

**Clareant SCF S.à r.l.**

**Annual accounts and Report of the Réviseur d'Entreprises Agréé  
for the year ended December 31, 2020**

*5, Heienhaff  
L-1736 Senningerberg, Luxembourg  
R.C.S Luxembourg B199680  
Share Capital: EUR 12,600*

# Clareant SCF S.à r.l.

Share Capital: EUR 12,600

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Clareant SCF S.à r.l.  
**MANAGEMENT REPORT**  
**DECEMBER 31, 2020**

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The Board of Managers presents its report and the annual accounts of Clareant SCF S.à r.l. (the "Company") for the year ended December 31, 2020.

#### **General**

The Company was incorporated on August 18, 2015 and organised under the laws of Luxembourg as a "société à responsabilité limitée" for an unlimited period and is subject to the Law of March 22, 2004 on securitisation (the "Securitisation Law").

On September 18, 2020, the Company changed its registered address from 51, avenue John F. Kennedy, L-1855 Luxembourg to 5, Heienhaff, L-1736 Senningerberg, Luxembourg.

The Company's financial year starts on January 1 and ends on December 31 with the exception of the first year, which began on the date of the incorporation of the Company on August 18, 2015 and ended on December 31, 2015.

The Company is a securitisation company within the meaning of the Law of March 22, 2004 on securitisation and has as its corporate purpose the holding of investments in a portfolio of debt securities.

The Company did not repurchase any of its own shares during the year from incorporation to 31 December 2020 (2019: EUR nil).

#### **Summary of activities**

The result for the financial year amounted to EUR nil (2019: EUR nil).

The total carrying value of Convertible Class C Preferred Equity Certificates ("CPECs") and loan notes outstanding as at December 31, 2020 amounted to EUR 419,795,613 (2019: EUR 500,376,105).

The loan notes issued by the Company were listed on The International Stock Exchange of the Channel Islands ("TISE") as from September 29, 2020.

#### **Risk profiles and risk management process**

The Company's risk profiles have not been changed during the reporting period. The Board of Managers continuously reviewed the adequacy and effectiveness of its risk management process in line with AIFMD requirements. The last regular annual update was performed in August 2020 and filed with the Luxembourg Commission de Surveillance du Secteur Financier. During the year ended December 31, 2020, there were no breaches to risk limits set.

#### **Risk exposures**

The principal risks facing the Company during the year relate to the financial instruments held by it and the Company expects the nature of these risks to remain the same in the foreseeable future.

##### *Price risk*

The investments purchased by the Company are subject to changes in value due to changes in market prices. Due to the limited recourse nature of the debt instruments issued, all price risk is ultimately borne by the holders of the loan notes and holders of Convertible Class C Preferred Equity Certificates ("CPECs").

##### *Credit risk*

The Company is exposed to the risk of default on the portfolio of debt securities held. Due to the limited recourse nature of the debt securities issued, all credit risk is ultimately borne by the noteholder.

##### *Liquidity risk and cash flow risk*

The notes issued by the Company are limited recourse. Due to the limited recourse nature of the debt securities issued, all liquidity and cash flow risks are ultimately borne by the noteholder.

##### *Interest rate risk*

The investments purchased by the Company are subject to changes in value and income from them varies in line with changes in interest rates. Due to the limited recourse nature of the debt securities issued, all interest rate risks are ultimately borne by the noteholder and CPEC holders.

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**Clareant SCF S.à r.l.**  
**Management Report (continued)**  
**DECEMBER 31, 2020**

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**Research and development activities**

The Company was neither involved nor participated in any kind of research or development activities in the year ended December 31, 2020 and December 31, 2019.

**Branches of the Company**

The Company does not have any branches. The Company did not repurchase any of its own shares during the year from incorporation to 31 December 2020 (2019: EUR nil).

**Events during the year**

**Impact of COVID-19**

Initially the sell-off following the spread of Covid-19 was broad based, across a wide variety of sectors. However, defensive sectors such as utilities, healthcare, grocery retail and telecoms recovered relatively quickly, leaving behind sectors directly impacted by the pandemic such as oil and gas, leisure/gaming, non-grocery retail and consumer durables.

The restriction measures implemented due to the Covid-19 pandemic had an especially adverse impact on our retail holdings Debenhams, New Look and Vivarte. Debenhams and the La Halle subsidiary of Vivarte had to file for administration as a direct result of Covid-19 lockdown measures. We have also provided/will provide new money facilities in the cases of New Look and Offshore Drilling Holding in combination with their balance sheet restructurings. However, we did see some trading normalization later in 2020 and expect profitability to recover in 2021.

**Subsequent events**

**Brexit**

At 11 p.m. GMT on January 31, 2020, the UK formally left the European Union (EU) and entered into a transition period which lasted until 11 p.m. GMT on December 31, 2020. The EU/UK Trade and Cooperation Agreement which was agreed on December 24, 2020 and ratified by the UK Parliament on December 30, 2020 did not include an agreement on cooperation or access by UK Financial Services firms to the EU. It did however contain a joint declaration that by March 2021 a Memorandum of Understanding establishing the framework for this cooperation will be agreed, pursuant to which the parties will discuss, amongst other things, how to move forward on both sides with equivalence determinations between the EU and the UK, without prejudice to the unilateral and autonomous decision-making process of each side. Board of managers will continue to monitor developments.

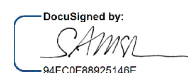
San-Marie Greeff, who was a manager of the Company during the year under review, resigned and was replaced by Joerg Oster who was appointed as manager of the Company with effect from February 17, 2021.

There were no other significant events after the reporting date that would require disclosure or revision to the financial statements as presented.

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Manager      Jens Hoellermann

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Manager      Simon Barnes

Date: 27 April 2021



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To the Shareholder of  
Clareant SCF S.à r.l.  
5, Heienhaff  
L-1736 Senningerberg  
Grand Duchy of Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### ***Report on the audit of the annual accounts***

#### ***Opinion***

We have audited the annual accounts of Clareant SCF S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2020, the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts 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 annual accounts.

#### ***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 annual accounts » 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 annual accounts, 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.

#### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



*Valuation of investments (financial assets – Investments held as Fixed assets)*

Refer to Note 2.2 and 3 to the annual accounts

<i>a. Why the matter was considered to be one of the most significance in our audit of the annual accounts of the current period</i>	<i>b. How the matter was addressed in our audit</i>
<p>The fair value of investments held by the Company in financial assets – Investments held as Fixed Assets represented 92.55% of its total assets as at 31 December 2020.</p> <p>Investments include several types of instruments (such as shares, bonds, structured credits, special situation assets). The valuation of investments is considered to be a key audit matter due to the significance of the balance and significant judgements to the annual accounts as a whole.</p> <p>These investments are illiquid by nature, therefore significant judgements and estimates are required to be applied by the Board of Managers in its assessment of their fair value. Inappropriate judgements made in relation to the methodology and inputs used or the assumptions taken may have a material impact on the valuation of the investment portfolio.</p>	<p>Our procedures over the valuation of the Company's investments in financial assets – Investments held as Fixed Assets included, but were not limited to:</p> <ul style="list-style-type: none"> <li>○ We inspected the valuation workings and pricing committee minutes received from management and assessed the accuracy of the fair value calculations by:</li> <li>○ agreeing the number/nominal amount of investment positions to external confirmations,</li> <li>○ agreeing the pricing of the securities to independent pricing sources and relevant corroborative supporting documents, and</li> <li>○ reperforming the calculation of the investment valuations.</li> </ul>

**Other information**

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of the “réviseur d'entreprises agréé” thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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 Managers for the annual accounts***

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

In preparing the annual accounts, the Board of Managers 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 Managers 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 annual accounts***

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts 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 annual accounts.

As part of an audit in accordance with the Law of 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 annual accounts, 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 Managers.
- Conclude on the appropriateness of Board of Managers' 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 annual accounts 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 annual accounts, including the disclosures, and whether the annual accounts 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### ***Report on other legal and regulatory requirements***

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

Luxembourg, 28 April 2021

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'V. Chan Yin'.

V. Chan Yin  
Partner



**Annual Accounts Helpdesk :****Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu**

RCSL Nr. : B199680

Matricule : 2015 2445 696

eCDF entry date :

**BALANCE SHEET****Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 *(in* <sup>03</sup> EUR *)*

Clareant SCF S.à r.l.

5, Heienhaff

L-1736 Senningerberg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>			
I. Intangible assets	1109 <u>Note 3</u>	109 <u>388.622.935,00</u>	110 <u>500.489.806,00</u>
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____	120 _____
4. Payments on account and intangible assets under development	1121 _____	121 _____	122 _____
II. Tangible assets	1123 _____	123 _____	124 _____
1. Land and buildings	1125 _____	125 _____	126 _____
2. Plant and machinery	1127 _____	127 _____	128 _____
	1129 _____	129 _____	130 _____

RCSL Nr. : B199680

Matricule : 2015 2445 696

	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 <b>Note 3</b>	135 <b>388.622.935,00</b>	136 <b>500.489.806,00</b>
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 <b>Note 3</b>	145 <b>388.622.935,00</b>	146 <b>500.489.806,00</b>
6. Other loans	1147	147	148
<b>D. Current assets</b>	1151	151 <b>31.246.623,00</b>	152 <b>48.893.049,00</b>
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 <b>Note 4</b>	163 <b>2.674.452,00</b>	164 <b>7.842.197,00</b>
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 <b>Note 4.1</b>	171 <b>207.048,00</b>	172 <b>207.662,00</b>
a) becoming due and payable within one year	1173 <b>Note 4.1</b>	173 <b>207.048,00</b>	174 <b>207.662,00</b>
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 <b>Note 4.2</b>	183 <b>2.467.404,00</b>	184 <b>7.634.535,00</b>
a) becoming due and payable within one year	1185 <b>Note 4.2</b>	185 <b>2.467.404,00</b>	186 <b>7.634.535,00</b>
b) becoming due and payable after more than one year	1187	187	188

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Matricule : 2015 2445 696

	Reference(s)	Current year	Previous year
III. Investments	1189 <u>Note 13</u>	189 <u>4.270.317,00</u>	190 <u>1.124.337,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 <u>Note 13</u>	195 <u>4.270.317,00</u>	196 <u>1.124.337,00</u>
IV. Cash at bank and in hand	1197 _____	197 <u>24.301.854,00</u>	198 <u>39.926.515,00</u>
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
<b>TOTAL (ASSETS)</b>		201 <u>419.869.558,00</u>	202 <u>549.382.855,00</u>

RCSL Nr. : B199680

Matricule : 2015 2445 696

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>Note 5</u>	301 <u>12.600,00</u>	302 <u>12.600,00</u>
I. Subscribed capital	1303 <u>Note 5</u>	303 <u>12.600,00</u>	304 <u>12.600,00</u>
II. Share premium account	1305 _____	305 _____	306 _____
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 _____	310 _____
1. Legal reserve	1311 _____	311 _____	312 _____
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 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>0,00</u>	322 _____
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
<b>C. Creditors</b>	1435 _____	435 <u>419.856.958,00</u>	436 <u>549.370.255,00</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

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

RCSL Nr. : B199680

Matricule : 2015 2445 696

	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 _____	367 _____	368 _____
a) becoming due and payable within one year	1369 _____	369 _____	370 _____
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 <u>Note 6</u>	379 <u>419.795.613,00</u>	380 <u>500.376.105,00</u>
a) becoming due and payable within one year	1381 _____	381 <u>50.390.278,00</u>	382 <u>43.349.229,00</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>369.405.335,00</u>	384 <u>457.026.876,00</u>
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 <u>Note 7</u>	451 <u>61.345,00</u>	452 <u>48.994.150,00</u>
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 <u>Note 7</u>	397 <u>61.345,00</u>	398 <u>48.994.150,00</u>
i) becoming due and payable within one year	1399 <u>Note 7</u>	399 <u>61.345,00</u>	400 <u>48.994.150,00</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>419.869.558,00</u>	406 <u>549.382.855,00</u>

**Annual Accounts Helpdesk :**

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RCSL Nr. : B199680

Matricule : 2015 2445 696

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

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

Clareant SCF S.à r.l.

5, Heienhaff  
L-1736 Senningerberg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 <u>Note 8</u>	671 <u>-1.114.416,00</u>	672 <u>-1.066.272,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>Note 8</u>	603 <u>-1.114.416,00</u>	604 <u>-1.066.272,00</u>
<b>6. Staff costs</b>	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 _____
<b>7. Value adjustments</b>	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 _____
<b>8. Other operating expenses</b>	1621 _____	621 _____	622 _____

RCSL Nr. : B199680

Matricule : 2015 2445 696

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>			
a) derived from affiliated undertakings	1715 _____	715 _____	716 _____
b) other income from participating interests	1717 _____	717 _____	718 _____
	1719 _____	719 _____	720 _____
<b>10. Income from other investments and loans forming part of the fixed assets</b>			
a) derived from affiliated undertakings	1721 <u>Note 9</u>	721 <u>31.398.473,00</u>	722 <u>51.996.494,00</u>
b) other income not included under a)	1723 _____	723 _____	724 _____
	1725 <u>Note 9</u>	725 <u>31.398.473,00</u>	726 <u>51.996.494,00</u>
<b>11. Other interest receivable and similar income</b>			
a) derived from affiliated undertakings	1727 <u>Note 10</u>	727 <u>127.576.528,00</u>	728 <u>93.174.758,00</u>
b) other interest and similar income	1729 <u>Note 10</u>	729 <u>117.758.118,00</u>	730 <u>92.697.482,00</u>
	1731 <u>Note 10</u>	731 <u>9.818.410,00</u>	732 <u>477.276,00</u>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>			
	1663 _____	663 _____	664 _____
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>			
	1665 <u>Note 11</u>	665 <u>-83.925.900,00</u>	666 <u>-7.417.364,00</u>
<b>14. Interest payable and similar expenses</b>			
a) concerning affiliated undertakings	1627 <u>Note 12</u>	627 <u>-73.925.223,00</u>	628 <u>-136.670.095,00</u>
b) other interest and similar expenses	1629 <u>Note 12</u>	629 <u>-30.093.332,00</u>	630 <u>-50.692.492,00</u>
	1631 <u>Note 12</u>	631 <u>- 43.831.891,00</u>	632 <u>-85.977.603,00</u>
<b>15. Tax on profit or loss</b>			
	1635 <u>Note 14</u>	635 <u>-9.462,00</u>	636 <u>-17.521,00</u>
<b>16. Profit or loss after taxation</b>			
	1667 _____	667 _____	668 _____
<b>17. Other taxes not shown under items 1 to 16</b>			
	1637 <u>Note 14</u>	637 _____	638 _____
<b>18. Profit or loss for the financial year</b>			
	1669 _____	669 <u>0,00</u>	670 <u>0,00</u>

**NOTES TO THE ANNUAL ACCOUNTS  
DECEMBER 31, 2020**

**1. ORGANISATION**

Clareant SCF S.à r.l. (hereafter the "Company") was incorporated on August 18, 2015 and organised under the laws of Luxembourg as a private limited liability company (société à responsabilité limitée) and was granted the status of a securitisation company (société de titrisation) within the meaning of the Law of March 22, 2004 on securitisation, as amended from time to time and that is governed by the laws of the Grand Duchy of Luxembourg, including the Luxembourg Law dated August 10, 1915 on commercial companies. The Company is registered under R.C.S. in Luxembourg, number B199680. On September 18, 2020, the Company changed its registered address from 51, avenue John F. Kennedy, L-1855 Luxembourg to 5, Heienhaff, L-1736 Senningerberg, Luxembourg. The principal activity of the Company is to lend to middle market companies, primarily through senior secured loans, unitranche lending, second lien loans and mezzanine loans.

The Company's financial year starts on January 1 and ends on December 31 with the exception of the first year, which began on the date of the incorporation of the Company on August 18, 2015 and ended on December 31, 2015.

The Company is a wholly-owned subsidiary of Alcentra Strategic Credit Fund (Holding) SCSp, a partnership incorporated under the Luxembourg Law of August 10, 1915 on commercial companies, as amended. Its registered office is at 5, Heienhaff, L-1736 Senningerberg, Luxembourg (formerly: 51, avenue John F. Kennedy, L-1855 Luxembourg).

The loan notes issued by the Company were listed on The International Stock Exchange of the Channel Islands ("TISE") as from September 29, 2020.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1. BASIS OF PREPARATION**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. The annual accounts have been prepared on a going concern basis. In preparing the annual accounts, the principal accounting policies besides the ones laid down by the Law, have been determined and applied by the Board of Managers. The Company keeps its books in Euro ("EUR") and the Balance Sheet and the Profit and Loss Account are expressed in the same currency. The Company has adopted the fair value approach to value financial fixed assets held.

The provisions of the Law of December 18, 2015 on the annual accounts and consolidated accounts and the Grand-Ducal regulation of December 18, 2015 on the layout of Balance Sheet and Profit and Loss Accounts, amending the Law of December 19, 2002 have been transposed in these annual accounts.

In preparing the annual accounts, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The figures in the financial statements have been rounded to the nearest whole number, unless otherwise stated.

**2.2. INVESTMENTS HELD AS FIXED ASSETS**

Investments held as fixed assets includes investments in Equities, Bonds, Structured credits and Special Situation assets. These are initially recorded at purchase price, including the expenses incidental thereto and are subsequently measured at fair value determined on the following basis.

The fair value is estimated using the market comparison/discounted cash flow techniques. This considers (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.

The fair value of the unlisted private equity investments is determined using the market comparison technique. The valuation model is based on market multiples derived from quoted prices of companies comparable to the underlying investment and the expected revenue and EBITDA of the underlying investment. The estimate is adjusted for the effect of the non-marketability of the equity securities.

Private Debt will primarily be valued using available market price sources where available i.e. Bloomberg, Markit and Reuters. Where none of the defined price sources herein are available, an asset will be deemed illiquid. In this scenario the asset will be valued internally by the credit analyst responsible for the company or sector in question. The analyst will give consideration to numerous fundamental or technical credit analysis, including but not limited to, the current performance of the asset, leverage, and the covenants compliance. In addition, comparative measures may be employed whereby observable market data is used to benchmark or ascribe value to the asset e.g. yields or recent deal pricing.

The change in fair value is recorded in the Profit and Loss Account.



**NOTES TO THE ANNUAL ACCOUNTS**  
**DECEMBER 31, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.3. DEBTORS**

Debtors are recorded at their nominal value. They are subject to value adjustments where their recoverability is either uncertain or compromised at the Balance Sheet date.

**2.4. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS**

This caption consists mainly of loan notes in issue and Convertible Class C Preferred Equity Certificates (CPECs). Loan notes in issue and CPECs are initially recorded at their nominal amount. Subsequent to initial recognition, the value of the loan notes in issue represent the value of the net assets (assets less liabilities excluding the loan notes in issue) of the Company as at the Balance Sheet date. Movements in the carrying amount of the loan notes in issue may vary as a result of the performance of the underlying portfolio and the resulting value adjustments. In order to reflect the value adjustment to the loan notes in issue, a net gain or loss allocated to the noteholder is recorded in the Profit and Loss Account. The amount of Net Loss allocated to the Noteholder will be recorded in Other interest receivable and similar income and the amount of Net gain allocated to the Noteholder will be recorded in Other interest and similar expenses. On the other hand, CPECs are subsequently measured at cost. There was no new equity contributions in the period.

**2.5. AMOUNTS OWED TO CREDIT INSTITUTIONS**

Amounts owed to credit institutions are valued at their repayment value representing the drawn amount and the accrued interest at the year end.

**2.6. OTHER CREDITORS**

Other creditors represent fees accrued during the year and are recorded at their repayment value.

**2.7. FOREIGN CURRENCIES TRANSLATION**

Transactions expressed in currencies other than EUR are translated at the exchange rate effective at the time of the transaction.

Subscribed capital and other non-monetary assets and liabilities expressed in currencies other than EUR are translated into EUR at the exchange rates effective at the time of the transaction. At the Balance Sheet date, these items remain translated at historic exchange rates. Cash at bank and other financial assets and liabilities are translated at the exchange rate effective at the Balance Sheet date. Realised exchange gains and losses and unrealised losses are reflected in the Profit and Loss Account.

Other assets and liabilities are translated separately at the closing rates.

**2.8. VALUE ADJUSTMENTS**

Value adjustments are adjusted directly on related assets.

**2.9. DERIVATIVES**

Forward contracts are valued at fair value. Unrealised gains and losses as at the Balance Sheet date are recorded under other investments and other creditors respectively. Movement in the unrealised gains and losses are recorded under value adjustments in respect of financial assets and of investments held as current assets and interest payable and similar expenses respectively in the Profit and Loss Account.

**2.10. CASH AT BANK AND IN HAND**

Cash at bank and in hand is valued at its nominal value.

**2.11. 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 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 arise.

**NOTES TO THE ANNUAL ACCOUNTS**  
**DECEMBER 31, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.11. PROVISIONS (CONTINUED)**

Provisions for taxation are recognised for the difference between the tax liability estimated by the Company and the advance payments for the financial years for which the tax return has not yet been filed.

**2.12. EXPENSES**

Expenses are recognised in the Profit and Loss Account in the year to which they relate.

**2.13. INTEREST INCOME**

Interest income and PIK interest is recognised in the Profit and Loss Account on an accrual basis at the contractual rate of interest of the related financial asset.

**3. FINANCIAL ASSETS**

**Investments held as fixed assets**

Financial assets consisted of the investments held as fixed assets. The movements for the year are as follows:

	December 31, 2020	December 31, 2019
	EUR	EUR
Cost - opening balance	506,044,026	495,211,280
Additions during the year	102,997,755	291,251,620
Disposals during the year	(133,346,969)	(280,418,875)
<b>Cost - closing balance</b>	<b>475,694,812</b>	<b>506,044,026</b>
Accumulated value adjustment - opening balance	(5,554,220)	(25,222,410)
Fair value movement during the year	(81,517,657)	19,668,190
<b>Accumulated value adjustment - closing balance</b>	<b>(87,071,877)</b>	<b>(5,554,220)</b>
<b>Net fair value</b>	<b>388,622,935</b>	<b>500,489,806</b>

**4. DEBTORS**

**4.1. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS**

Amounts owed by affiliated undertakings consisted of the following:

	December 31, 2020	December 31, 2019
	EUR	EUR
<i>a) becoming due and payable within one year</i>		
Amounts due from related parties	207,048	207,662
	207,048	207,662

**4.2. OTHER DEBTORS**

Other debtors consisted of the following:

	December 31, 2020	December 31, 2019
	EUR	EUR
<i>a) becoming due and payable within one year</i>		
Interest receivable	1,777,645	7,576,898
Other debtors	658,575	-
Receivable from sale of investment	31,184	57,637
	2,467,404	7,634,535
<b>Total</b>	<b>2,674,452</b>	<b>7,842,197</b>

# Clareant SCF S.à r.l.

Share Capital: EUR 12,600

## NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2020

### 5. SUBSCRIBED CAPITAL

The Company's share capital was set at the date of incorporation at EUR 12,600, represented by 12,600 shares with a par value of EUR 1 each. Under the terms and conditions provided by law, the Company's share capital may be increased or reduced by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of the articles of the Company. Under Luxembourg Law, an amount equal to at least 5% of the profit for the financial year must be allocated to a legal reserve until such reserve equals 10% of the subscribed capital. This reserve is not available for dividend distribution.

A transfer to legal reserve is not required for the year ended December 31, 2020 in light of there being no profit at year end (2019: EUR nil).

The Company did not repurchase any of its own shares during the year ended December 31, 2020 (2019: EUR nil).

The Company's share capital is divided into 4 classes of shares, class A, class B, class C and the ordinary shares, each of them having the same nominal value of EUR 1. The Company's shares are freely transferable among the shareholders.

The number of shares issued as at December 31, 2020 are as follows:

	December 31, 2020	December 31, 2019
	EUR	EUR
Ordinary shares	12,570	12,570
Class A shares	10	10
Class B shares	10	10
Class C shares	10	10
<b>Total</b>	<b>12,600</b>	<b>12,600</b>

All shares are held by Alcentra Strategic Credit Fund (Holding) SCSp.

The Master Fund under the name "Alcentra Strategic Credit Fund (Holding) SCSp" was formed pursuant to an initial Limited partnership agreement as a société en commandité spéciale in the Grand Duchy of Luxembourg on February 22, 2017. Alcentra Strategic Credit Fund SCSp, Alcentra Strategic Credit Fund (GBP) SCSp, Alcentra Strategic Credit Fund (EUR) SCSp and Alcentra Strategic Credit Fund (EUR2) SCSp act as the Parallel Partnerships for the Master Fund. Upon its formation, each Parallel Partnership agreed to contribute in specie to the Master Fund all of the securities they held in the Company, including any and all shares, loan notes and Convertible Class C Preferred Equity Certificates.

### 6. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Amounts owed to affiliated undertakings consisted of the following:

	December 31, 2020	December 31, 2019
	EUR	EUR
<i>a) becoming due and payable within one year</i>		
Loan note interest	50,140,278	43,142,189
Yield on the Convertible Class C Preferred Equity Certificates	250,000	200,000
Other amounts due to related parties	-	7,040
	<b>50,390,278</b>	<b>43,349,229</b>
<i>b) becoming due and payable after more than one year</i>		
Convertible Class C Preferred Equity Certificates	10,000,000	10,000,000
Net loss allocated to the Noteholder	(218,442,877)	(100,684,759)
Loan notes issued	577,848,212	547,711,635
	<b>369,405,335</b>	<b>457,026,876</b>
<b>Total</b>	<b>419,795,613</b>	<b>500,376,105</b>

*Convertible Class C Preferred Equity Certificates issued to Alcentra Strategic Credit Fund (Holding) SCSp.*

The Company (the "Issuer") issued Convertible Class C Preferred Equity Certificates ("CPECs") in accordance with the 'Convertible Class C Preferred Equity Certificate Agreement', dated September 21, 2015. The CPEC are issued in Euro and are convertible into Class C Shares of the Company. The CPEC bear a yield 0.5% per annum of the annual average aggregate par value of outstanding CPEC.

**NOTES TO THE ANNUAL ACCOUNTS**  
**DECEMBER 31, 2020**

**6. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS (CONTINUED)**

As per Article 11 of the CPEC Agreement, the CPEC shall, with respect to payment rights, redemption and rights of liquidation, winding up and dissolution, rank:

- prior to all Subordinated Securities of the Company;
- pari passu with any other present and future preferred equity certificates issued by the Company; and
- subordinate to all other present and future obligations of the Company whether secured or unsecured.

The mandatory conversion date of the CPEC is 30 years after the issuance date.

The losses incurred by the Company in relation to one of its investments are subtracted from the amount attached to each share class tracking such investment (whether profits, profits carried forward or the part representing the share capital) and, through their terms, the convertible preferred equity certificates convertible into that share class pro rata to the portion of financing provided by the shareholder of the relevant share class.

*Loan notes issued to Alcentra Strategic Credit Fund (Holding) SCSp.*

The notes are part of the Investor Notes Issuance programme that was approved by the Company in September 2015, the notes were admitted to the official list of the TISE on September 29, 2020. Interest is accrued quarterly at an amount equal to the Qualifying Net Income realised by the Issuer in connection with the Underlying Investments funded by amounts advanced (whether in the form of the subscription price for Notes or convertible preferred equity certificates) during the same Interest Period less an amount equal to the yield payable by the Issuer in respect of any Issuer CPEC held. Interest on loan notes is calculated based on the senior liabilities of the Company. This is comprised of all expenditure including but not limited to: Legal, audit, corporate services, service fees, tax charges from any jurisdiction in which the Company operates, and any expenses relating to the acquisition and management of investments.

The loans mature as at the termination date of the Noteholder which is six years after the Final Closing Date which is August 25, 2017. Furthermore, there is an option to extend the termination date by two consecutive one-year periods.

**7. OTHER CREDITORS**

Other creditors becoming due and payable within one year consisted of the following:

	December 31, 2020	December 31, 2019
	EUR	EUR
Audit fees payable	52,285	51,597
Administration fees	9,060	7,623
Unsettled transactions on investment purchases	-	46,567,095
Amounts owed to Barclays	-	2,364,350
Overpayment on loan facility	-	3,485
<b>Total</b>	<b>61,345</b>	<b>48,994,150</b>

**8. OTHER EXTERNAL EXPENSES**

Other external expenses consisted of the following:

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
Legal and professional fees	600,264	691,159
Other investment expenses	235,662	112,764
Administration fees	221,035	223,563
Audit fees	35,774	34,398
Service fees	21,681	4,388
<b>Total</b>	<b>1,114,416</b>	<b>1,066,272</b>

**NOTES TO THE ANNUAL ACCOUNTS**  
**DECEMBER 31, 2020**

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

Income from other investments and loans forming part of the fixed assets consisted of the following:

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
Loan interest	17,234,145	30,437,218
PIK interest	13,936,749	20,021,191
Upfront fees	227,579	724,107
Other fee income from investments	-	813,978
<b>Total</b>	<b>31,398,473</b>	<b>51,996,494</b>

Loan interest and PIK interest income is earned on the principal balance based on contractually agreed rates and interest periods. Upfront fees are one-off fees that are receivable by the Company in relation to the loan initiation process.

**10. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

Other interest receivable and similar income derived from affiliated undertakings consisted of the following:

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
Net loss allocated to Noteholder	117,758,118	92,697,482
	<b>117,758,118</b>	<b>92,697,482</b>

**OTHER INTEREST AND SIMILAR INCOME**

Realised gain on foreign exchange hedge	9,818,410	-
Unrealised gain on foreign exchange transactions	-	477,276
	<b>9,818,410</b>	<b>477,276</b>
<b>Total</b>	<b>127,576,528</b>	<b>93,174,758</b>

**11. VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND OF INVESTMENTS**

Value adjustments in respect of financial assets and of investments consisted of the following:

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
Unrealised forward contract gain/(loss)	3,145,977	(1,863,144)
Value adjustments on financial fixed assets*	(87,071,877)	(5,554,220)
<b>Total</b>	<b>(83,925,900)</b>	<b>(7,417,364)</b>

\* Refer to note 3 for the movement in financial fixed assets.

# Clareant SCF S.à r.l.

Share Capital: EUR 12,600

## NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2020

### 12. INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses consisted of the following:

a) derived from affiliated undertakings	Year ended December 31, 2020 EUR	Year ended December 31, 2019 EUR
Loan note interest	30,043,332	50,642,492
Yield on CPEC	50,000	50,000
	30,093,332	50,692,492
b) other interest and similar expenses		
Realised loss on financial fixed assets	42,242,280	71,419,335
Realised loss on foreign exchange transactions	788,992	14,288,060
Unrealised loss on foreign exchange transactions	569,356	-
Bank charges	113,783	122,840
Bridge facility non-utilisation fee	111,219	83,201
Bridge facility interest	6,261	64,167
	43,831,891	85,977,603
<b>Total</b>	<b>73,925,223</b>	<b>136,670,095</b>

### 13. INVESTMENTS

#### Other investments

In order to manage exchange-rate risk, the Company has entered into the following forward exchange-rate contracts.

At December 31, 2020:

Counterparty	Maturity Date	Amount bought	Amount sold	Fair value gain/(loss) EUR
Wells Fargo	01/03/2021	EUR 46,670,553	GBP 41,625,000	232,059
Wells Fargo	01/03/2021	EUR 160,946,518	USD 191,935,000	4,150,402
Wells Fargo	01/03/2021	USD 6,577,000	EUR 5,484,990	(112,144)
				<b>4,270,317</b>

At December 31, 2019:

Counterparty	Maturity Date	Amount bought	Amount sold	Fair value gain/(loss) EUR
Lloyds TSB Bank PLC	20/02/2020	EUR 151,166,087	USD 168,500,000	(1,752,802)
Lloyds TSB Bank PLC	20/02/2020	EUR 81,495,702	GBP 70,000,000	2,999,102
Lloyds TSB Bank PLC	20/02/2020	USD 5,981,695	EUR 5,403,284	24,686
Lloyds TSB Bank PLC	20/02/2020	GBP 645,176	EUR 752,401	(30,447)
Lloyds TSB Bank PLC	20/02/2020	EUR 329,233	GBP 282,000	13,004
Lloyds TSB Bank PLC	20/02/2020	EUR 13,724,247	USD 15,265,000	(129,206)
				<b>1,124,337</b>

At the Balance Sheet date, unrealised gains on forward contracts are recognised on the Balance Sheet as other Investments and the change in unrealised results are recorded in the Profit and Loss account as "Value adjustments in respect of financial assets and of investments held as current assets".

### 14. TAXATION

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

### 15. STAFF

The Company did not employ any staff during the year (2019: none).

**NOTES TO THE ANNUAL ACCOUNTS**  
**DECEMBER 31, 2020**

**16. RELATED PARTIES TRANSACTIONS**

San-Marie Greeff, who is a manager of the Company during the year, is also a director of Sanne Group (Luxembourg) S.A., which provides administration services to the Company. Total administration fees in respect of the year ended December 31, 2020 amounted to EUR 221,035 (2019: EUR 223,563) of which EUR 9,060 (2019: EUR 7,623) was payable at the end of the year under other creditors.

Jens Hoellermann and Simon Barnes are managers of the Company during the year under review. Service fees in respect of the year ended December 31, 2020 amounted to EUR 21,681 (2019: EUR 4,388).

As at the year end, amounts owed to affiliated undertakings include the outstanding loan notes issued to Alcentra Strategic Credit Fund (Holding) SCSp amounted to EUR 577,848,212 (2019: EUR 547,711,635) and the interest accrued on the loan notes amounted to EUR 50,140,278 (2019: EUR 43,142,189). CPEC of EUR 10,000,000 (2019: EUR 10,000,000) have been issued to Alcentra Strategic Credit Fund (Holding) SCSp. The net loss attributable to Noteholder is EUR 218,442,877 (2019: EUR 100,684,759), and the yield on the notes amounted to EUR 250,000 (2019: EUR 200,000).

Amounts owed by affiliated undertakings as at December 31, 2020 consisted of the following:

Entity	Nature of receivable	EUR
Alcentra SCF Carried Interest SCSp	Operating expenses	192,252
Alcentra Strategic Credit Fund (Holding) SCSp	Operating expenses	14,796
		<b>207,048</b>

Amounts owed by affiliated undertakings as at December 31, 2019 consisted of the following:

Entity	Nature of receivable	EUR
Alcentra Strategic Credit Fund (EUR) SCSp	Operating expenses	20,884
Clareant SCF GP S.à r.l.	Operating expenses	9,830
Alcentra SCF Carried Interest SCSp	Operating expenses	176,948
		<b>207,662</b>

**17. EVENTS DURING THE YEAR**

**Impact of COVID-19**

Initially the sell-off following the spread of Covid-19 was broad based, across a wide variety of sectors. However, defensive sectors such as utilities, healthcare, grocery retail and telecoms recovered relatively quickly, leaving behind sectors directly impacted by the pandemic such as oil and gas, leisure/gaming, non-grocery retail and consumer durables.

The restriction measures implemented due to the Covid-19 pandemic had an especially adverse impact on our retail holdings Debenhams, New Look and Vivarte. Debenhams and the La Halle subsidiary of Vivarte had to file for administration as a direct result of Covid lockdown measures. We have also provided/will provide new money facilities in the cases of New Look and Offshore Drilling Holding in combination with their balance sheet restructurings. However, we did see some trading normalization later in 2020 and expect profitability to recover in 2021.

**18. SUBSEQUENT EVENTS**

**Brexit**

At 11 p.m. GMT on January 31, 2020, the UK formally left the European Union (EU) and entered into a transition period that which lasted until 11 p.m. GMT on December 31, 2020. The EU/UK Trade and Cooperation Agreement which was agreed on December 24, 2020 and ratified by the UK Parliament on December 30, 2020 did not include an agreement on cooperation or access by UK Financial Services firms to the EU. It did however contain a joint declaration that by March 2021 a Memorandum of Understanding establishing the framework for this cooperation will be agreed, pursuant to which the parties will discuss, amongst other things, how to move forward on both sides with equivalence determinations between the EU and the UK, without prejudice to the unilateral and autonomous decision-making process of each side. Alcentra will continue to monitor developments.

San-Marie Greeff, who was a manager of the Company during the year under review, resigned and was replaced by Joerg Oster who was appointed as manager of the Company with effect from February 17, 2021.

There were no other significant events after the reporting date that would require disclosure or revision to the financial statements as presented.

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**NOTES TO THE ANNUAL ACCOUNTS**  
**DECEMBER 31, 2020**

**19. OFF BALANCE SHEET COMMITMENTS**

As at 10 August 2017, the Company entered into a multicurrency credit facility with ING Luxembourg S.A. as facility agent for commitments totalling EUR 50,000,000. As at the year end the facility drawn together with the accrued interest amounted to EUR nil (2019: EUR nil) and the undrawn amount was EUR 50,000,000 (2019: EUR 50,000,000). The uncalled commitment on investment amounted to EUR 11,314,176 (2019: EUR 16,748,392).

The Company's bank balance and undrawn investor commitments are pledged as guarantee for the credit facility as at year end.