

(letter)

Explanatory document for the 4th term

From: 07/01/2020
To: 06/30/2021

Date: 11/01/2021

Name of Business:

Clareant EDL III GP S.à r.l.

Address or location:

(Principal Office)

5, Heienhaff, L-1736

Senningerberg, Luxembourg

Name

Joerg Oster, Manager

(Name and Title of the Representative

in the case that applicant legal status is corporation)

1. Operational status of business

(1) Date of notification

① Notification in accordance with Financial Instruments and Exchange Act (hereafter “FIEA”) Article 63(2) or Article 63-3(1)

Date: 03/12/2018

② Notification in accordance with Article 48(2), (4) or (6) of the Supplementary Provisions of the Act to Partially Amend the Securities and Exchange Act (Act No. 65 of 2006)

Not applicable

(2) Types of businesses currently being operated

Specially Permitted Businesses for Qualified Institutional Investors, etc. (“SPBQII”) (private placement and investment management), serving as general partner of funds

(3) Overview of the current term

Clareant EDL III GP S.à r.l., the Notifier, submitted to the Kanto Local Financial Bureau on March 12, 2018 and April 19, 2019, the notifications concerning the SPBQII (private placement and investment management). The Notifier acts as general partner of limited partnerships, including “Alcentra European Direct Lending

Fund III (JPY) SCSp”.

The Notifier’s business performance and overall financial status remained satisfactory during the current term. There were no material adverse events that affected the Notifier’s operating performance during the current term.

(4) Status of corporate officers and employees

① Number of corporate officers and employees

| | Corporate officers | of which part-time | Employees | Total |
|-------|--------------------|--------------------|-----------|-------|
| Total | 3 | 0 | 0 | 3 |

② Status of corporate officers

| Positions | Names |
|-----------|-----------------|
| Manager | Joerg Oster |
| Manager | Simon Barnes |
| Manager | Jens Hoellerman |

(5) Status of the principal business office, and business offices where Specially Permitted Businesses for Qualified Institutional Investors, etc. (“SPBQII”) are operated

| Name | Location | Number of Corporate officers and employees |
|------------------------------|--|--|
| Principal Office | 5, Heienhaff, L-1736 Senningerberg, Luxembourg* | 3 |
| Total <u> 1 </u> locations | | Total <u> 3 </u> |

* The Principal Office was moved to the above location on September 18, 2020.

(6) Status of external auditing

| Name or business name of the certified public accountant or auditing firm | Details of auditing |
|---|-------------------------------------|
| KPMG Luxembourg S.C. | Statutory audit of annual financial |

| | |
|--|---|
| | <p>statements of the Notifier.</p> <p>The audit by KPMG Luxembourg S.C. for the 4th term is ongoing, and not yet complete as of the date of filing the business report of the Notifier for the 4th term. However, the Notifier does not expect KPMG Luxembourg S.C. to find any adverse findings or exceptions in its audit report.</p> |
|--|---|

(Note)

1. Operational status of business

(2) Types of businesses currently being operated

In relation to businesses currently under operation, **(1)**enter "private placement" if they include businesses relating to acts specified under FIEA Article 63(1)(i); **(2)**enter "investment management" if they include those relating to acts specified under (ii) of the same Paragraph; **(3)**if they include those specified under the provisions of Article 17-13(2) of the Enforcement ordinance of the Financial Instruments and Exchange Act as businesses that especially require the protection of investors among those specified under (9) of the same Article, please indicate thus; and **(4)**if there are other businesses, please enter the types of such businesses. In addition, if there have been changes in such businesses during the term, please indicate them.

(3) Overview of business operations in the current term

Please give an overview of the business activities, business performance, and important events that have affected operating performance during the current term.

(4) Status of corporate officers and employees

① Number of corporate officers and employees

Enter the numbers of corporate officers and employees (limited to corporate officers and employees engaged in SPBQII; the same applies in ② below) as at the end of the current term.

② Status of corporate officers

Create a table and indicate all corporate officers as at the end of the current term. Note, however, that foreign corporations do not need to indicate representatives in Japan (i.e., persons specified under FIEA Article 63(7)(i)(d)).

(5) Status of the principal business office, and business offices where SPBQII are operated

Enter information about the principal business office, as well as each of the business offices where SPBQII are operated ("business offices, etc." hereafter in (5)). In addition, if there have been additions or abolitions of business offices, etc., or changes in the names or addresses of business offices, etc. during the term, please indicate them.

(6) Status of external auditing

Provide relevant information in this section if you have your financial statements externally audited by certified public accountants or auditing firms at least once every year.

Indicate whether the audits are statutory or voluntary, and describe specifically and succinctly the details of the audit results in the "Details of auditing."

(7) Status of the fund (excluding Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.)

| | | |
|--|--|---------------------|
| Names of the Invested Business Equity | Alcentra European Direct Lending Fund III (JPY) SCSp | |
| Details of the Invested Business | (Type of instrument) Other (Contents) The fund originates and invests indirectly (through a dedicated investment vehicle) predominantly in European middle-market loans | |
| Types of the Invested Business Equity | Rights based on laws and regulations of a foreign state (Luxembourg Special Limited Partnership under the Luxembourg law of 10 August 1915 concerning commercial companies as amended from time to time) | |
| Location of the accounts into which investment money is paid | | |
| Flow of funds | | |
| Duration | | |
| Status of investors | Types of investors | Number of investors |
| | Qualified Institutional Investors ("QIIs") | 3 |
| | of whom individuals | 0 |
| | Investors other than QIIs | 0 |
| | of whom individuals | 0 |
| | Total | 3 |
| Amount of investment by QIIs and its ratio | Amount of investment | yen |
| | Ratio of investment | % |
| If persons specified under the items of Article 233-3 are | Existence of persons specified under the items of Article 233-3 ("yes" or "none") | |

| | | | |
|---------------------------|---------------------|--|--|
| among the counterparty | Status of audits | Name or business name of the certified public accountant or auditing firm | |
| | | Details of audits | |

(Note)

1. Create a table and provide information for each of the Invested Business Equity regarding securities equivalents related to FIEA Article 2(2)(v) or (vi). Note, however, that you are only required to provide information in the "Names of the Invested Business Equity," "Types of the Invested Business Equity" and "Status of investors" for securities equivalents relating to (v) or (vi) of the same paragraph in which only professional investors invest.

Please indicate securities equivalents relating to (v) or (vi) of the same paragraph that were privately placed in the past and the expirations of whose duration are set in the current term or later, even if there has been no private placement during the current term.

2. This table must be created based on the end of the current term as the basis. If the accounting period of the fund (referring to assets into which investment or contribution has been made by persons who own securities equivalents relating to FIEA Article 2(2)(v) or (vi); the same applies in 6) and the term of the notifier of SPBQII do not match, make entries based on figures at the end of the last accounting period that came before the end of the current term.
3. In the "Details of the Invested Business" row, enter specific details of businesses that will manage the money and other assets being invested or contributed.
4. Select and enter, in the "Types of the Invested Business Equity" column, from "Partnership contract under the Civil Code," "Silent partnership contract," "Investment Limited Partnership contract," "Limited Liability Partnership contract," "Membership rights of an incorporated association," "Rights based on laws and regulations of a foreign state" and "Other rights." Provide specific details if you select "Other rights." Please also specify the names of laws the rights are based on and their key details if you select "Rights based on laws and regulations of a foreign state."
5. In "Location of the accounts into which investment money is paid," indicate names of the countries or territories where accounts into which customers pay their investment money are located.
6. In the "Flow of funds" section, indicate the names of business or names and roles of persons responsible for transferring, sending, managing or storing money

related to the fund.

7. In the "Ratio of investment" row under "Amount of investment by QIIs and its ratio" section, indicate the percentage of the invested amount by QIIs out of the total invested amount.
8. In the "Existence of persons specified under the items of Article 233-3" column: Specify "yes" in the case of private placement of Invested Business Equity with persons specified under the Paragraphs of Article 233-3 as the counterparty, or management of money and other assets invested or contributed by persons other than QIIs; otherwise enter "none."
9. Indicate whether the external audits are statutory or voluntary and describe specifically and succinctly the details of the audit results in the "Details of audits."
10. If there are circumstances that need reporting but do not fit anywhere in this table, you can indicate this using similar forms within such a scope that they do not cause misunderstanding.

(7–2) Status of the fund (limited to Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.)

| | | |
|--|--|---------------------|
| Names of the Invested Business Equity | | |
| Details of the Invested Business | | |
| Types of the Invested Business Equity | | |
| Location of the accounts into which investment money is paid | | |
| Flow of funds | | |
| Duration | | |
| Status of investors | Types of investors | Number of investors |
| | Qualified Institutional Investors ("QIIs") | |
| | of whom individuals | |
| | Investors other than QIIs | |

| | | | |
|--|---|---|-----|
| | | of whom individuals | |
| | Total | | |
| Amount of investment by QIIs and its ratio | Amount of investment | | yen |
| | Ratio of investment | | % |
| If persons specified under the items of Article 233-3 are among the counterparty | Existence of persons specified under the items of Article 233-3 ("yes" or "none") | | |
| | Status of audits | Name or business name of the certified public accountant or auditing firm | |
| | | Details of audits | |

(Note)

Enter according to the precautions in (7).

2. Status of accounts

Notifier is required to create balance sheets and profit and loss statements.

If the notifier is a corporation other than large companies prescribed under Article 2(vi) of the Companies Act (Act No. 88 of 2005), it is not required to submit profit and loss statements, but it is required to include net profit/loss in the balance sheets.

If the notifier has made its notification as a member of a partnership, etc., that does not have judicial personality, it is required to prepare balance sheets and profit and loss statements of the partnership, etc. However, partnerships, etc., other than those that have booked 500 million yen or more in investment money, etc. or those that have booked a total 20 billion yen or more in the liabilities section in the balance sheet for the last fiscal year do not need to prepare a profit and loss statement but are required to include net profit/loss in the balance sheets.

Notifiers who are individuals are not required to prepare balance sheets or profit and loss statements.

Clareant EDL III GP S.à r.l.
RCSL Nr: B220290
Matricule: 2017 2469 834
BALANCE SHEET (in EUR)
As at June 30, 2021

ASSETS

| | Reference(s) | Current year | Previous year |
|---|----------------------|----------------------|----------------------|
| B. Formation expenses | 1107 Note 3 | 107 1,022 | 108 1,726 |
| C. Fixed assets | 1109 | 109 10,229 | 110 10,435 |
| III. Financial assets | 1135 Note 4 | 135 10,229 | 136 10,435 |
| 1. Shares in affiliated undertakings | 1137 Note 4.1 | 137 10,229 | 138 10,435 |
| D. Current assets | 1151 Note 5 | 151 4,533,723 | 152 3,647,919 |
| II. Debtors | 1163 | 163 4,514,844 | 164 3,536,823 |
| 2. Amounts owed by affiliated undertakings | 1171 | 171 4,514,844 | 172 3,536,823 |
| a) becoming due and payable within one year | 1173 Note 5.1 | 173 4,514,844 | 174 3,536,823 |
| IV. Cash at bank and in hand | 1197 Note 5.2 | 197 18,879 | 198 111,096 |
| TOTAL (ASSETS) | | 201 4,544,974 | 202 3,660,080 |

Clareant EDL III GP S.à r.l.
RCSL Nr: B220290
Matricule: 2017 2469 834
BALANCE SHEET (in EUR)
As at June 30, 2021

CAPITAL, RESERVES AND LIABILITIES

| | Reference(s) | Current year | Previous year |
|--|----------------------|----------------------|----------------------|
| A. Capital and reserves | 1301 Note 6 | 301 12,000 | 302 12,000 |
| I. Subscribed capital | 1303 | 303 12,000 | 304 12,000 |
| VI. Profit or loss for the financial year | 1321 | 321 - | 322 - |
| C. Creditors | 1435 Note 7 | 435 4,532,974 | 436 3,648,080 |
| 6. Amounts owed to affiliated undertakings | 1379 | 379 4,532,974 | 380 3,604,920 |
| a) becoming due and payable within one year | 1381 Note 7.1 | 381 4,522,745 | 382 3,594,485 |
| b) becoming due and payable after more than one | 1383 Note 7.1 | 383 10,229 | 384 10,435 |
| 8. Other creditors | 1451 Note 7.2 | 451 - | 452 43,160 |
| a) Tax authorities | 1393 | 393 - | 394 5,350 |
| c) Other creditors | 1397 | 397 - | 398 37,810 |
| i) becoming due and payable within one year | 1399 Note 7.2 | 399 - | 400 37,810 |
| TOTAL (CAPITAL, RESERVES AND LIABILITIES) | | 405 4,544,974 | 406 3,660,080 |

Clareant EDL III GP S.à r.l.
RCSL Nr: B220290
Matricule: 2017 2469 834
PROFIT AND LOSS ACCOUNT (in EUR)
Financial year from July 1, 2020 to June 30, 2021

| PROFIT AND LOSS ACCOUNT | | | | |
|---|--------------|-------------------------|---------------|--------------------|
| | Reference(s) | Current year | Previous year | |
| 4. Other operating income | 1713 | 713 186,329 | 713 | - |
| 5. Raw materials and consumables and other external charges | 1671 | 671 (16,613,883) | 672 | (9,283,470) |
| b) Other external expenses | 1603 | 603 (16,613,883) | 604 | (9,283,470) |
| 7. Value adjustments | 1657 | 657 (704) | 657 | - |
| a) in respect of formation expenses and of tangible and intangible financial assets | 1659 | 659 (704) | 659 | - |
| 11. Other interest receivable and similar income | 1727 | 727 16,434,237 | 728 | 9,288,563 |
| a) derivated from affiliated undertakings | 1729 | 729 16,434,237 | 730 | 9,288,563 |
| 13. Value adjustments in respect of financial assets and of investments held as current assets | 1665 | 665 2 | 666 | 36 |
| 14. Interest payable and similar expenses | 1627 | 627 (5,981) | 628 | (4,524) |
| b) other interest and similar expenses | 1631 | 631 (5,981) | 632 | (4,524) |
| 15. Tax on profit or loss | 1635 | 635 - | 636 | (605) |
| 16. Profit or loss after taxation | 1667 | 667 - | 668 | - |
| 18. Profit or loss for the financial year | 1669 | 669 - | 670 | - |

Note: The financial statement of the Notifier for the 4th term is the draft version and may be subject to change. As the financial statement will be fixed on or around the end of December 2021, the Notifier will replace the draft version of the financial statement with the fixed version.