

Explanatory document
for the FY2022 term

From: 1/1/2022
To: 12/31/2022

Date: 8/1/2023

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

During FY2022, 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 | | |

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 |
|--|

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 : 2002 3200 032

BALANCE SHEETFinancial year from ⁰¹ 01/01/2022 to ⁰² 31/12/2022 (in 03 EUR)

Direct Lending Fund III General Partner S.à r.l.
 11-13, Boulevard de la Foire
 L-1528 Luxembourg
 Grand Duchy of 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 | - | - |
| 4. Payments on account and tangible assets in the course of construction | 1133 | - | - |
| III. Financial assets | 1135 | 11 | 11 |
| 1. Shares in affiliated undertakings | 1137 | 11 | 11 |
| 2. Loans to affiliated undertakings | 1139 | - | - |
| 3. Participating interests | 1141 | - | - |
| 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests | 1143 | - | - |
| 5. Investments held as fixed assets | 1145 | - | - |
| 6. Other loans | 1147 | - | - |
| D. Current assets | 1151 | 5,797,442 | 6,183,867 |
| I. Stocks | 1153 | - | - |
| 1. Raw materials and consumables | 1155 | - | - |
| 2. Work in progress | 1157 | - | - |
| 3. Finished goods and goods for resale | 1159 | - | - |
| 4. Payments on account | 1161 | - | - |
| II. Debtors | 1163 | 5,004,295 | 4,905,116 |
| 1. Trade debtors | 1165 | - | - |
| a) becoming due and payable within one year | 1167 | - | - |
| b) becoming due and payable after more than one year | 1169 | - | - |
| 2. Amounts owed by affiliated | 1171 | 5,004,295 | 4,905,116 |
| a) becoming due and payable within one year | 1173 | 5,004,295 | 4,905,116 |
| b) becoming due and payable after more than one year | 1175 | - | - |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177 | - | - |
| a) becoming due and payable within one year | 1179 | - | - |
| b) becoming due and payable after more than one year | 1181 | - | - |
| 4. Other debtors | 1183 | - | - |
| a) becoming due and payable within one year | 1185 | - | - |
| b) becoming due and payable after more than one year | 1187 | - | - |

| | Reference(s) | Current year | Previous year |
|--------------------------------------|--------------|-----------------------------|-----------------------------|
| III. Investments | | | |
| 1. Shares in affiliated undertakings | 1189 _____ | 189 _____ - | 190 _____ - |
| 2. Own shares | 1191 _____ | 191 _____ - | 192 _____ - |
| 3. Other investments | 1209 _____ | 209 _____ - | 210 _____ - |
| IV. Cash at bank and in hand | 1195 _____ | 195 _____ - | 196 _____ - |
| | 1197 _____ | 197 <u>793,147</u> | 198 <u>1,278,751</u> |
| E. Prepayments | 1199 _____ | 199 _____ - | 200 _____ - |
| TOTAL (ASSETS) | | 201 <u>5,797,453</u> | 202 <u>6,183,878</u> |

| |
|--|
| 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 _____ |
| 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 _____ | 435 <u>5,743,453</u> | 436 <u>6,129,878</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 | 1143 _____ | 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 _____ | 361 _____ - | 362 _____ - |
| b) becoming due and payable after more than one year | 1363 _____ | 363 _____ - | 364 _____ - |
| | 1365 _____ | 365 _____ - | 366 _____ - |
| 4. Trade creditors | | | |
| a) becoming due and payable within one year | 1367 _____ | 367 _____ 5,666,128 | 368 _____ 5,990,591 |
| b) becoming due and payable after more than one year | 1369 <u>7</u> _____ | 369 _____ 5,666,128 | 370 _____ 5,990,591 |
| | 1371 _____ | 371 _____ - | 372 _____ - |
| 5. Bills of exchange payable | | | |
| a) becoming due and payable within one year | 1373 _____ | 373 _____ - | 374 _____ - |
| b) becoming due and payable after more than one year | 1375 _____ | 375 _____ - | 376 _____ - |
| | 1377 _____ | 377 _____ - | 378 _____ - |
| 6. Amounts owed to affiliated undertakings | | | |
| a) becoming due and payable within one year | 1379 _____ | 379 _____ 77,325 | 380 _____ 139,287 |
| b) becoming due and payable after more than one year | 1381 <u>8</u> _____ | 381 _____ 77,325 | 382 _____ 139,287 |
| | 1383 _____ | 383 _____ - | 384 _____ - |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | | | |
| a) becoming due and payable within one year | 1385 _____ | 385 _____ - | 386 _____ - |
| b) becoming due and payable after more than one year | 1387 _____ | 387 _____ - | 388 _____ - |
| | 1389 _____ | 389 _____ - | 390 _____ - |
| 8. Other creditors | | | |
| a) Tax authorities | 1451 _____ | 451 _____ - | 452 _____ - |
| b) Social security authorities | 1393 _____ | 393 _____ - | 394 _____ - |
| c) Other creditors | 1395 _____ | 395 _____ - | 396 _____ - |
| i) becoming due and payable within one year | 1397 _____ | 397 _____ - | 398 _____ - |
| ii) becoming due and payable after more than one year | 1399 _____ | 399 _____ - | 400 _____ - |
| D. Deferred income | 1401 _____ | 401 _____ - | 402 _____ - |
| | 1403 _____ | 403 _____ - | 404 _____ - |
| TOTAL (CAPITAL, RESERVES AND LIABILITIES) | | 405 _____ 5,797,453 | 406 _____ 6,183,878 |

Net profit/loss for the FY2022 term: —