

Explanatory document
for the FY2021 term

From: 1/1/2021
To: 12/31/2021

Date: 8/1/2022

Name of Business:

Direct Lending Fund III General Partner
S.à r.l.

Address or location:

(Principal Business Office & Registered
Office)
11-13, Boulevard de la Foire,
L-1528, Grand Duchy of Luxembourg

Name: Nathan Brown, Manager
(Name and Title of the Representative
in the case that applicant legal status is
corporation)

(Note)

A person who has changed his/her surname may quote his/her former name next to the current full name in parenthesis in the "Name" section.

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: 11/9/2020

- 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") (investment management), serving as the general partner of Direct Lending Fund III (JPY) SLP.

(3) Overview of the current term

The notifier, Direct Lending Fund III General Partner S.à r.l., submitted to the Kanto Local Financial Bureau on November 9, 2020, the notification concerning the SPBQII (investment management).

The notifier act as a general partner of the funds, including Direct Lending Fund III (JPY) SLP (the “Fund”).

During FY2021, the notifier made capital calls to the Japanese investors to the Fund and received additional contribution to the Fund from such investors.

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 officers	Employees	Total
Total	3	3	0	3

② Status of corporate officers

Positions	Names
Manager	Nathan Brown
Manager	Luc Regent
Manager	Hille-Paul Schut

③ Status of performance-linked remuneration for corporate officers

Status of performance-linked remuneration for corporate officers
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Not Applicable

(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 Business Office & Registered Office	11-13, Boulevard de la Foire, L-1528, Grand Duchy of Luxembourg	3
Total <u> 1 </u> location		Total <u> 3 </u>

(6) Status of external auditing

Name or business name of the certified public accountant or auditing firm	Details of auditing
None	

(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)).

③ Status of performance-linked remuneration for corporate officers

If remuneration, etc. (meaning the remuneration, bonus or other property

benefit provided from the company as compensation for execution of operation, which is pertaining to the latest business year, or whose amount of paid or expected to be paid has been clarified in the latest business year (excluding those indicated in the business reports for any business years prior to the latest business year); hereinafter the same applies in ③) for corporate officers includes performance-linked remuneration (meaning remuneration, etc. calculated based on an indicator related to profits accrued by transactions performed as management of investment assets; hereinafter the same applies in ③), indicate the following.

- (a) If a policy regarding the decision of payment rate for performance-linked remuneration and other remuneration is determined, indicate the details.
- (b) Provide the indicator related to performance-linked remuneration, reason for selecting the indicator, and method for determining the performance-linked remuneration.
- (c) Indicate the total amount of performance-linked remuneration, its ratio to officer's remuneration and number of covered officers for each category of directors (excluding supervisory committee members and outside directors), supervisory committee members (excluding outside directors), company auditors (excluding outside company auditors), executive officers, and outside officers.
- (d) Provide prospects and achievements of the indicator related to performance-linked remuneration. If all or part of remuneration, etc. is non-monetary remuneration, indicate the details.

(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	Direct Lending Fund III (JPY) SLP
Details of the Invested Business	
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 on commercial companies, as amended)
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")	2
	of whom individuals	-
	Investors other than QIIs	-
	of whom individuals	-
	Total	2
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)

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.)

Not Applicable

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	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)

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.

Annual Accounts Helpdesk :

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RCSL Nr. : B 216569 Matricule :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2021 to ⁰² 31/12/2021 (in 03 EUR)

Direct Lending Fund III General Partner S.à r.l.
 11-13, Boulevard de la Foire
 L-1528 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____ -	102 _____ -
I. Subscribed capital not called	1103 _____	103 _____ -	104 _____ -
II. Subscribed capital called but unpaid	1105 _____	105 _____ -	106 _____ -
B. Formation expenses	1107 _____	107 _____ -	108 _____ -
C. Fixed assets	1109 _____	109 _____ 11	110 _____ 11
I. Intangible assets	1111 _____	111 _____ -	112 _____ -
1. Costs of development	1113 _____	113 _____ -	114 _____ -
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____ -	116 _____ -
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____ -	118 _____ -
b) created by the undertaking itself	1119 _____	119 _____ -	120 _____ -
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____ -	122 _____ -
4. Payments on account and intangible assets under development	1123 _____	123 _____ -	124 _____ -
II. Tangible assets	1125 _____	125 _____ -	126 _____ -
1. Land and buildings	1127 _____	127 _____ -	128 _____ -
2. Plant and machinery	1129 _____	129 _____ -	130 _____ -

	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	135 11	136 11
1. Shares in affiliated undertakings	1137 4	137 11	138 11
2. Loans to affiliated undertakings	1139	139 -	140 -
3. Participating interests	1141	141 -	142 -
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143 -	144 -
5. Investments held as fixed assets	1145	145 -	146 -
6. Other loans	1147	147 -	148 -
D. Current assets	1151	151 6,183,867	152 4,726,848
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	163 4,905,116	164 3,977,767
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	1171	171 4,905,116	172 3,977,767
a) becoming due and payable within one year	1173 5	173 4,905,116	174 3,977,767
b) becoming due and payable after more than one year	1175	175 -	176 -
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177 -	178 -
a) becoming due and payable within one year	1179	179 -	180 -
b) becoming due and payable after more than one year	1181	181 -	182 -
4. Other debtors	1183	183 -	184 -
a) becoming due and payable within one year	1185	185 -	186 -
b) becoming due and payable after more than one year	1187	187 -	188 -

	Reference(s)	Current year	Previous year
III. Investments			
1. Shares in affiliated undertakings	1189 _____ 1191 _____	189 _____ - 191 _____ -	190 _____ - 192 _____ -
2. Own shares	1209 _____	209 _____ -	210 _____ -
3. Other investments	1195 _____	195 _____ -	196 _____ -
IV. Cash at bank and in hand	1197 _____	197 _____ 1,278,751	198 _____ 749,081
E. Prepayments	1199 _____	199 _____ -	200 _____ -
TOTAL (ASSETS)		201 _____ 6,183,878	202 _____ 4,726,859

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>6</u>	301 <u>54,000</u>	302 <u>54,000</u>
I. Subscribed capital	1303 _____	303 <u>12,000</u>	304 <u>12,000</u>
II. Share premium account	1305 _____	305 <u>42,000</u>	306 <u>42,000</u>
III. Revaluation reserves	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 _____	_____	_____
a) other available reserves	1431 _____	_____	_____
b) other non available reserves	1433 _____	_____	_____
V. Profit or loss brought forward	1319 _____	319 _____	320 <u>(24)</u>
VI. Profit or loss for the financial year	1321 _____	321 _____	322 <u>24</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
C. Creditors	1435 _____	435 <u>6,129,878</u>	436 <u>4,672,859</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 _____

	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			
a) becoming due and payable within one year	1361	-	-
b) becoming due and payable after more than one year	1363	-	-
4. Trade creditors			
a) becoming due and payable within one year	1365	-	-
b) becoming due and payable after more than one year	1367	5,990,591	4,627,939
5. Bills of exchange payable			
a) becoming due and payable within one year	1369	5,990,591	4,627,939
b) becoming due and payable after more than one year	1371	-	-
6. Amounts owed to affiliated undertakings			
a) becoming due and payable within one year	1373	-	-
b) becoming due and payable after more than one year	1375	-	-
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests			
a) becoming due and payable within one year	1377	-	-
b) becoming due and payable after more than one year	1379	139,287	44,920
8. Other creditors			
a) Tax authorities	1381	139,287	44,920
b) Social security authorities	1383	-	-
c) Other creditors			
i) becoming due and payable within one year	1385	-	-
ii) becoming due and payable after more than one year	1387	-	-
D. Deferred income			
	1389	-	-
	1451	-	-
	1393	-	-
	1395	-	-
	1397	-	-
	1399	-	-
	1401	-	-
	1403	-	-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		6,183,878	4,726,859

Net profit/loss for the FY2021 term: —