

CEDL SMA S.à r.l.
Annual Accounts and Report of the réviseur d'entreprises agréé
for the year ended June 30, 2021

*5, Heienhaff
L-1736 Senningerberg, Luxembourg
R.C.S. Luxembourg: B209747
Share Capital: EUR 12,500*

	Page
Management Report	2-3
Report of the réviseur d'entreprises agréé	4-7
Annual Accounts	
Balance Sheet	8-12
Profit and Loss Account	13-14
Notes to the Annual Accounts	15-24

CEDL SMA S.à r.l.
MANAGEMENT REPORT
JUNE 30, 2021

The Board of Managers presents its report and the annual accounts of CEDL SMA S.à r.l. (the "Company") for the year ended June 30, 2021.

General

The Company was incorporated on October 7, 2016 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 as amended (the "Securitisation Law").

On September 16, 2020, the Company's registered office address changed from 51, avenue John F. Kennedy, L-1855 Luxembourg to 5, Heienhaff, L-1736 Senningerberg, Luxembourg.

The Company's financial year starts on July 1 and ends on June 30, with the exception of the first year, which began on the date of the incorporation of the Company on October 7, 2016 and ended on June 30, 2017.

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 has 100% of its loan notes listed on The International Stock Exchange of the Channel Islands (TISE) since September 24, 2020.

Summary of activities

The results for the financial year amounted to EUR nil (2020: EUR nil).

The total carrying value of loan notes issued and outstanding as at June 30, 2021 amounted to EUR 257,747,714 (2020: EUR 226,584,247). The interest accrued on the loan notes amounted to EUR 13,605,515 as of June 30, 2021 (2020: EUR 9,541,274).

Risk exposures

During the year, the principal risks faced by the Company relate to the financial instruments held by it and the Company expects the nature of these risks to remain the same for 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 securities issued all price risk is ultimately borne by the sole noteholder.

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 sole noteholder. During the year ended June 30, 2020, there were some portfolios impaired and as such accrued interest included an impairment on these non-performing investments. There was no default on the portfolio of debt securities as of June 30, 2021.

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 sole noteholder.

Interest rate risk

The debt investments made 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 sole noteholder.

Research and development activities

The Company was neither involved nor participated in any kind of research or development activities in the years ended June 30, 2021 and June 30, 2020.

Branches of the Company

The Company does not have any branches.

Acquisition of own shares

The Company did not purchase any of its own shares in the years ended June 30, 2021 and June 30, 2020.

Events during the year

Impact of COVID-19

COVID-19 was declared a pandemic by the World Health Organisation on March 11, 2020. The outbreak and spread has led to a public health crisis and widespread disruption across almost all regions and sectors. Through 2020, the global spread of the virus led to an increased level of uncertainty in financial markets and triggered volatility in interest rates, foreign exchange rates and asset prices.

Multiple rounds of restrictions and lockdowns seen across Europe in response to COVID-19 has led to acute impacts for businesses in directly affected sectors, with trading almost completely suspended, at least initially, for those worst impacted. Many businesses saw a pattern of significant rebound in activity following the easing of government restrictions. In many cases, the impact on trading as a result of the virus is expected to be temporary. Some of the worst affected companies have experienced, and continue to experience, severe difficulties as a result of the disruption to their activities and defaults are likely to increase for these businesses and in some cases, recoveries reduce.

The Portfolio Manager evaluated the fair value of the underlying assets held by the Company at June 30, 2021 and, where required, recommended fair value adjustments on these assets. These adjustments are reflected in the annual accounts via the Company's share of the respective underlying investments. The Portfolio Manager will continue to monitor the impact of COVID-19 on the underlying valuations going forward. The fair values as at June 30, 2021 are unrealised and actual realised proceeds may differ.

Brexit

With the UK formally exiting the European Union at the end of December 2020, the Portfolio Manager has continued to analyse and assess the impact on portfolio companies and valuations. Overall, the Portfolio Manager did not see a materially disruptive impact of Brexit on its investments either in Europe or the UK, both during the transition period and in the immediate aftermath of Brexit. Consistently firms were duly prepared, we noted a particular focus throughout the proceeding period on supply chain rigor, stability and business continuity. This diligence was rewarded, and as a consequence little measurable impact has been seen to date deriving from Brexit across the portfolio on performance and valuations.

Subsequent events

No events have occurred subsequent to the year-end which would have a material impact on the annual accounts for the year ended June 30, 2021.



Manager



Manager

Date: September 30, 2021



KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholder of
CEDL SMA S.à r.l.
5, Heienhaff
L-1736 Senningerberg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the annual accounts of CEDL SMA S.à r.l. (the "Company"), which comprise the balance sheet as at June 30, 2021, and 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 June 30, 2021 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 the "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 financial assets

<p><i>a. Why the matter was considered to be one of the most significant in our audit of the annual accounts of the current year</i></p>	<p><i>b. How the matter was addressed in our audit</i></p>
<p>The fair value of the financial assets held by the Company represented 97.14% of its total assets as at June 30, 2021.</p> <p>The financial assets consists of investments in loans.</p> <p>These investments are unquoted and illiquid by nature, therefore significant judgement and estimates are required to be applied by Management 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 financial assets.</p> <p>Due to the significance of financial assets' balance and the management judgement involved, we consider their valuation as a key audit matter.</p>	<p>Our procedures over the valuation of financial assets included, but were not limited to:</p> <ul style="list-style-type: none"> • We inspected the valuation workings and pricing committee minutes received from management and assessed the accuracy of the fair value calculations by: <ul style="list-style-type: none"> ○ agreeing the nominal amount of investment positions to independent confirmations received, ○ agreeing the pricing of the financial assets to relevant corroborative supporting documents, and ○ reperforming the calculation of the financial assets' valuations. • We considered whether the valuation methodology used is the most appropriate in the circumstances in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. • We agreed and benchmarked key inputs and estimates to independent information and to our own research.

We refer to the accounting policy in Note 2.2 and Note 3 "Financial assets" of the annual accounts.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual 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 the 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, September 30, 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé



T. Ramphul
Partner

Annual Accounts Helpdesk :

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

RCSL Nr. : B209747

Matricule : 2016 2451 422

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/07/2020 **to** ⁰² 30/06/2021 (in ⁰³ EUR)

CEDL SMA S.à r.l.

5, Heienhaff
 L-1736 Senningerberg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets			
I. Intangible assets	1109 _____ <u>Note 3</u>	109 <u>266.121.047,00</u>	110 <u>226.382.013,00</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. : B209747

Matricule : 2016 2451 422

	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 Note 3	135 266.121.047,00	136 226.382.013,00
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 Note 3	145 266.121.047,00	146 226.382.013,00
6. Other loans	1147	147	148
D. Current assets	1151	151 7.826.798,00	152 9.842.062,00
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 Note 4	163 2.489.199,00	164 2.595.580,00
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 Note 4.1	171 14.140,00	172 58.327,00
a) becoming due and payable within one year	1173 Note 4.1	173 14.140,00	174 58.327,00
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 Note 4.2	183 2.475.059,00	184 2.537.253,00
a) becoming due and payable within one year	1185 Note 4.2	185 2.475.059,00	186 2.537.253,00
b) becoming due and payable after more than one year	1187	187	188

RCSL Nr. : B209747

Matricule : 2016 2451 422

	Reference(s)	Current year	Previous year
III. Investments	1189 <u>Note 5</u>	189 <u>0,00</u>	190 <u>2.866.591,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 <u>Note 5</u>	195 <u>0,00</u>	196 <u>2.866.591,00</u>
IV. Cash at bank and in hand	1197 _____	197 <u>5.337.599,00</u>	198 <u>4.379.891,00</u>
E. Prepayments	1199 _____	199 _____	200 _____
TOTAL (ASSETS)		201 <u>273.947.845,00</u>	202 <u>236.224.075,00</u>

RCSL Nr. : B209747

Matricule : 2016 2451 422

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>Note 6</u>	301 <u>12.500,00</u>	302 <u>12.500,00</u>
I. Subscribed capital	1303 <u>Note 6</u>	303 <u>12.500,00</u>	304 <u>12.500,00</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 _____	322 _____
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 <u>Note 7</u>	435 <u>273.935.345,00</u>	436 <u>236.211.575,00</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 <u>Note 7.1</u>	355 <u>1.886.400,00</u>	356 <u>0,00</u>
a) becoming due and payable within one year	1357 <u>Note 7.1</u>	357 <u>1.886.400,00</u>	358 <u>0,00</u>
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. : B209747

Matricule : 2016 2451 422

	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 7.2</u>	379 _____ <u>271.368.634,00</u>	380 _____ <u>236.125.521,00</u>
a) becoming due and payable within one year	1381 _____ <u>Note 7.2</u>	381 _____ <u>13.620.920,00</u>	382 _____ <u>9.541.274,00</u>
b) becoming due and payable after more than one year	1383 _____ <u>Note 7.2</u>	383 _____ <u>257.747.714,00</u>	384 _____ <u>226.584.247,00</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 7.3</u>	451 _____ <u>680.311,00</u>	452 _____ <u>86.054,00</u>
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____ <u>Note 7.3</u>	397 _____ <u>680.311,00</u>	398 _____ <u>86.054,00</u>
i) becoming due and payable within one year	1399 _____ <u>Note 7.3</u>	399 _____ <u>680.311,00</u>	400 _____ <u>86.054,00</u>
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 _____ <u>273.947.845,00</u>	406 _____ <u>236.224.075,00</u>

Annual Accounts Helpdesk :

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

RCSL Nr. : B209747

Matricule : 2016 2451 422

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/07/2020 **to** ⁰² 30/06/2021 *(in* ⁰³ EUR *)*

CEDL SMA S.à r.l.

5, Heienhaff
 L-1736 Senningerberg

	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 _____ <u>Note 8</u>	671 _____ <u>-649.806,00</u>	672 _____ <u>-331.693,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>Note 8</u>	603 _____ <u>-649.806,00</u>	604 _____ <u>-331.693,00</u>
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 _____ <u>Note 4.2</u>	657 _____ <u>0,00</u>	658 _____ <u>-312.410,00</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____ <u>Note 4.2</u>	661 _____ <u>0,00</u>	662 _____ <u>-312.410,00</u>
8. Other operating expenses	1621 _____	621 _____	622 _____

RCSL Nr. : B209747

Matricule : 2016 2451 422

	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	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

NOTES TO THE ANNUAL ACCOUNTS**JUNE 30, 2021****1. ORGANISATION**

CEDL SMA S.à r.l. (hereafter the "Company") was incorporated on October 7, 2016 for an unlimited period. The Company is 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. On September 16, 2020, the Company's registered office address changed from 51, avenue John F. Kennedy, L-1855 Luxembourg to 5, Heienhaff, L-1736 Senningerberg, Luxembourg. The principal activity of the Company is to enter into one or more securitisation transactions within the meaning of the Securitisation Law.

The Company's financial year starts on July 1 and ends on June 30, with the exception of the first year, which began on the date of the incorporation of the Company on October 7, 2016 and ended on June 30, 2017.

The Company is a wholly owned subsidiary of European Direct Lending SLP (the "SLP"), a partnership incorporated under the Luxembourg Law of August 10, 1915 on commercial companies, as amended, having its registered office at 5, Heienhaff, L-1736 Senningerberg Luxembourg (formerly: 51, avenue John F. Kennedy, L-1855 Luxembourg).

The Company has 100% of its loan notes listed on The International Stock Exchange of the Channel Islands (TISE) since September 24, 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 and derivatives.

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 account, 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 annual accounts have been rounded to the nearest whole number, unless otherwise stated.

2.2. INVESTMENTS HELD AS FIXED ASSETS

Investments held as fixed assets represent principally debt instruments, equity and warrants. The investments are held as part of a trading portfolio. Accordingly, they are fair valued in accordance with Art.64bis 4(a). of the commercial law.

Investments in debt instruments

Investments in debt instruments are measured initially at purchase price, including the expenses incidental thereto. Subsequent to initial recognition investments are measured at fair value with changes recognised in profit or loss account. The fair value option has been adopted in line with the way the debt instruments are managed given their performance is evaluated on a fair value basis in accordance with each Company's documented risk management policies, investment strategy and information that is provided to key management personnel on a periodic basis. Payment in Kind (PIK) income for the period from the income due date until the reporting date shall be a component of investments at fair value through profit or loss. Amounts accrued are treated as part of the debt instruments in line with the terms of the respective agreements.

NOTES TO THE ANNUAL ACCOUNTS**JUNE 30, 2021****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)****Investments in equity instruments and warrants**

Investments in equity instruments include investments in non-convertible preference and non-puttable ordinary or preference shares. Investments in warrants entitle the Company to subscribe for unquoted ordinary equity shares in investee companies. Both types of investment are recognised initially at fair value which is normally the cost of the instrument excluding transaction costs. Subsequent to initial recognition, these investments are measured at fair value through profit or loss. Where fair value cannot be measured reliably, the investment shall be measured at the cost of the investment excluding transaction costs less impairment until a reliable measure of fair value becomes available. Stapled investments (e.g., debt and equity issued by the same issuer) that are “inseparable” by the terms of the investment are valued by taking consideration from both instruments.

Fair value measurement

‘Fair value’ is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm’s length transaction. The following hierarchy is used to estimate fair values:

- (i) The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted price is usually the current bid price.
- (ii) When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the Company can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale), that price is adjusted.
- (iii) If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm’s length exchange motivated by normal business considerations.

Fair value based on a valuation technique using observable market data will generally include evaluated pricing techniques using inputs such as quoted prices for similar instruments. Fair value based on a valuation technique that relies significantly on non-observable market data will include values not primarily derived from observable market data. Valuation techniques include comparison with similar instruments for which observable market prices exist and other valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on recent transactions that have been completed or market information obtained from deals that are under negotiation.

For debt investments the Company applies primary and secondary valuation models in line with International Private Equity and Venture Capital Valuation (“IPEV”) guidelines. Valuation models include the EV/EBITDA multiples methodology, discounted cash-flows and income yield approach. For assets which experience marked increases in leverage since entry a required yield adjustment to the valuation has been considered. Due to the nature of the asset class, inputs into the debt instruments’ valuation model take into consideration the costs incurred when the assets were acquired (purchase price) adjusted by a market overlay, which reflects any changes in the environment, performance of the asset relative to similar instruments, market appetite as well as other factors (e.g., level of interest rates) at the end of the financial reporting period. Fair values reflect the credit risk of the instrument and include adjustments which take into account the credit risk of the platform and the counterparty where appropriate.

For equity investments the Company utilises valuation models based on ratios for comparable listed companies adjusted for effects of size and liquidity and other points of difference where relevant. Warrants are valued using internal models that take into account the enterprise value of the investee, their performance and other factors such as the likelihood of the warranty being exercised given the forecast market conditions.

2.3. DEBTORS

Debtors are recorded at their nominal value. They are subject to value adjustments when their recoverability is either uncertain or compromised at the balance sheet date.

NOTES TO THE ANNUAL ACCOUNTS
JUNE 30, 2021**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.4. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS**

This caption consists mainly of loan notes in issue. Loan Notes in issue are initially recorded at their nominal amount. Subsequent to initial recognition, these 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 sole noteholder is recorded in the profit and loss account. The amount of net loss allocated to the sole noteholder will be recorded in other interest receivable and similar income and the amount of net gain allocated to the sole noteholder will be recorded in other interest and similar expenses. The loan notes and interest accrued constitute direct, unsecured and limited recourse obligations of the Company. The Company's ability to satisfy its payment obligations under the loan notes and its operating and administrative expenses are wholly dependent upon receipt by it in full of payments of amounts receivable under the corresponding underlying investments.

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 mainly 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 is 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. DERIVATIVES

Derivatives are valued at fair value. Unrealised gains on derivatives as at the balance sheet date are recorded under "Other investments". Unrealised losses on derivatives as at balance sheet date are recorded under "Other creditors becoming due and payable within one year". Net realised gain or loss on derivatives is recorded in the profit and loss account. Movement in the unrealised gains and losses are recorded under value adjustments in respect of financial assets and of investments held as current assets.

2.9. FAIR VALUE ADJUSTMENTS

Fair value adjustments are adjusted directly on the related assets.

2.10. PROVISIONS FOR LIABILITIES AND CHARGES

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

2.11. INTEREST AND ARRANGEMENT FEE INCOME

Interest and arrangement fee income are recognised in the profit and loss account on an accruals basis at the contractual rate of interest of the related financial asset.

2.12. EXPENSES

Expenses are recognised in the profit and loss account in the year to which they relate.

NOTES TO THE ANNUAL ACCOUNTS

JUNE 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13. CASH AT BANK AND IN HAND

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

3. FINANCIAL ASSETS

Investments held as fixed assets

The movements for the year are as follows:

	June 30, 2021 EUR	June 30, 2020 EUR
Acquisition cost - opening balance	241,159,897	218,720,291
Additions for the year	71,622,309	51,906,033
Disposals for the year	(46,766,314)	(29,466,427)
Acquisition cost - closing balance	266,015,892	241,159,897
Accumulated fair value adjustments - opening balance	(14,777,884)	376,935
Fair value adjustment for the year	14,883,039	(15,154,819)
Accumulated fair value adjustments - closing balance	105,155	(14,777,884)
Fair value - opening balance	226,382,013	219,097,226
Fair value - closing balance	266,121,047	226,382,013

Investments held as fixed assets consist of investments in direct lending loans which are for the purpose of generating interest income and potentially capital gains.

4. DEBTORS

4.1. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

Amounts owed by affiliated undertakings consisted of the following:

	June 30, 2021 EUR	June 30, 2020 EUR
<i>a) becoming due and payable within one year</i>		
Amounts due from related parties	14,140	58,327
Total	14,140	58,327

4.2. OTHER DEBTORS

Other debtors consisted of the following:

	June 30, 2021 EUR	June 30, 2020 EUR
<i>a) becoming due and payable within one year</i>		
Accrued interest	2,461,255	2,516,754
Other debtors	13,804	20,499
Total	2,475,059	2,537,253

Accrued interest relates to investments held as fixed assets which consist of investments in direct lending loans.

Accrued interest includes an impairment of EUR nil (2020: EUR 312,410) on non-performing investments. A corresponding amount has been booked on the "value adjustments in respect of current assets" caption in the profit and loss account.

NOTES TO THE ANNUAL ACCOUNTS

JUNE 30, 2021

5. INVESTMENTS

Other Investments

As at June 30, 2020 the Company had the following foreign currency swaps:

Counterparty	Maturity Date	Amount	Amount sold	Fair value gain EUR
Lloyds Bank Plc	20 August 2020	EUR 71,767,863	GBP 63,641,372	1,749,625
Lloyds Bank Plc	20 August 2020	EUR 3,032,443	CHF 3,184,865	40,273
Lloyds Bank Plc	20 August 2020	EUR 22,565,489	USD 24,451,580	841,372
Lloyds Bank Plc	21 August 2020	EUR 9,235,530	GBP 8,192,146	222,683
Lloyds Bank Plc	21 August 2020	EUR 412,631	GBP 366,145	9,805
Lloyds Bank Plc	21 August 2020	EUR 881,573	GBP 798,723	2,833
				2,866,591

Unrealised gain on foreign currency swaps as at June 30, 2020 amounted to EUR 2,866,591. Movement in unrealised gain on foreign currency swaps during the year ended June 30, 2020 amounted to EUR 944,644.

As at June 30, 2020, the net unrealised gains are recognised on the balance sheet as "Other investments" and in profit and loss account as "Value adjustments in respect of financial assets and of investments held as current assets".

6. CAPITAL AND RESERVES

The Company's share capital was set at the date of incorporation at EUR 12,500, represented by 12,500 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.

All shares are held by European Direct Lending SLP. No transfer to legal reserve is required or has been made for the year ended June 30, 2021 in light of the EUR nil (2020: EUR nil) accumulated profit at year end. The Company did not repurchase any of its own shares during the year ended June 30, 2021 (2020: EUR nil).

7. CREDITORS

7.1. AMOUNTS OWED TO CREDIT INSTITUTIONS

Amount owed to affiliated undertakings consisted of the following:

	June 30, 2021 EUR	June 30, 2020 EUR
<i>a) becoming due and payable within one year:</i>		
Amount drawn on bridge facility	1,885,265	-
Interest payable on bridge facility	1,135	-
Total	1,886,400	-

The Company entered into a facility agreement dated February 27, 2018 with Lloyds Bank PLC for a multi-currency uncommitted revolving facility of EUR 25,000,000, which was renewed on February 19, 2020. The rate of interest on each loan for each interest period is the percentage rate per annum which is the aggregate of the applicable margin (1.65% per annum) and LIBOR, or in relation to any loan in Euro, EURIBOR. The SLP is the guarantor for the multi-currency uncommitted revolving facility.

The repayment of each loan shall be on the earlier of:

- (1) last day of its interest period, i.e. the date falling 364 days from the date of the facility agreement.
- (2) the date falling 3 months after the relevant utilisation date, i.e. the date on which the relevant loan is to be made.

NOTES TO THE ANNUAL ACCOUNTS
JUNE 30, 2021

7. CREDITORS (CONTINUED)**7.1. AMOUNTS OWED TO CREDIT INSTITUTIONS (CONTINUED)**

On February 23, 2021, the facility agreement was further renewed and amended until February 22, 2022. The multi-currency uncommitted revolving facility was amended to EUR 20,000,000 and the applicable margin was amended to 1.75% per annum. All the other terms and conditions remain the same.

7.2. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Amounts owed to affiliated undertakings consisted of the following:

	June 30, 2021 EUR	June 30, 2020 EUR
<i>a) becoming due and payable within one year</i>		
Interest on loan notes	13,605,515	9,541,274
Intercompany payables to European Direct Lending SLP	15,405	-
Total	13,620,920	9,541,274
<i>b) becoming due and payable after more than one year</i>		
Loan notes issued to European Direct Lending SLP	265,932,185	244,115,052
Net gain allocated to the sole noteholder	(8,184,471)	(17,530,805)
Total	257,747,714	226,584,247

As at June 30, 2021, the Company had notes in issue amounting to EUR 265,932,185 (2020: EUR 244,115,052) in accordance with the Loan Notes Issuance Programme (for the maximum amount up to EUR 1,000,000,000) which has been subscribed solely by the SLP. Loan notes subscribed during the year amounted to EUR 57,191,035 (2020: EUR 48,700,000). Redemptions during the year amounted to EUR 35,373,902 (2020: EUR 23,456,202).

The proceeds from this issuance are used to finance acquisition of debt securities. The loan notes have limited recourse obligations of the Company and are payable solely out of amounts received by or on behalf of the Company in respect of the investment portfolio. The proceeds of the realisation of the security over the portfolio may be insufficient to pay all amounts due to the sole noteholder. In the event of a shortfall of such proceeds, the Company will not be obliged to pay any such shortfall and all claims in respect of which shall be extinguished. Such shortfall shall be borne by the sole noteholder.

The loan notes are issued in EUR and bear a variable interest rate. Interest paid during the year ended June 30, 2021 amounted to EUR 14,991,669 (2020: EUR 17,922,668). Interest payable at June 30, 2021 amounted to EUR 13,605,515 (2020: EUR 9,541,274).

7.3. OTHER CREDITORS

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

	June 30, 2021 EUR	June 30, 2020 EUR
Audit fees	75,985	70,487
Administration fees	35,103	15,520
Other payables	47	47
Total	111,135	86,054

NOTES TO THE ANNUAL ACCOUNTS
JUNE 30, 2021

7. CREDITORS (CONTINUED)**7.3. OTHER CREDITORS (CONTINUED)****Derivatives**

As at June 30, 2021 the Company had the following open derivatives:

Counterparty	Type of derivative financial instruments	Maturity Date	Amount bought	Amount sold	Fair value gain/(loss) EUR
NatWest Bank Plc	Foreign currency swap	13 August 2021	GBP 3,540,000	EUR 4,083,054	37,270
NatWest Bank Plc	Foreign currency swap	13 August 2021	GBP 588,000	EUR 680,454	3,937
Lloyds Bank Plc	Foreign currency swap	16 August 2021	USD 120,288	EUR 98,665	2,767
Lloyds Bank Plc	Foreign currency swap	16 August 2021	EUR 75,390,615	GBP 64,978,267	(235,380)
Lloyds Bank Plc	Foreign currency swap	16 August 2021	EUR 20,675,412	USD 24,650,405	(110,598)
Lloyds Bank Plc	Forward currency contract	16 August 2021	EUR 3,074,624	USD 3,749,504	(87,078)
Lloyds Bank Plc	Foreign currency swap	16 August 2021	EUR 14,763,669	GBP 12,724,629	(46,094)
NatWest Bank Plc	Foreign currency swap	13 August 2021	EUR 5,749,947	GBP 4,979,333	(45,648)
Lloyds Bank Plc	Forward currency contract	16 August 2021	EUR 6,962,850	USD 8,297,127	(33,553)
Lloyds Bank Plc	Foreign currency swap	16 August 2021	EUR 2,914,945	CHF 3,231,051	(32,559)
NatWest Bank Plc	Foreign currency swap	16 August 2021	EUR 4,979,561	GBP 4,290,076	(13,513)
NatWest Bank Plc	Foreign currency swap	16 August 2021	EUR 1,576,097	USD 1,879,464	(8,727)
					(569,176)

Unrealised loss on open derivatives as at June 30, 2021 amounted to EUR 569,176. Movement in unrealised loss on open derivative contracts during the year ended June 30, 2021 amounted to EUR (3,435,767).

At balance sheet date, the net unrealised losses are recognised on the balance sheet as "Other creditors" and in profit and loss account as "Value adjustments in respect of financial assets and of investments held as current assets".

8. OTHER EXTERNAL CHARGES

Other external charges consisted of the following:

	Year ended June 30, 2021 EUR	Year ended June 30, 2020 EUR
Professional fees	407,407	15,095
Audit fees	157,968	100,795
Administration fees	50,076	174,919
Legal fees	25,559	20,829
Service fees	8,796	20,055
Total	649,806	331,693

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 June 30, 2021 EUR	Year ended June 30, 2020 EUR
Interest income on investments held as fixed assets	19,442,119	18,776,575
Arrangement fee income	1,607,672	1,969,456
Realised gain on investments	-	243,000
Total	21,049,791	20,989,031

NOTES TO THE ANNUAL ACCOUNTS

JUNE 30, 2021

9. INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS (CONTINUED)

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

10. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

10.1 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME CONCERNING AFFILIATED UNDERTAKINGS

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

	Year ended June 30, 2021	Year ended June 30, 2020
	EUR	EUR
Realised gain on loan notes	2,322,735	-
Net loss allocated to sole noteholder	-	15,707,791
Total	2,322,735	15,707,791

10.2. OTHER INTEREST AND SIMILAR INCOME

Other interest and similar income consisted of the following:

	Year ended June 30, 2021	Year ended June 30, 2020
	EUR	EUR
Foreign exchange gain	-	90,961
Total	-	90,961

11. VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND OF INVESTMENTS HELD AS CURRENT ASSETS

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

	Year ended June 30, 2021	Year ended June 30, 2020
	EUR	EUR
Value adjustments on investments held as financial fixed assets*	14,883,039	(15,154,819)
Value adjustments on derivative financial instruments	(3,435,767)	944,644
Total	11,447,272	(14,210,175)

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

12. INTEREST PAYABLE AND SIMILAR EXPENSES

12.1 INTEREST PAYABLE AND SIMILAR EXPENSES CONCERNING AFFILIATED UNDERTAKINGS

Interest payable and similar expenses concerning affiliated undertakings consisted of the following:

	Year ended June 30, 2021	Year ended June 30, 2020
	EUR	EUR
Interest on loan notes	19,055,910	20,123,945
Net gain allocated to sole noteholder	9,346,334	-
Total	28,402,244	20,123,945

NOTES TO THE ANNUAL ACCOUNTS
JUNE 30, 2021

12. INTEREST PAYABLE AND SIMILAR EXPENSES (CONTINUED)**12.2 OTHER INTEREST AND SIMILAR EXPENSES**

Other interest and similar expenses consisted of the following:

	Year ended June 30, 2021 EUR	Year ended June 30, 2020 EUR
Realised loss on investments	3,464,526	-
Realised loss on derivatives	1,305,655	1,600,650
Foreign exchange losses	847,129	-
Interest expenses on bridge facility	107,266	166,013
Bank charges	42,952	42,897
Total	5,767,528	1,809,560

On derecognition of a debt instrument, a loss is recognised based on the difference between the consideration received and the original acquisition cost.

13. TAXATION

The Company is subject to all taxes applicable to commercial companies in Luxembourg. Pursuant to the provisions of the Law of March 22, 2004 as amended, the commitments to remunerate investors and other creditors are fully deductible.

14. STAFF

The Company did not employ any staff during the year (2020: none).

15. RELATED PARTY TRANSACTIONS

Jens Hoellermann and Simon Barnes are also the Partners of Intabulis SCSp, which provides professional services to the Company. San-Marie Greeff resigned as manager of the General Partner and was replaced by Jörg Oster on February 17, 2021. San-Marie Greeff and Jörg Oster who was/is a manager of the General Partner was/is a director at Sanne Group (Luxembourg) S.A, which provides administration services to the Company. Total administration fees in respect of the year ended June 30, 2021 amounted to EUR 50,076 (2020: EUR 174,919) of which, EUR 35,103 (2020: EUR 15,520) was payable at the end of the year. Services fees amounting to EUR 8,796 (2020: EUR 20,055) were charged during the financial year.

As at the year end, amounts owed to affiliated undertakings include the outstanding loan notes issued to European Direct Lending SLP amounted to EUR 257,747,714 (2020: EUR 226,584,247) and the interest accrued on the loan notes amounted to EUR 13,605,515 (2020: EUR 9,541,274).

As at June 30, 2021, the Company had the following intercompany amounts due from related entities within the structure:

Entity	Nature of receivable	Amount EUR
European Direct Lending SLP	expenses	14,140
Total receivables		14,140

As at June 30, 2020, the Company had the following intercompany amounts due from related entities within the structure:

Entity	Nature of receivable	Amount EUR
European Direct Lending SLP	expenses	17,809
European Direct Lending GP S.à r.l.	expenses	40,518
Total receivables		58,327

NOTES TO THE ANNUAL ACCOUNTS**JUNE 30, 2021****16. OFF BALANCE SHEET COMMITMENTS**

As at June 30, 2021, the amount of uncalled commitment from the investment held as fixed assets is EUR 12,005,568 (2020: EUR 13,920,437).

17. EVENTS DURING THE YEAR**Impact of COVID-19**

COVID-19 was declared a pandemic by the World Health Organisation on March 11, 2020. The outbreak and spread has led to a public health crisis and widespread disruption across almost all regions and sectors. Through 2020, the global spread of the virus led to an increased level of uncertainty in financial markets and triggered volatility in interest rates, foreign exchange rates and asset prices.

Multiple rounds of restrictions and lockdowns seen across Europe in response to COVID-19 has led to acute impacts for businesses in directly affected sectors, with trading almost completely suspended, at least initially, for those worst impacted. Many businesses saw a pattern of significant rebound in activity following the easing of government restrictions. In many cases, the impact on trading as a result of the virus is expected to be temporary. Some of the worst affected companies have experienced, and continue to experience, severe difficulties as a result of the disruption to their activities and defaults are likely to increase for these businesses and in some cases, recoveries reduce.

The Portfolio Manager evaluated the fair value of the underlying assets held by the Company at June 30, 2021 and, where required, recommended fair value adjustments on these assets. These adjustments are reflected in the annual accounts via the Company's share of the respective underlying investments. The Portfolio Manager will continue to monitor the impact of COVID-19 on the underlying valuations going forward. The fair values as at June 30, 2021 are unrealised and actual realised proceeds may differ.

Brexit

With the UK formally exiting the European Union at the end of December 2020, the Portfolio Manager has continued to analyse and assess the impact on portfolio companies and valuations. Overall, the Portfolio Manager did not see a materially disruptive impact of Brexit on its investments either in Europe or the UK, both during the transition period and in the immediate aftermath of Brexit. Consistently firms were duly prepared, we noted a particular focus throughout the proceeding period on supply chain rigor, stability and business continuity. This diligence was rewarded, and as a consequence little measurable impact has been seen to date deriving from Brexit across the portfolio on performance and valuations.

18. SUBSEQUENT EVENTS

No events have occurred subsequent to the year-end which would have a material impact on the annual accounts for the year ended June 30, 2021.