow-on investments in 4Com, Esland, Pirum, OFG and Sandcastle for a total amount of € 35.0 million. The Company exited the investments in Arachas and in BFCC for a total amount of € 107.3 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 year ended 31 December 2020.

The Company has no branches.

3. Subsequent events


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

Date	Type	Compartment A (in million)	Compartment B (in million)
January 2021	issue	€ 2.1	€ 0.2
February 2021	Redemption	€ 49.5	€ 4.1
February 2021	issue	€ 12.4	€ 0.2
March 2021	issue	€ 6.5	€ 0.2
March 2021	Redemption	-	€ 0.6

- ii) In early 2021, the Company made a new investment in Exemplar for an amount of € 8.8 million. The Company also financed follow-on investments in 4Com, Totalmobile, Fintness Park, OFG, Heinenoord and Esland for a total of € 21.0 million.
- iii) In February 2021, the Company disposed the investment in Biogroup for a total amount of € 53.6 million.
- iv) 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, 1 April 2021

Five Arrows Direct Lending Holding S.A.

DocuSigned by:

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Represented by:
 Mr. Charles Tritton, class A Director

DocuSigned by:

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Represented by:
 Mr. Alain Peigneux, class B Director

Annual Accounts Helpdesk :

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RCSL Nr. : B206586

Matricule : 20162206061

BALANCE SHEET

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

Five Arrows Direct Lending Holding S.A.
33 Rue Sainte Zithe
L-2763 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>515,783,408.27</u>	110 <u>562,154,533.28</u>
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 the 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 _____

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

Five Arrows Direct Lending Holding S.A.

RCSL Nr. : B206586				Matricule : 20162206061			
	Reference(s)		Current year		Previous year		
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	3.1, 3.2	135	515,783,408.27	136	562,154,533.28	
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	117,422,639.50	146	135,960,013.92	
6. Other loans	1147		147	398,360,768.77	148	426,194,519.36	
D. Current assets	1151	4.1, 4.2	151	64,266,846.75	152	97,142,825.58	
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	4.1.1, 4.2.1	163	62,254,849.12	164	92,007,223.07	
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		183	62,254,849.12	184	92,007,223.07	
a) becoming due and payable within one year	1185		185	62,254,849.12	186	92,007,223.07	
b) becoming due and payable after more than one year	1187		187		188		

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

Five Arrows Direct Lending Holding S.A.

		RCSL Nr. : B206586		Matricule : 20162206061	
		Reference(s)	Current year	Previous year	
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		2,011,997.63	198	5,135,602.51
E. Prepayments	1199			200	2,805.00
TOTAL (ASSETS)		201	580,050,255.02	202	659,300,163.86

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

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year
A. Capital and reserves	1301		301 3,254,974.60	302	1,982,297.96
I. Subscribed capital	1303 5.1, 5.2	303	31,000.00	304	31,000.00
II. Share premium account	1305	305		306	
III. Revaluation reserve	1307	307		308	
IV. Reserves	1309	309	3,100.00	310	3,100.00
1. Legal reserve	1311 6	311	3,100.00	312	3,100.00
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	319	1,948,197.96	320	786,966.25
VI. Profit or loss for the financial year	1321	321	1,272,676.64	322	1,161,231.71
VII. Interim dividends	1323	323		324	
VIII. Capital investment subsidies	1325	325		326	
B. Provisions	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	
C. Creditors	1435	435	576,795,280.42	436	657,317,865.90
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 7.1.1	355	54,823,172.59	356	89,527,688.01
a) becoming due and payable within one year	1357	357	54,823,172.59	358	89,527,688.01
b) becoming due and payable after more than one year	1359	359		360	

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

Five Arrows Direct Lending Holding S.A.

RCSL Nr. : B206586		Matricule : 20162206061	
Reference(s)		Current year	Previous year
3. Payments received on account of orders in so far as they are not 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	7.2.1, 7.2.2 843,442.81	368 4,503,673.21
a) becoming due and payable within one year	1369	369 843,442.81	370 4,503,673.21
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	7.3.1, 7.3.2 521,126,651.16	380 563,247,865.73
a) becoming due and payable within one year	1381	381 -5,335,580.77	382 4,574,780.03
b) becoming due and payable after more than one year	1383	383 526,462,231.93	384 558,673,085.70
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	7.4.1, 7.4.2 2,013.86	452 38,638.95
a) Tax authorities	1393	393 2,013.86	394 26,235.95
b) Social security authorities	1395	395	396 12,403.00
c) Other creditors	1397	397	398
i) becoming due and payable within one year	1399	399	400
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 580,050,255.02	406 659,300,163.86

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

Annual Accounts Helpdesk :

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RCSL Nr. : B206586

Matricule : 20162206061

PROFIT AND LOSS ACCOUNT

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

Five Arrows Direct Lending Holding S.A.
 33 rue Sainte Zithe
 L-2763 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701	702
2. Variation in stocks of finished goods and in work in progress	1703	703	704
3. Work performed by the undertaking for its own purposes and capitalised	1705	705	706
4. Other operating income	1713	713	714
5. Raw materials and consumables and other external expenses	1671	671	672
a) Raw materials and consumables	1601	601	602
b) Other external expenses	1603	603	604
6. Staff costs	1605	605	606
a) Wages and salaries	1607	607	608
b) Social security costs	1609	609	610
i) relating to pensions	1653	653	654
ii) other social security costs	1655	655	656
c) Other staff costs	1613	613	614
7. Value adjustments	1657	657	658
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659	660
b) in respect of current assets	1661	661	662
8. Other operating expenses	1621	621	622

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

Five Arrows Direct Lending Holding S.A.

RCSL Nr. : B206586		Matricule : 20162206061	
Reference(s)		Current year	Previous year
9. Income from participating interests			
1715		715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets			
1721	10.1, 10.2	721 40,744,509.23	722 46,537,918.86
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725 40,744,509.23	726 46,537,918.86
11. Other interest receivable and similar income			
1727	11.1, 11.2	727 7,032,320.01	728 6,096,963.99
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731 7,032,320.01	732 6,096,963.99
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 -9,037,010.95	666 -3,432,763.74
14. Interest payable and similar expenses			
1627	12.1, 12.2	627 -37,005,805.00	628 -47,804,713.28
a) concerning affiliated undertakings	1629	629	630 -14,422.88
b) other interest and similar expenses	1631	631 -37,005,805.00	632 -47,790,290.40
15. Tax on profit or loss			
1635		635	636
16. Profit or loss after taxation			
1667		667 1,275,233.16	668 1,166,212.41
17. Other taxes not shown under items 1 to 16			
1637	13	637 -2,556.52	638 -4,980.70
18. Profit or loss for the financial year			
1669		669 1,272,676.64	670 1,161,231.71

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

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

ASSETS

	Reference(s)	Compartment A	Compartment B	31/12/2020 Combined	31/12/2019 Combined
C. Fixed assets		480,133,020.44	35,650,387.83	515,783,408.27	562,154,533.28
III. Financial assets	3.1, 3.2	480,133,020.44	35,650,387.83	515,783,408.27	562,154,533.28
5. Investments held as fixed assets		108,482,375.06	8,940,264.44	117,422,639.50	135,960,013.92
6. Other loans		371,650,645.38	26,710,123.39	398,360,768.77	426,194,519.36
D. Current assets	4.1; 4.2	63,461,899.09	804,947.66	64,266,846.75	97,142,825.58
II. Debtors	4.1.1; 4.2.1	61,754,291.25	500,557.87	62,254,849.12	92,007,223.07
4. Other debtors		61,754,291.25	500,557.87	62,254,849.12	92,007,223.07
a) becoming due and payable within one year		61,754,291.25	500,557.87	62,254,849.12	92,007,223.07
IV. Cash at bank and in hand		1,707,607.84	304,389.79	2,011,997.63	5,135,602.51
E. Prepayments		0.00	0.00	0.00	2,805.00
TOTAL (ASSETS)		543,594,919.53	36,455,335.49	580,050,255.02	659,300,163.86

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Compartment A	Compartment B	31/12/2020 Combined	31/12/2019 Combined
A. Capital and reserves		3,034,810.13	220,164.47	3,254,974.60	1,982,297.96
I. Subscribed capital	5.1, 5.2	28,600.00	2,400.00	31,000.00	31,000.00
IV. Reserves	6	3,100.00	0.00	3,100.00	3,100.00
V. Profit or loss brought forward		1,823,488.67	124,709.29	1,948,197.96	786,966.25
VI. Profit or loss for the financial year		1,179,621.46	93,055.18	1,272,676.64	1,161,231.71
VII. Interim dividends		0.00	0.00	0.00	0.00
C. Creditors		540,560,109.40	36,235,171.02	576,795,280.42	657,317,865.90
2. Amounts owed to credit institutions	7.1.1	54,813,744.98	9,427.61	54,823,172.59	89,527,688.01
a) becoming due and payable within one year		54,813,744.98	9,427.61	54,823,172.59	89,527,688.01
b) becoming due and payable after more than one year		0.00	0.00	0.00	0.00
4. Trade creditors	7.2.1; 7.2.2	766,899.34	76,543.47	843,442.81	4,503,673.21
a) becoming due and payable within one year		766,899.34	76,543.47	843,442.81	4,503,673.21
6. Amounts owed to affiliated undertakings	7.3.1; 7.3.2	484,977,986.10	36,148,665.06	521,126,651.16	563,247,865.73
a) becoming due and payable within one year		(5,081,659.54)	(253,921.23)	(5,335,580.77)	4,574,780.03
b) becoming due and payable after more than one year		490,059,645.64	36,402,586.29	526,462,231.93	558,673,085.70
8. Other creditors	7.4.1; 7.4.2	1,478.98	534.88	2,013.86	38,638.95
a) Tax authorities		1,478.98	534.88	2,013.86	26,235.95
b) Social security authorities		0.00	0.00	0.00	12,403.00
c) Other creditors		0.00	0.00	0.00	0.00
i) becoming due and payable within one year		0.00	0.00	0.00	0.00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		543,594,919.53	36,455,335.49	580,050,255.02	659,300,163.86

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

ABRIDGED PROFIT AND LOSS ACCOUNT

	Reference(s)	Compartment A	Compartment B	31/12/2020 Combined	31/12/2019 Combined
5. Raw materials and consumables and other external expenses	8.1; 8.2	(263,212.47)	(76,870.14)	(340,082.61)	(213,504.50)
6. Staff costs	9	(98,110.80)	(8,120.97)	(106,231.77)	(17,688.92)
a) Wages and salaries		(67,394.11)	(5,295.21)	(72,689.32)	(14,319.01)
b) Social security costs		(24,747.28)	(2,734.29)	(27,481.57)	(3,369.91)
i) relating to pensions		(24,747.28)	(2,734.29)	(27,481.57)	(3,247.44)
ii) other social security costs				0.00	(122.47)
c) Other staff costs		(5,969.41)	(91.47)	(6,060.88)	0.00
7. Value adjustments		(12,465.75)	0.00	(12,465.75)	0.00
a) in respect of formation expenses and of tangible and intangible fixed assets		(12,465.75)	0.00	(12,465.75)	0.00
b) in respect of current assets		0.00	0.00	0.00	0.00
8. Other operating expenses		0.00	0.00	0.00	0.00
10. Income from other investments and loans forming part of the fixed assets	10.1; 10.2	37,830,334.88	2,914,174.35	40,744,509.23	46,537,918.86
a) derived from affiliated undertakings		0.00	0.00	0.00	0.00
b) other income not included under a)		37,830,334.88	2,914,174.35	40,744,509.23	46,537,918.86
11. Other interest receivable and similar income	11.1; 11.2	6,480,619.50	551,700.51	7,032,320.01	6,096,963.99
a) derived from affiliated undertakings		0.00	0.00	0.00	0.00
b) other interest and similar income		6,480,619.50	551,700.51	7,032,320.01	6,096,963.99
13. Value adjustments in respect of financial assets and of investments held as current assets		(8,131,148.18)	(905,862.77)	(9,037,010.95)	(3,432,763.74)
14. Interest payable and similar expenses	12.1; 12.2	(34,624,057.91)	(2,381,747.09)	(37,005,805.00)	(47,804,713.28)
a) concerning affiliated undertakings		0.00	0.00	0.00	(14,422.88)
b) other interest and similar expenses		(34,624,057.91)	(2,381,747.09)	(37,005,805.00)	(47,790,290.40)
15. Tax on profit or loss		0.00	0.00	0.00	0.00
16. Profit or loss after taxation		1,181,959.27	93,273.89	1,275,233.16	1,166,212.41
17. Other taxes not shown under items 1 to 16	13	(2,337.81)	(218.71)	(2,556.52)	(4,980.70)
18. Profit or loss for the financial year		1,179,621.46	93,055.18	1,272,676.64	1,161,231.71

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

1. General information

Five Arrows Direct Lending Holding S.A. (hereafter the “Company”) was incorporated on 25 May 2016 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 B206586.

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.

As of 31 December 2020, the Company is composed of two compartments:

- The compartment A (Five Arrows Direct Lending Holding S.A. – Compartment A)
- The compartment B (Five Arrows Direct Lending Holding S.A. – Compartment B)

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.

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.

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 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.

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years 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.

2.2.7. Equalisation 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”.

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 A

This item is composed of EUR 108,482,375.06 investments held as fixed assets and EUR 371,650,645.38 other loans for a total amount of EUR 480,133,020.44.

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

Investments held as fixed assets - Commitments as at 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
4Com	Senior Facility	Facility B	GBP	01/08/2017	Margin (6.00%) + LIBOR 3 months (Floor: 0.5%) + PIK Margin (1.25%)	01/08/2024	18,475,146	20,621,034	-	33,253	(70,945)	20,583,342
	Senior Facility	Facility A	GBP	15/09/2017	Margin (6.00%) + LIBOR 3 months (Floor: 0.5%) + PIK Margin (1.25%)	01/08/2024	9,237,572	10,489,729	-	17,594	(214,687)	10,292,637
Aston Scott (REPAID)	Senior Facility	Facility A2	GBP	18/09/2017	Margin (6.75%) + LIBOR (Floor: 0.5%)	02/09/2019	-	1,232,182	-	-	(1,232,182)	-
	Senior Facility	Facility B2	GBP	12/03/2018	Margin (6.75%) + LIBOR (Floor: 0.5%)	02/09/2019	-	34,916	-	-	(34,916)	-
Civica	Senior Facility	Second Lien Facility	GBP	27/10/2017	Margin (7.25%) + LIBOR (Floor: 0.5%)	27/10/2025	39,259,683	44,331,398	-	-	(662,463)	43,668,935
Biogroup	Senior Facility	Biogroup	EUR	06/12/2018	Margin (7.50%) + EURIBOR (Floor: 0.0%)	06/12/2026	49,544,180	49,544,180	-	-	-	49,544,180
Esland	Senior Facility	Term Facility	GBP	04/02/2019	Margin (6.50%) + LIBOR (Floor: 0.5%)	03/11/2025	32,110,192	36,441,706	-	-	(725,221)	35,716,485
Totalmobile	Senior Facility	Facility B1	GBP	06/11/2020	Margin (5.5%) + LIBOR (Floor: 0.0%)	06/11/2027	2,102,941	2,339,122	-	-	-	2,339,122
	Senior Facility	Facility B2	GBP	30/11/2020	Margin (7.25%) + LIBOR (Floor: 0.0%)	06/11/2027	6,308,824	6,962,843	-	-	54,525	7,017,367
Tax Systems	Senior Facility	Term Facility	GBP	01/04/2019	Margin (6.75%) + LIBOR (Floor: 0.75%)	01/04/2026	33,717,139	39,362,501	-	-	(1,858,592)	37,503,909
Pirum	Senior Facility	Term Facility	GBP	18/04/2019	Margin (7.00%) + LIBOR (Floor: 0.75%)	18/04/2026	35,292,782	40,702,117	-	-	(1,445,605)	39,256,512
Heinenoord	Bond	-	EUR	22/10/2020	Margin (6.00%) + LIBOR (Floor: 0.0%)	22/10/2027	13,872,576	13,872,576	-	-	-	13,872,576
OFG	Senior Facility	Term Facility	GBP	30/07/2019	Margin (6.25%) + LIBOR (Floor: 0.5%)	30/07/2026	47,264,135	52,947,653	-	-	(375,287)	52,572,367
Propriétés Privées	Senior Facility	Term Facility	EUR	27/09/2019	Margin (6.75%) + EURIBOR (Floor: 0.0%)	27/09/2026	22,366,318	22,170,174	196,144	-	-	22,366,318
Sandcastle	Senior Facility	Term Facility	GBP	19/12/2019	Margin (7.25%) + LIBOR (Floor: 0.75%)	19/12/2027	33,139,323	38,448,224	-	-	(1,587,025)	36,861,199
SUBTOTAL LOANS								379,500,353	196,144	50,847	(8,152,397)	371,594,949
Les Nouveaux Constructeurs	Bond	-	EUR	28/12/2017	Margin (7.00%) + EURIBOR (Floor: 0.0%)	22/12/2024	46,187,863	46,187,863	-	-	-	46,187,863
Filiassur	Bond	-	EUR	05/04/2018	Margin (7.25%) + EURIBOR (Floor: 0.0%)	05/04/2025	21,031,605	20,784,500	247,105	251,795	(3,616,575)	17,666,825
Dutscher	Bond	-	EUR	09/07/2020	Margin (7.25%) + LIBOR (Floor: 0.0%)	09/07/2027	14,591,069	14,591,069	-	-	-	14,591,069
Fitness Park	Bond	-	EUR	31/01/2018	Margin (4.20%) + EURIBOR (Floor: 0.0%)	31/01/2025	29,929,735	29,929,735	-	-	-	29,929,735
SUBTOTAL BONDS								111,493,167	247,105	251,795	(3,616,575)	108,375,491
Other fees												162,534.25
TOTAL								490,993,520	443,249	302,642	(11,768,972)	480,132,974

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

As at 31 December 2020, loans unfunded tranches are composed as follows:

Investments held as fixed assets - Unfunded commitments as at 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
4Com	Senior Facility	Facility A	GBP	11,085,086.00	9,237,571.55	1,847,514.45	2,055,008.68
Fitness Park	Bond	Capex Facility	EUR	13,856,359.00	-	13,856,359.00	13,856,359.00
Esland	Senior Facility	Acquisition Facility	GBP	18,475,144.86	9,289,302.83	9,185,842.03	10,217,503.34
Esland	Senior Facility	Freehold Acquisition Facility	GBP	13,856,358.65	2,867,732.31	10,988,626.34	12,222,758.24
Pirum	Senior Facility	Facility C2	GBP	6,928,179.00	3,581,322.32	3,346,856.68	3,722,741.93
OFG	Senior Facility	Acquisition Facility	GBP	5,090,909.08	4,680,681.81	410,227.27	456,299.87
Sandcastle	Senior Facility	Acquisition Facility	GBP	7,026,124.93	6,817,701.50	208,423.43	231,831.45
Dutscher	Senior Facility	Senior Tranche	EUR	3,943,533.00	-	3,943,533.00	3,943,533.00
Heinenoord	Senior Facility	Acquisition Facility	EUR	11,598,285.39	2,376,930.02	9,221,355.37	9,221,355.37
Totalmobile	Senior Facility	Facility C1	GBP	1,147,058.82	-	1,147,058.82	1,275,884.92
Totalmobile	Senior Facility	Facility C2	GBP	3,441,176.47	-	3,441,176.47	3,827,654.77
Total							61,030,930.57

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

Movements on investments held as fixed assets in EUR		
Investments held as fixed assets	For the year ended 31/12/2020	For the year ended 31/12/2019
Gross book value - opening balance	517,395,920	297,753,864
Additions for the year	73,490,746	219,642,055
Settlements/transfers for the year	(99,147,207)	
Gross book value - closing balance	491,739,459	517,395,920
Accumulated fair value adjustments - opening balance	2,372,905	(958,513.04)
Positive fair value adjustments for the year		6,502,468
Negative fair value adjustments for the year	(14,141,878)	(3,171,049)
Accumulated fair value adjustments - closing balance	(11,768,972)	2,372,905
other fees	162,534	
Fair value - opening balance	519,768,825	-
Fair value - closing balance	480,133,020	519,768,825

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

Investments held as fixed assets - Additions during the year in EUR	
	For the year ended 31/12/2020
Loans drawn	
Arachas - Term Facility	(67,403,539)
Total Mobilise	9,301,965
4com - Facility A	4,177,060
Aston Scott - Facility A2	-
Aston Scott - Facility B2	-
Civica - Second Lien Facility	-
Biogroup	-
Esland	9,498,444
Tax Systems	-
Pirum-Nucleus	4,554,262
OFG	9,052,972
Propriétés Privées	
Sandcastle	7,841,578
Protilab - Bond	(31,743,668)
Les Nouveaux Constructeurs - Bond	-
	-
Heinenoord	13,872,576
Dutscher	14,591,069
Fitness Park - Bond	-
Total amount drawn during the year	(26,257,281)
Interest income capitalised (PIK)	-
4com	25,079
Filiassur - Bond	498,900
Propriétés Privées	196,144
Protilab - Bond	(119,303)
Total PIK capitalised during the year	600,820
Total additions during the year	(25,656,461)

3.2. Financial fixed assets – Compartment B

This item is composed of EUR 8,940,264.44 investments held as fixed assets and EUR 26,710,123.39 other loans for a total amount of EUR 35,650,387.83.

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

Investments held as fixed assets - Commitments as at 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
4Com	Senior Facility	Facility B	GBP	01/08/2017	Margin (6.00%) + LIBOR 3 months (Floor: 0.5%) + PIK Margin (1.25%)	01/08/2024	1,524,856	1,732,561	-	2,745	(36,449)	1,698,857
	Senior Facility	Facility A	GBP	15/09/2017	Margin (6.00%) + LIBOR 3 months (Floor: 0.5%) + PIK Margin (1.25%)	01/08/2024	762,428	868,025	-	1,452	(19,969)	849,508
Aston Scott (REPAID)	Senior Facility	Facility A2	GBP	18/09/2017	Margin (6.75%) + LIBOR (Floor: 0.5%)	02/09/2019	-	47,257	-	-	(47,257)	-
	Senior Facility	Facility B2	GBP	12/03/2018	Margin (6.75%) + LIBOR (Floor: 0.5%)	18/09/2017	-	1,514	-	-	(1,514)	-
Civica	Senior Facility	Second Lien Facility	GBP	27/10/2017	Margin (7.25%) + LIBOR (Floor: 0.5%)	27/10/2025	3,240,317	3,619,139	-	-	(14,902)	3,604,237
Biogroup	Senior Facility	Biogroup	EUR	06/12/2018	Margin (7.50%) + EURIBOR (Floor: 0.0%)	06/12/2026	4,089,153	4,089,153	-	-	-	4,089,153
Esland	Senior Facility	Term Facility	GBP	04/02/2019	Margin (6.50%) + LIBOR (Floor: 0.5%)	03/11/2025	2,650,230	3,007,734	-	-	(59,856)	2,947,878
Tax Systems	Senior Facility	Term Facility	GBP	01/04/2019	Margin (6.75%) + LIBOR (Floor: 0.75%)	01/04/2026	2,782,861	3,248,804	-	-	(153,400)	3,095,404
Pirum	Senior Facility	Term Facility	GBP	18/04/2019	Margin (7.00%) + LIBOR (Floor: 0.75%)	18/04/2026	2,384,259	2,745,704	-	-	(93,669)	2,652,035
Heinenoord	Bond	-	EUR	22/10/2020	Margin (6.00%) + LIBOR (Floor: 0.0%)	22/10/2027	1,144,980	1,144,980	-	-	-	1,144,980
OFG	Senior Facility	Term Facility	GBP	30/07/2019	Margin (6.25%) + LIBOR (Floor: 0.5%)	30/07/2026	2,416,547	2,743,336	-	-	(55,387)	2,687,949
Propriétés Privées	Senior Facility	Term Facility	EUR	27/09/2019	Margin (6.75%) + EURIBOR (Floor: 0.0%)	27/09/2026	1,829,826	1,829,826	16,189	-	-	1,846,015
Sandcastle	Senior Facility	Term Facility	GBP	19/12/2019	Margin (7.25%) + LIBOR (Floor: 0.75%)	19/12/2027	1,878,535	2,180,481	-	-	(90,968)	2,089,513
SUBTOTAL LOANS								27,258,513	16,189	4,197	(573,371)	26,705,529
Les Nouveaux Constructeurs	Bond	-	EUR	28/12/2017	Margin (7.00%) + EURIBOR (Floor: 0.0%)	22/12/2024	3,812,137	3,812,137	-	-	-	3,812,137
Filiassur	Bond	-	EUR	05/04/2018	Margin (7.25%) + EURIBOR (Floor: 0.0%)	05/04/2025	1,715,500	1,715,500	20,395	20,783	(298,503)	1,458,175
Dutscher	Bond	-	EUR	09/07/2020	Margin (7.25%) + LIBOR (Floor: 0.0%)	09/07/2027	1,204,281	1,204,281	-	-	-	1,204,281
Fitness Park	Bond	-	EUR	31/01/2018	Margin (4.20%) + EURIBOR (Floor: 0.0%)	31/01/2025	2,470,265	2,470,265	-	-	-	2,470,265
SUBTOTAL BONDS								9,202,183	20,395	20,783	(298,503)	8,944,858
TOTAL								30,460,696	36,584	24,980	(871,874)	35,650,387

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

As at 31 December 2020, loans unfunded tranches are composed as follows:

Investments held as fixed assets - Unfunded commitments as at 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
4Com	Senior Facility	Facility A	GBP	914,914.00	762,428.33	152,485.67	169,611.33
Fitness Park	Bond	Capex Facility	EUR	1,143,641.00	-	1,143,641.00	1,143,641.00
Esland	Senior Facility	Acquisition Facility	GBP	1,524,855.14	766,697.17	758,157.97	843,306.64
Esland	Senior Facility	Freehold Acquisition Facility	GBP	1,143,641.35	236,689.69	906,951.66	1,008,811.34
Pirum	Senior Facility	Facility C2	GBP	571,821.00	345,718.93	226,102.07	251,495.58
OFG	Senior Facility	Acquisition Facility	GBP	388,144.94	229,395.85	158,749.09	176,578.18
Sandcastle	Senior Facility	Acquisition Facility	GBP	461,970.47	450,155.80	11,814.67	13,141.57
Dutscher	Senior Facility	Senior Tranche	EUR	325,481.00	-	325,481.00	325,481.00
Heinenoord	Senior Facility	Acquisition Facility	EUR	957,270.16	196,181.09	761,089.07	761,089.07
Totalmobile	Senior Facility	Facility C1	GBP	-	-	-	-
Totalmobile	Senior Facility	Facility C2	GBP	-	-	-	-
Total							4,693,155.71

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

Movements on investments held as fixed assets in EUR		
Investments held as fixed assets	For the year ended 31/12/2020	For the year ended 31/12/2019
Gross book value - opening balance	42,135,621	24,509,523
Additions for the year	3,695,648	17,626,098
Settlements/transfers for the year	(9,312,036)	
Gross book value - closing balance	36,519,233	42,135,621
Accumulated fair value adjustments - opening balance	250,087	(13,342)
Positive fair value adjustments for the year		525,153
Negative fair value adjustments for the year	(1,118,993)	(261,724)
Accumulated fair value adjustments - closing balance	(868,906)	250,087
Fair value - opening balance	42,385,708	24,496,181
Fair value - closing balance	35,650,387	42,385,708

Five Arrows Direct Lending Holding S.A.
Notes to the Financial Statements as at 31 December 2020

3. Financial assets (Continued)

Investments held as fixed assets - Additions during the year in EUR	
	For the year ended 31/12/2020
Loans drawn	
Arachas - Term Facility	(5,563,184)
4com - Facility B	-
4com - Facility A	344,756
Aston Scott - Facility A2	-
Aston Scott - Facility B2	-
Civica - Second Lien Facility	-
Biogroup	-
Esland	783,959
Tax Systems	-
Pirum	(230,117)
OFG	(898,766)
Propriétés Privées	-
Sandcastle	168,083
Protilab - Bond	(2,619,969)
Les Nouveaux Constructeurs - Bond	-
Total Mobilise	-
Heinenoord	1,144,980
Dutscher	1,204,281
Fitness Park - Bond	-
Total amount drawn during the year	(5,665,977)
Interest income capitalised (PIK)	(2,127)
4com	4,197
Filiassur - Bond	41,178
Propriétés Privées	16,189
Protilab - Bond	(9,847)
Total PIK capitalised during the year	49,590
Total additions during the year	(5,616,388)

4. Current assets

4.1. Current assets - Compartment A

This item is composed of EUR 61,754,291.25 as receivable from other debtors and EUR 1,707,607.84 as cash at bank for a total amount of EUR 63,461,899.09.

4.1.1. Debtors - Compartment A

This item is composed of issued bond receivables from Five Arrows Direct Lending SCSp of EUR 54,924,189.37, receivables from compartment B of EUR 9,427.61, interest receivable from investments of EUR 6,825,653.99 and NWT advance of EUR 4,447.89.

4.2. Current assets - Compartment B

This item is composed of EUR 500,557.87 as receivable from other debtors and EUR 304,389.79 as cash at bank for a total amount of EUR 804,947.66.

4.2.1. Debtors - Compartment B

This item is composed of interest receivable from investments of EUR 500,190.76, payables from compartment A of EUR 9,427.61, and NWT advance of EUR 367.11.

5. Subscribed capital

5.1. Subscribed capital - Compartment A

As at 31 December 2020, the subscribed capital amounts to EUR 28,600 and is divided into 286 shares with a par value of EUR 100 each. All subscribed shares are fully paid-up. The authorised capital amounts to EUR 2,500,000 represented by 25,000 shares with a par value of EUR 100 each.

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5. Subscribed capital (Continued)

Movements on equity account in EUR					
	Subscribed capital	Legal reserve	Profit or (loss) brought forward	Profit or (loss) for the financial year	Total
As at 31/12/2019	28,600	3,100	750,812	1,072,676	1,855,189
Movements for the financial year:					-
Allocation of prior year's profit			1,072,676	(1,072,676)	-
Profit for the financial year				1,179,621	1,179,621
As at 31/12/2020	28,600	3,100	1,823,489	1,179,621	3,034,810

5.2. Subscribed capital - Compartment B

As at 31 December 2020, the subscribed capital amounts to EUR 2,400 and is divided into 24 shares with a par value of EUR 100 each. All subscribed shares are fully paid-up. The authorised capital amounts to EUR 2,500,000 represented by 25,000 shares with a par value of EUR 100 each.

Movements on equity account in EUR					
	Subscribed capital	Legal reserve	Profit or (loss) brought forward	Profit or (loss) for the financial year	Total
As at 31/12/2019	2,400			88,555	127,109
Movements for the financial year:					-
Allocation of prior year's profit			88,555	(88,555)	
Profit for the financial year				93,055	93,055
As at 31/12/2020	2,400		88,555	93,055	220,164

6. 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 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.

7. Creditors

7.1. Amounts owed to credit institutions

7.1.1. Amounts owed to credit institutions - Compartment A

This item is composed of payables to credit institutions becoming due and payable after more than one year for an amount of EUR 54,823,172.59.

7.2. Trade Creditors

7.2.1. Trade Creditors - Compartment A

This item is composed of payables to creditors becoming due and payable within one year amounting to EUR 766,899.34.

7.2.2. Trade Creditors - Compartment B

This item is composed of payables to creditors becoming due and payable within one year amounting to EUR 76,543.47.

7.3. Amounts owed to affiliated undertakings

7.3.1. Amounts owed to affiliated undertakings - Compartment A

The Company, acting in respect of its Compartment A, issued a series of variable interest bearing notes (the “Notes”) subscribed by Five Arrows Direct Lending SCSp. As at 31 December 2020, these Notes amount to EUR 490,059,645.64.

They bear variable interest tracking the positive earnings arising from the Company’s portfolio less operational expenses and a margin. As at 31 December 2020, the interest payable within one year amount to EUR (5,081,659.54). The total amount of this item is EUR 484,977,986.10.

7.3.2. Amounts owed to affiliated undertakings - Compartment B

The Company, acting in respect of its Compartment B, issued a series of variable interest bearing notes (the “Notes”) subscribed by Five Arrows Direct Lending B SCSp. As at 31 December 2020, these Notes amount to EUR 36,402,586.29.

They bear variable interest tracking the positive earnings arising from the Company’s portfolio less operational expenses and a margin. As at 31 December 2020, the interest payable within one year amount to EUR (253,921.23). The total amount of this item is EUR 36,148,665.06.

7.4. Other Creditors

7.4.1. Other Creditors – Compartment A

This item is composed of EUR 1,478.98 due to tax authorities.

7.4.2. Other Creditors – Compartment B

This item is composed of EUR 534.88 due to tax authorities.

8. Other external expenses

8.1. Other external expenses – Compartment A

This item is composed of accounting, legal, bank, audit and other professional fees amounting to EUR 263,212.47.

8.2. Other external expenses – Compartment B

This item is composed of accounting, legal, bank, audit and other professional fees amounting to EUR 76,870.14.

9. Staff costs

Since October 2016 the Company has one part time employee and since December 2019 the Company has one full time employee.

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

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

This item is composed of interest received and accrued on investments held as fixed assets for an amount of EUR 35,677,451.86 and upfront fees on investments of EUR 2,152,883.02 for a total amount of EUR 37,830,334.88.

10.2. Income from other investments and loans forming part of the fixed assets – Compartment B

This item is composed of interest received and accrued on investments held as fixed assets for an amount of EUR 2,796,388.09 and upfront fees on investments of EUR 117,786.26 for a total amount of EUR 2,914,174.35.

11. Other interest receivable and similar income

11.1. Other interest receivable and similar income – Compartment A

This item is composed of realised and unrealised foreign exchange gains of EUR 6,475,076.71, and current accounts interests of EUR 5,542.79 for a total amount of EUR 6,480,619.50.

11.2. Other interest receivable and similar income – Compartment B

This item is composed of realised and unrealised foreign exchange gains of EUR 551,535.85 and current accounts interests of EUR 164.66 for a total amount of EUR 551,700.51.

12. Interest payable and similar expenses

12.1. Interest payable and similar expenses – Compartment A

This item is composed of variable interest on the Notes for EUR 34,624,057.91 and realised and unrealised foreign exchange losses for EUR 8,131,148.18 for a total amount of EUR 42,755,206.09.

12.2. Interest payable and similar expenses – Compartment B

This item is composed of variable interest on the Notes for EUR 2,381,747.09, realised and unrealised foreign exchange losses for EUR 859,330.81, and other financial expenses for EUR 46,531.96 for a total amount of EUR 3,287,609.86.

13. Tax status

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

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14. Subsequent events

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

Date	Type	Compartment A (in million)	Compartment B (in million)
January 2021	issue	€ 2.1	€ 0.2
February 2021	Redemption	€ 49.5	€ 4.1
February 2021	issue	€ 12.4	€ 0.2
March 2021	issue	€ 6.5	€ 0.2
March 2021	Redemption	-	€ 0.6

- ii) In early 2021, the Company made a new investment in Exemplar for an amount of € 8.8 million. The Company also financed follow-on investments in 4Com, Totalmobile, Fintness Park, OFG, Heinenoord and Esland for a total of € 12.3 million.
- iii) In February 2021, the Company disposed the investment in Biogroup for a total amount of € 53.6 million.
- iv) 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.

15. Going concern

As at 31 December 2020, the Company generated a profit of EUR 1,272,676.64. The Board expects the Company to continue generating profits in the foreseeable future and that it will, therefore, remain a going concern.