LGT Capital Partners
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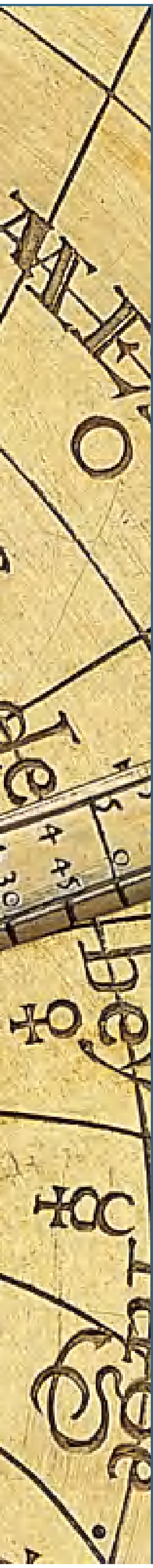

CEPD II-B DAC

Annual Report
For the year ended 31 December 2022

Registered number: 630322

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Directors and other information

Board of Directors
Mr Desmond Tobin
Mr Brian Goonan
Mr Gavin Lau - British (appointed on 4 March 2022)

Company Secretary
LGT Fund Managers (Ireland) Limited
30 Herbert Street
Dublin, Ireland

Independent Auditor
Ernst & Young
Harcourt Centre
Harcourt Street
Dublin, Ireland

Administrator
LGT Fund Managers (Ireland) Limited
30 Herbert Street
Dublin, Ireland

Registered Office
LGT Fund Managers (Ireland) Limited
30 Herbert Street
Dublin, Ireland

Asset Manager
LGT Private Debt (UK) Limited (appointed 29 June 2022)
1 St. James's Market
London SW1Y 4AH
United Kingdom

Bank
BNP Paribas Securities Services, Luxembourg Branch
60 avenue J.F. Kennedy
L-2085
Luxembourg

Legal Advisors
Dillon Eustace
33 Sir John Rogerson's Quay
Dublin, Ireland

Directors' Report

The Board of Directors presents the Directors' Report and the audited Financial Statements for CEPD II-B DAC ("CEPD II-B" or the "Company"), formerly known as CEPD II-B Limited, for the year ended 31 December 2022.

Principal activities and business review
CEPD II-B was incorporated in Ireland on 16 July 2018. It operates in accordance with the provisions of the Companies Act 2014 in Ireland (the "Companies Act 2014").

On 25 April 2019, the Company re-registered under the Companies Act 2014 as a Designated Activity Company ("DAC"), formerly registered as a Private Company Limited by Shares ("LTD").

The primary business objective of the Company is to purchase, invest in, originate or otherwise acquire financial assets and to carry on the business of a qualifying company as a securitisation company under Section 110 of the Irish Taxes Consolidation Act 1997.

The Directors approved the issuance of a Profit Participating Note ("PPN") with a nominal value of up to € 205,344,522 with a maturity date on 30 June 2027. On 2 July 2019, the PPN was listed on the Global Exchange Market of the Euronext Dublin exchange.

The Company is an Irish tax resident Section 110 qualifying company and under Case III of Schedule D of the Irish Taxes Consolidation Act, 1997 and the Company will be liable to pay Corporation tax at a rate of 25% on net profit.

Future development
The Board of Directors are confident that the main activity level of the Company will remain the same for the foreseeable future, despite the Ukraine and Russia conflict and Silicon Valley Bank closure as disclosed in Note 19 and in Note 20. The Board will continue to ensure proper management of the current portfolio of the Company.

Board of Directors' responsibilities for the Financial Statements
The Directors are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable Irish law and regulations. Under Irish company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the end of the financial year, and the profit or loss of the Company for the financial year, and otherwise comply with the Companies Act 2014.

Under that law, the Directors have elected to prepare the Financial Statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departures from those standards.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy;
- enable the Directors to ensure that the Financial Statements comply with the Companies Act 2014 and enable those Financial Statements to be audited; and
- to be responsible for the Company's investment decisions in the absence of an Asset Manager.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

Results
The results of operations for the year ended 31 December 2022 are set out in the Statement of Comprehensive Income as noted on page 17.

Principal Risks, Financial Risk Management and Uncertainties
The principal risks and uncertainties which the Company faces relate to the origination or acquisition of the Company's investments. The Board of Directors has analysed these and other risks including financial risks (incl. credit risk, liquidity risk and market risk) and appropriate methods in place to manage and control these risks. The financial risk management is further discussed in Note 16 of the Financial Statements.

Ukraine and Russia exposure
Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Despite the impact on the macroeconomic environment, the Asset Manager remains confident that there is no exposure to the Company from either Ukraine or Russia.

The Asset Manager continues to monitor this development and evaluate its impact on the Company.

Silicon Valley Bank exposure
On Friday, 10 March 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposits Insurance Corporation as receiver.

The Asset Manager has performed an initial assessment and deemed there are no direct exposures to the Company and its investments in the portfolio companies.

The full extent of the impact on the macroeconomic environment is difficult to assess at this point, and the Asset Manager will continue to monitor the evolving situation.

Key performance indicators
The Board of Directors confirm that the key performance indicators as disclosed below in the Financial Statements are those that are used to assess the performance of the Company.

During the year the Company;

- made a profit before taxation of € 350 (2021: € 350)
- interest income was € 25,212,510 (2021: € 22,460,378)
- fees and other income were € 1,397,244 (2021: € 1,823,873)

As at 31 December 2022;

- held loans and receivables for the amount of € 323,927,722 (2021: € 328,010,428)

Directors, secretary and their interests
The Directors of the Company during the year ended 31 December 2022 and subsequently to the issuance of these Financial Statements, were

Mr Brian Goonan (appointed on 6 February 2019)

Mr Desmond Tobin (appointed on 14 August 2018)

Mr Gavin Lau (appointed on 4 March 2022)

LGT Fund Managers (Ireland) Limited held the position of Company secretary during the financial year. The Directors and Company secretary had no interests in the share capital, share options or debentures of the Company at the beginning, during or end of the financial year.

There were no contracts or arrangements in relation to the business of the Company in which the Directors had any interest, as defined by the Companies Act 2014, at any time during the year under review (2021: none).

The Company did not have any employees throughout the year ended 31 December 2022 (2021: none).

Share Capital
The authorised and subscribed capital pertains to ordinary shares with a nominal value of € 1.

The ordinary share capital of the Company is fully owned by the parent company, Pargen (Ireland) Limited.

Political donations
No political donations were made by the Company during the financial year ended 31 December 2022 (2021: none).

Accounting records
The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regards to the obligation to keep adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records are held at the Company's registered office at LGT Fund Managers (Ireland) Limited, 30 Herbert Street, Dublin 2, Ireland.

Subsequent events
Subsequent events are disclosed in Note 21 of the Financial Statements.

Auditor
Ernst & Young (EY), Chartered Accountants, was appointed as the auditor and has expressed a willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Audit committee
As at the date of these Financial Statements, the Company meets the criteria of Section 167 of the Companies Act 2014. However, given the contractual obligations of the Administrator and the limited recourse nature of the securities issued by the Company, the directors have concluded that there is currently no need for the Company to have a separate audit committee in order for the Directors to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Going concern
The Company's Financial Statements for the year ended 31 December 2022 have been prepared on a going concern basis. The Directors have assessed whether the Company has adequate resources to continue in operational existence for the next twelve months from the approval of the Financial Statements. The assessment considers review of gross investment income returns, operating costs, working capital requirements and projected cash balances and cash flow movements. The Directors concluded that they do have adequate resources and continue to adopt the going concern basis in preparing these Financial Statements.

Dividends
No dividends were declared for the year ended 31 December 2022 (2021: €nil).

Directors' compliance statement
The Directors, in accordance with Section 225(2) of the Act, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Act, the market abuse regulations and tax laws ('relevant obligations'). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, have been put in place; and
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

Directors' statement on relevant audit information
As at the date of approval of these Financial Statements, the Board of Directors confirm that:

(a) so far as the Board of Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware; and

(b) The Board of Directors has taken all the steps they ought to have taken as the Board of Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory Auditors are aware of that information.

Mr Brian Goonan
Ireland, 28 April 2023

Mr Gavin Lau
Ireland, 28 April 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEPD II-B DAC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CEPD II-B DAC ('the Company') for the year ended 31 December 2022, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Company's financial statement close process, we obtained an understanding of management's going concern assessment process;
- We made inquiries of management personnel and obtained management's going concern assessment which covers twelve months from the date of signing this audit opinion and corroborated facts and circumstances detailed within the assessment to available information for the Company.

- Management has considered key criteria such as the current financial condition of the Company, including liquidity, ongoing operating expenses and any known external factors.

- We reviewed and evaluated the reasonability of the key factors considered by management in making their assessment of going concern including, obtaining an independent confirmation of available cash, we reviewed the ongoing operating costs relative to the size of total assets, confirmed the outstanding amount of the asset backed facility.

- We reviewed the Company's going concern disclosures included in the financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEPD II-B DAC (continued)

Key Audit Matter Description – Existence and valuation of loans and receivables carried at amortised cost

As at December 31, 2022, the Company's financial assets consist of investments in loans and receivables with a carrying value of €324.0 million, (2021: €328.0 million) which is described in Notes 2 (b) and 3. The Loans and receivables held by the Company are issued by privately held companies that are typically entered into by way of bi-lateral loan agreements in which there is no central registrar, custody arrangements or clearing house. These Loans and receivables are carried at amortised cost using the effective interest method and adjusted for any provision for impairment as disclosed in Note 3. The impairment provision on loans and receivables has been estimated by management, who have applied significant judgment in identifying indicators of impairment, determining the appropriate valuation techniques and the qualitative inputs used which are significant to the overall recoverable amount of these investments.

Because there is no central registrar which evidences the existence and ownership of the bi-lateral loans and the complexity involved in estimating impairment as well as the size of the Loans and receivable balance we consider this to be the key audit matter. We have also identified valuation of loans and receivables carried at amortised cost to be fraud a risk.

Our response to the key audit matter

In order to obtain sufficient audit evidence so as to provide reasonable assurance of the existence and valuation of the Loans and receivable amounts, we performed the following procedures:

- We obtained an understanding and performed a walkthrough of the Company's investment origination and investment valuation processes;

- On a sample basis, we:
    - independently confirmed Loans and receivables with the custodian and reviewed the signed Loan agreements and vouched drawdowns, repayments and interest income to bank statements as evidence of ownership;
    - assessed and reviewed management's qualitative assessment to determine indicators of impairment;
    - reviewed the appropriateness of management's valuation policy and compared it to industry standard methodologies;
    - reviewed investment valuation models to establish that the methodology is in line with the valuation policy;
    - tested the integrity of the valuation models by inspecting legal documents, drawdown/repayment notices, audited financial statements of the investees;
    - traced interest and principal payments to bank statements to test for compliance with the terms of the Loan agreements; and reviewed financial statement disclosures to determine if they are in line with FRS 102.

Key observations relating to the key audit matter

Our planned audit procedures were completed without material exception.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be €3.6 million (2021: €6.9 million), which is 2% (2021: 2%) of Profit Participating Note (PPN), including accrued interest. We believe that this provides us with the most appropriate basis for materiality having considered the expectation of users of these financial statements and the overall business environment. We considered Profit Participating Note (PPN) to be a more appropriate basis for determining materiality in the current year.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2021: 50%) of our planning materiality, namely €2.7m (2021: €3.4m). In the current year performance materiality is 75% based on our prior experience in auditing the Company. We have set performance materiality at this percentage due to the perspectives and expectations of users of the financial statements in the context of our knowledge of the Company and the environment in which they operate.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of €0.2m (2021: €0.3m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our Opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 financial statements.

Explanation to what extent the audit was considered capable detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEPD II-B DAC (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2014 and the Irish Taxes Consolidation Act 1997

- We gained an understanding of how the Company is complying with the frameworks through discussions with key management personnel. We inquired as to any known instances of non-compliance or suspected non-compliance with laws and regulations, reviewing board minutes and other relevant documentation to confirm if they have complied with the legal frameworks.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by holding discussions with key management personnel. We performed journal entry testing by testing manual journals processed as part of the financial statement close process and making inquiries regarding the existence of non-routine or unusual transactions.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiry with key management and external legal counsel, reviewing minutes of meetings of the board of directors and performing sample testing of legal expenses. As described the Key audit matters section of this opinion, we performed specific testing on the valuation of Loans and receivable which was considered as a fraud risk in the audit.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dean Phillips
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin, Ireland

Date: 28 April 2023

Statement of Financial Position

	Note	As at 31 December 2022 €	As at 31 December 2021 €
Non-current assets			
Loans and receivables	**3**	323,927,722	328,010,428
Total non-current assets		**323,927,722**	**328,010,428**
Current assets			
Other receivables	**4**	2,396,413	1,382,695
Cash and cash equivalents	**5**	14,198,906	13,277,609
Total current assets		**16,595,319**	**14,660,304**
Current liabilities			
Debt securities	**6**	7,094,291	8,831,325
Other liabilities - Amounts due within 1 year	**7**	111,573	100,489
Total current liabilities		**7,205,864**	**8,931,814**
Net current assets		**9,389,455**	**5,728,490**
Total assets less current liabilities		**333,317,177**	**333,738,918**
Non-current liabilities			
Debt securities	**6**	333,315,864	333,737,867
Total non-current liabilities		**333,315,864**	**333,737,867**
Total Net assets		**1,313**	**1,051**
Capital and reserves			
Called up share capital presented as equity	**10**	1	1
Retained earnings	**11**	1,312	1,050
Total equity		**1,313**	**1,051**

The accompanying notes from pages 20 to 37 form an integral part of these Financial Statements.

The Financial Statements were approved, authorised and signed on behalf of the Board by:

Mr Brian Goonan
Ireland, 28 April 2023

Mr Gavin Lau
Ireland, 28 April 2023

Statement of Comprehensive Income

	Note	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Operating revenue			
Interest income from loans and receivables	**12**	25,212,510	22,460,378
Fee and other income	**13**	1,397,244	1,823,873
Total operating revenue		**26,609,754**	**24,284,251**
Operating expenses			
Interest expense	**6**	23,303,002	28,043,716
General and administrative expenses	**14**	381,255	221,238
Total operating expenses		**23,684,257**	**28,264,954**
Net operating profit / (loss)		**2,925,497**	**(3,980,703)**
Net realised and unrealised losses on loans and receivables at amortised cost			
Provision of impairment	**3**	(112,111)	-
Total net realised and unrealised losses on loans and receivables at amortised cost		**(112,111)**	**-**
Net realised and unrealised losses on financial instruments at FVTPL			
Net realised losses on financial derivatives	**8**	-	(643,114)
Net unrealised gains on financial derivatives	**8**	-	16,721
Total net realised and unrealised losses on financial instruments at FVTPL		**-**	**(626,393)**
Net realised and unrealised foreign currency exchange (losses) / gains			
Net realised foreign exchange gains		1,062,921	706,679
Net unrealised foreign exchange (losses) / gains	**15**	(3,875,957)	3,900,767
Total net realised and unrealised foreign currency exchange (losses) / gains		**(2,813,036)**	**4,607,446**
Profit before taxation		**350**	**350**
Taxation	**9**	(88)	(87)
Net profit for the year		**262**	**263**
Total comprehensive income for the year		**262**	**263**

All items dealt with in arriving at the above result for the years ended 31 December 2022 and 31 December 2021 are related to continuing operations.

The accompanying notes from pages 20 to 37 form an integral part of these Financial Statements.

Statement of Changes in Equity

	Called up share capital €	Retained earnings €	Total €
Balance as at 1 January 2021	1	787	788
Total comprehensive income for the financial year	-	263	263
Balance as at 31 December 2021	**1**	**1,050**	**1,051**
Balance as at 1 January 2022	1	1,050	1,051
Total comprehensive income for the financial year	-	262	262
Balance as at 31 December 2022	**1**	**1,312**	**1,313**

The accompanying notes from pages 20 to 37 form an integral part of these Financial Statements.

Statement of Cash Flow

	Note	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Cash flows from / (used in) operating activities:			
Profit before taxation		350	350
Adjustment for:			
Interest income on loans and receivables	**12**	(25,212,510)	(22,460,378)
Fees and other income	**13**	(1,397,244)	(1,823,873)
Interest expense	**6**	23,303,002	28,043,716
Net unrealised gains on financial derivatives	**8**	-	(16,721)
Net unrealised foreign exchange losses / (gains)	**15**	3,875,957	(3,900,767)
Provision of impairment	**3**	112,111	-
Change in other liabilities		16,886	25,688
Purchases of loans and receivables	**3**	(49,484,711)	(87,763,670)
Disposal / collections of loans and receivables	**3**	50,020,534	46,885,945
Interest income on loans and receivables received		23,808,133	21,602,126
Fee and other income received		1,400,082	1,913,117
Tax Paid	**9**	(88)	(87)
Net cash flows from / (used in) operating activities		**26,442,502**	**(17,494,554)**
Cash flows (used in) / from financing activities			
Asset Backed Facility, drawn	**6**	18,544,232	57,437,358
Asset Backed Facility, repaid	**6**	(20,598,444)	(9,132,500)
Asset Backed Facility interest paid	**6**	(4,905,284)	(3,170,799)
Asset Backed Facility, capitalised transaction costs	**6**	(31,348)	(927,259)
PPN principal issued	**6**	15,040,605	50,499,018
PPN principal repaid	**6**	(13,149,048)	(53,066,696)
PPN interest paid	**6**	(19,392,082)	(19,014,528)
Total cash flows (used in) / from financing activities		**(24,491,369)**	**22,624,594**
Net increase in cash and cash equivalents		**1,951,133**	**5,130,040**
Cash and cash equivalents at the beginning of the year		13,277,609	8,557,243
Foreign exchange movements in cash and cash equivalents		(1,029,836)	(409,674)
Cash and cash equivalents at the end of the year		**14,198,906**	**13,277,609**

The accompanying notes from pages 20 to 37 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. General Information

CEPD II-B Limited (the "Company") was incorporated on 16 July 2018 as a Company limited by shares for an unlimited period with company number 630322. On 25 April 2019, the Company re-registered as CEPD II-B DAC under the Companies Act 2014 as a Designated Activity Company ("DAC"), formerly registered as a Private Company Limited by Shares ("LTD"). The transformation was required by the Company to list their Profit Participating Note ("PPN") on the Global Exchange Market of the Euronext Dublin. The Company is governed by the Companies Act 2014 in Ireland (the "Companies Act 2014"), within the meaning as a securitisation company under Section 110 of the Irish Taxes Consolidation Act 1997.

The registered office of the Company is established in Ireland, 30 Herbert Street, Dublin 2.

The Company has no (2021: no) employees and administration services required are contracted to third parties.

Pargen (Ireland) Limited, part of Pargen Foundation Limited ("Pargen") owns 100% of the ordinary share capital of the Company. Pargen was founded on 9 March 2004, pursuant to article 552 ff of the Liechtenstein Law on Persons and Companies (Personen – und Gesellschaftsrecht – PGR) and constitutes an autonomous legal person. It is entered in the Public Register with the Liechtenstein Office of Land and Public Registration (Grundbuch- und Öffentlichkeitsregisteramt) and is subject to supervision by the Liechtenstein Foundation Supervisory Authority (Stiftungsaufsichtsbehörde) pursuant to article 552, section 29 PGR. On 6 August 2021, Pargen transferred its shares in the Company to Pargen (Ireland) Limited ("Pargen Ireland"). As at 31 December 2022 and 31 December 2021, the ordinary share capital of the Company is fully owned by Pargen Ireland.

The Company's financial year starts on 1 January and ends on 31 December of each year.

In accordance with its articles of incorporation, the Company may carry out the operations described in the following paragraphs.

The primary business objective of the Company is to purchase, invest in, originate or otherwise acquire financial assets and to carry on the business of a qualifying company within the meaning of an Irish Section 110 Corporation under the laws of Ireland.

The Company issues Profit Participating Notes ("PPN") which are subscribed by Crown European Private Debt II (Lev) SCSp ("CEPD II (Lev) SCSp"). CEPD II (Lev) SCSp is an Alternative Investment Fund ("AIF") established in Luxembourg falling within the scope of, and subject to the requirements of the Law of 12 July 2013 on alternative investment fund managers (the "AIFM Law"). LGT Private Debt (France) SAS ("LGT PD") has been designated as the Alternative Investment Fund Manager ("AIFM") with respect to CEPD II (Lev) SCSp. LGT PD was incorporated in France, registered under number 851922427 and authorised by the Autorité des marchés financiers (the "AMF") under number GP-19000034 as a full scope AIFM.

LGT Private Debt UK Limited was appointed as the Asset Manager for the Company on 29 June 2022, being responsible for the Company's investment decisions.

The Company has secured a multicurrency Asset Backed Facility ("ABF") commitment with BNP Paribas ("BNP") of € 160,909,865 (2021: € 190,000,000). On 5 December 2022 the ABF reached the end of its Revolving period and can no longer draw down on this facility.

2. Summary of significant accounting policies

(a) Statement of compliance and basis of preparation

The Company has prepared the Financial Statements of the Company in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The Company has prepared their accounts in accordance with the Companies Act 2014.

The principal accounting policies applied in the preparation of the Financial Statements are set out below.

These policies have been consistently applied unless otherwise stated.

The presentation currency of the Financial Statements is Euro which is consistent with the functional currency of the Company. All values are rounded to the nearest Euro (€), except when otherwise indicated.

Going Concern
The Company's Financial Statements for the year ended 31 December 2022 have been prepared on a going concern basis. The Directors have assessed whether the Company has adequate resources to continue in operational existence for the next twelve months from the approval of the Financial Statements. The assessment also considers review of gross investment income returns, operating costs, working capital requirements and projected cash balances and cash flow movements. The Directors concluded that they do have adequate resources and continue to adopt the going concern basis in preparing these Financial Statements.

Basis of Measurement
The Financial Statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value. The methods used to measure the fair values are discussed further in Note 2 (b) (iii).

Use of Estimate and Judgements
The preparation of the Financial Statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected. Areas of judgement include determination of the functional and presentation currency, determination of fair value, impairment of loans and receivables and the levelling hierarchy as described in Note 2 (b) (iii).

The functional and presentation currency for the Company is Euro ("€"). The functional currency is the currency of the primary economic environment in which the Company operates. The majority of the Company's assets and liabilities (share capital, loans and receivables, Debt securities) are held in Euro. The Board of Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

In determining the fair value of derivative financial instruments, the Company uses counterparty prices which uses observable inputs.

In determining the impairment, the Company performs a periodic review at each quarter end for indicators of impairment. A two-tier approach (as outlined in Note 2 (b)(iv) is adopted whereby judgement is applied:

- to carry out a qualitative assessment to identify potential objective evidence of impairment (Tier One), and
- only in circumstances where such evidence is identified, the quantum of impairment/impairment loss is assessed quantitatively (Tier Two).

Judgement applied to the Tier One assessment considers objective evidence of the occurrence of one or more of the potential "loss event" includes among other qualitative criteria, significant changes with adverse effects to the technological, macro-economic or legal environment in which the borrower operates. If the Company considers there is insufficient evidence that a loss event has occurred after initial recognition of the asset, full recoverability is assumed, and no impairment provision is recognised. If judgement implies there is sufficient evidence of a loss event, then a further quantitative assessment is undertaken. The qualitative assessment is undertaken and reviewed at each quarter end for each investment.

In doing the Tier Two Assessment, management prepares an analysis consisting of traditional valuation methodologies to estimate the enterprise value of the portfolio company issuing the securities. The methodologies consist of valuation estimates based on valuations of comparable public companies, recent sales of comparable companies, discounting the forecasted cash flows of the portfolio company, the liquidation or collateral value of the portfolio company's assets, third party valuations of the portfolio company, third party sale offers, potential strategic buyer analysis and the value of recent investments of the portfolio company.

Key Source of estimation uncertainty
The Company uses estimates in determining impairment on loans and receivables as described in Note 2 (b) (iv).

The carrying values of loans and receivables are disclosed in Note 3.

(b) Financial Instruments
Under Section 11 of FRS 102, an entity shall choose to apply either:
(a) the provision of both Section 11 and Section 12 in full, or
(b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU), the disclosure requirements of Section 11 and 12 and the presentation requirements of paragraphs 11.38A or 12.25B, or
(c) the recognition and measurement provisions of IFRS 9 Financial Instruments and/or IAS 39 (as amended following the publication of IFRS 9) subject to the restriction in paragraph 11.2A, the disclosure requirements of Sections 11 and 12 and the presentation requirements of paragraphs 11.38A or 12.25B;

The Company has elected to apply the provision of option (a) above.

The financial instruments held by the Company include the following:

- Loans and receivable
- Debt securities
- Derivative financial instruments
- Cash and cash equivalents
- Other receivables and other liabilities

Categorisation:

The Company has loans and receivables, Debt securities, cash and cash equivalents, other receivables and other liabilities deemed as basic financial instruments and accounted under Section 11 of FRS 102. Loans and receivables, Debt securities, cash and cash equivalents, other receivables and other liabilities are measured at amortised cost. Derivatives are accounted under Section 12 of FRS 102. Derivatives are measured as financial instruments at fair value through profit or loss ("FVTPL").

(i) Initial recognition
The Company recognises a financial asset or a financial liability at the time it becomes a party to a contract because that is the point at which it has contractual rights or obligations. Financial assets and liabilities are initially recognised in the Statement of Financial Position at fair value, being the purchase price attributable to the acquisition.

Financial assets and financial liabilities not categorised as at FVTPL are subsequently measured at amortised cost.

Loans and receivables
The loans and receivables are initially measured at fair value. They are carried at amortised cost using the effective interest method and adjusted for provision for impairment as disclosed in Note 3.

The Company had no capitalised costs associated to its loans and receivables.

Debt securities
The Debt securities are initially measured at fair value. Debt securities fall under the definition of basic financial liabilities; hence, they are carried at amortised cost using the effective interest method.

The Company classifies the Asset Backed Facility (the "ABF") as a financial liability. The ABF contracted by the Company is stated at their amounts payable including principal, accrued interest and commitment fee for the unused facility, net of any unamortised premiums, discounts and transaction costs.

The Company classifies its issued Profit Participating Note (PPN) as a financial liability. Yield interest is accrued on the outstanding principal amount of the notes at an amount equal to the net income of the issuer excluding an annual reserved profit.

Derivative financial instruments
The Company initially recognises all derivatives on the trade date at which the Company becomes a party to the contractual provisions of the instruments at fair value. After initial measurement, the Company measures its derivative financial instruments at their fair value. Subsequent changes in the fair value of derivative financial instruments at FVTPL are recognised directly in the net unrealised movement on financial derivatives in the Statement of Comprehensive Income.

The Company entered into Foreign Currency Forward contracts (“Currency Forwards”) to hedge currency risk related to the underlying portfolio. Unrealised amounts due to translation of the notional amounts of the Forwards into Euro at the foreign exchange rate ruling at the reporting date are recognised in the net unrealised movement on financial derivatives in the Statement of Comprehensive Income.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand and short term deposits with a maturity of three months or less and are carried at amortised cost. Cash and cash equivalents are classified as “Current assets”.

Other receivables and other payables
Other receivables and other payables are carried at amortised cost.

(ii) Derecognition
The Company derecognises a financial asset, such as loans and receivables and derivatives financial instruments, when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iii) Determination of fair values
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The exit price notion embodies expectations about the future cash flows associated with the asset or liability from the perspective of market participants at the measurement date, under current market conditions. Transaction costs are not included as a component of the price and are recognised directly in the Statement of Comprehensive Income.

The Company uses counterparty prices which uses observable inputs to determine the valuation of the Company’s derivative financial instruments.

The Company uses a fair value hierarchy based on the observability of the inputs used to measure fair value. Inputs to fair value measurements are to be used in the following order of priority:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

The Company’s derivatives financial instruments fall into Level 2.

During the year ended 31 December 2022 and 31 December 2021, no derivative financial instruments were reclassified between the fair value hierarchy levels.

(iv) Impairment of loans and receivables
Loans and receivables are carried at amortised cost less any provision for impairment. Impairment provisions are recorded when the estimated value of the loans and receivables are deemed by the Company to be persistently less than book value.

The Company has adopted a two tiered approach in the impairment assessment of these instrument:

a) Tier one - Each instrument is assessed qualitatively for objective evidence of impairment and occurrence of material loss events.
b) Tier two – Where the evidence of impairment exists, the quantum of impairment is assessed quantitatively to determine the recoverable amount.

Where there is objective evidence that an impairment loss has occurred, the impairment amount is determined as the difference between the instrument's carrying amount and the net present value of the instrument's estimated future cash flows discounted with the original discount factor ("DF"). The instrument's proceeds at expected exit date are estimated based on the enterprise value methodology. The starting point for the determination of the estimated future cash flows is the concluded Enterprise Value ("EV") multiple from the computation of the EV at latest measurement date (or the concluded multiple at the initial funding date for new investments). The EV / waterfall valuation methodology involves establishing the total enterprise value of a portfolio company and then applying the EV to individual securities based on liquidation preference (i.e. the waterfall). EV is driven by the fair value of the comparable public companies and any control premium and discount adjustments.

The amount of the loss is measured as the difference between the assets' carrying amount and the net present value of the instrument. The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised under provision of impairment in the Statement of Comprehensive Income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment was recognised. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the provision for impairment, the difference is recognised as realised losses on loans and receivables and the outstanding provision for impairment is also reclassified to realised losses on loans and receivables.

An underperforming portfolio company is classified as defaulted when any of the following occurs:

- A payment default (interest or principal)
- A change in maturity to avoid a payment default
- A change in terms without prior agreement implying to more junior rights.

(c) Current assets
Current assets are valued at their nominal amount unless the amount is deemed not to be fully recoverable, in which case a value adjustment will be recorded to account for such receivables at the estimated net recoverable amount as determined by the Board of Directors. Other receivables under current assets include accrued interest receivables and other receivables.

(d) Current liabilities
Current liabilities are stated at their amount payable. Current liabilities include accrued interest on Debt securities, tax payable and other liabilities. Other liabilities mainly comprise of payables for audit fee, tax advisory, professional fee and accounting and administration.

(e) Fee income
Fee income is recognised in full in the Statement of Comprehensive Income on an accruals basis.

(f) Interest income and expense
Interest income on the loans is recognised on an accruals basis.

PIK interest is recognised on an accruals basis and is provisioned for in the event that the PIK interest becomes either partially or fully irrecoverable. PIK interest provisions are recognised in the profit and loss within interest income account in the period in which they arise. If the portfolio valuation subsequently indicates that the value is sufficient to cover the contractual interest, then the allowance made against the PIK interest is reversed and recorded as interest income.

Interest expense on debt securities are recognised on an accrual basis.

(g) Allowances
Allowances are provisions against accrued interest income which the Company does not expect to receive and recorded within interest income.

(h) Net gains and losses on financial instruments
Realised gains and losses arising from the sale of investments are recognised in the net realised movement on investments in the Statement of Comprehensive Income in the period in which they arise.

Fair value adjustments arising from investments are recognised in the net unrealised movement on investments in the Statement of Comprehensive Income in the period in which they arise.

(i) Foreign exchange gains and losses
Foreign currency transactions are translated into the functional and presentation currency, using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into the presentation currency at the foreign exchange rate ruling at the reporting date.

Foreign exchange differences arising on translation are recognised in the net unrealised foreign exchange movements in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the transaction.

(j) Taxation
The Company meets the criteria for a "Section 110 vehicle" under the Tax Consolidation Act, 1997. The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year as calculated in accordance with Irish Tax Laws. Taxable profit may differ from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are not taxable or deductible. The Company's liability for current tax is calculated using the tax rate that has been enacted or substantively enacted by the Statement of Financial Position date.

Tax expense for the financial year comprises current tax recognised in the financial year. Current tax assets and liabilities are not discounted.

The Company is subject to taxes applicable in Ireland.

3. Loans and receivables

	As at 31 December 2022	As at 31 December 2021
	€	€
Cost at beginning of the financial year	**328,010,428**	**277,988,499**
Acquisitions at cost during the year	49,484,711	87,763,670
Acquisitions in specie during the year*	2,103,946	-
Capitalised and accrued PIK	1,412,807	1,906,753
PIK received	(1,151,821)	(327,758)
Disposals	(50,020,534)	(46,885,945)
Foreign exchange revaluation during the year	(5,799,704)	7,565,209
Cost at the end of the financial year	**324,039,833**	**328,010,428**
Provision for impairment at the beginning of the financial year	**-**	-
Provision for impairment adjustment during the financial year	**(112,111)**	-
Provision for impairment at the end of the financial year	**(112,111)**	**-**
Carrying value at the end of the financial year	**323,927,722**	**328,010,428**
Maturity analysis		
Loans due <1 year	-	-
Loans between 1 year and 5 years	237,266,683	211,516,768
Loans due >5 years	86,773,150	116,493,660
Impairment provision	(112,111)	-
	323,927,722	**328,010,428**

Loan class:		
Unirate Bonds	320,173,950	324,042,995
Subordinated Debts	3,753,772	3,967,433
	323,927,722	**328,010,428**

*Acquisitions in specie are investments acquired from the Noteholder on a non-cash basis, and consideration is settled by issuing equivalent PPN principal.

Loans consists of securities issued by privately-held companies such as Unirate Bonds or Subordinated Debts which are classified as basic financial instruments. The loans are payable with final maturities of up to 7 years.

Unirate bonds are senior secured debt prioritised within the underlying portfolio company capital structures. Subordinated Debts are subordinated to senior debt, with a lower priority in the underlying portfolio company capital structure. Subordinated Debts are senior in priority to the equity or equity-like instruments and behave like debt instruments with a defined maturity date and interest payment (either cash or PIK).

Past due loans are loans where the cash interest receivable on the loans are overdue. Past due loans are classified as having a non-accrual status where the portfolio company is underperforming and no income is expected to be received from these portfolio companies.

Loans are issued with all-in-rate (cash interest plus PIK interest) between 7.11% and 14.98% (2021: 5.25% and 10.00%).

As at 31 December 2022 there was one loan (2021: none) either past-due or with a non-accrual status and there is one loan (2021: none) that is individually determined to be impaired.

During the year, the Company had no (2021: none) net realised losses, in relation to any (2021: none) portfolio companies' loans.

During the year, the Company had recognised an impairment adjustment of € 112,111 (2021: € nil) on one (2021: none) portfolio company's loans.

4. Other receivables

	As at 31 December 2022 €	As at 31 December 2021 €
Accrued Interest Income	2,383,344	1,320,024
Other receivables	13,069	62,671
	2,396,413	**1,382,695**

Accrued interest income relates to interest earned on loans and receivables. Other receivables are mainly fee income receivable at the reporting date.

5. Cash and cash equivalents

As at 31 December 2022, cash at bank and in hand amounted to € 14,198,906 (2021: € 13,277,609).

6. Debt securities

The Debt securities consist of the Asset Backed Facility and Profit Participating Note ("PPN") as described below. The total interest expense for the year is € 23,303,002 (2021: € 28,043,716).

	As at 31 December 2022 €	As at 31 December 2021 €
Current		
Asset Backed Facility at the beginning of the financial year	**887,672**	**568,216**
Interest accrued	5,523,870	3,490,255
Interest paid	(4,905,284)	(3,170,799)
Asset Backed Facility at the end of the financial year	**1,506,258**	**887,672**
PPN at the beginning of the financial year	**7,943,653**	**3,028,027**
Interest accrued	17,036,462	23,930,154
Interest paid	(19,392,082)	(19,014,528)
PPN at the end of the financial year	**5,588,033**	**7,943,653**
Total current debt securities	**7,094,291**	**8,831,325**
Non-current		
Asset Backed Facility at the beginning of the financial year	**164,206,767**	**112,822,073**
Principal drawn	18,544,232	57,437,358
Principal repaid	(20,598,444)	(9,132,500)
FX revaluation of principal drawn	(3,074,616)	3,383,788
Capitalised transaction costs accrued	742,670	623,307
Capitalised transaction costs paid	(31,348)	(927,259)
Asset Backed Facility at the end of the financial year	**159,789,261**	**164,206,767**
PPN at the beginning of the financial year	**169,531,100**	**172,098,778**
Principal issued	15,040,605	50,499,018
Principal issued in specie*	2,103,946	-
Principal repaid	(13,149,048)	(53,066,696)
PPN at the end of the financial year	**173,526,603**	**169,531,100**
Total non-current debt securities	**333,315,864**	**333,737,867**
Total debt securities	**340,410,155**	**342,569,192**

*PPN principal issued in specie are made on a non-cash basis in relation to investment acquisitions in specie from the Noteholder by the issuance of PPN.

(a) Asset Backed Facility

The Company has a secured multicurrency Asset Backed Facility ("ABF") commitment with BNP Paribas Trust Corporation UK Limited ("BNP") of € 160,909,865 (2021:€ 190,000,000). The interest rate is 2.40% plus EURIBOR (2021: 2.40%plus EURIBOR) or, in relation to any loans in GBP 2.60% plus SONIA (2021:2.60% plus SONIA) and USD 2.60% plus SOFR (2021: 2.60% plus USDLIBOR).

On 5 December 2022 the ABF reached the end of its Revolving period and can no longer drawdown on this facility. The facility terminates in June 2024.

Capitalised transactional costs are in relation to transactional costs on the ABF facility prepaid during the year and expensed over the life of the facility.

The ABF agreement outlines detailed covenant requirements that the Company must adhere to as an integral part of the Company's operations and reporting obligations. The Company gives periodic representations that all covenant criteria are met. This is either monthly or at a minimum on a quarterly basis. Covenant criteria are continually monitored. As at 31 December 2022 and 31 December 2021, no material breach had been reported on the facility covenants.

The ABF facility agreement outlines that the borrower shall repay the facility in full on the termination date of the ABF. The borrower is also able to effect a voluntary prepayment or voluntary cancellation of the loan prior to the termination date.

(b) Profit Participating Notes (PPN)

The PPN is subscribed by CEPD II (Lev) SCSp. CEPD II (Lev) SCSp is neither a shareholder nor the General Partner of CEPD II-B and has no control of the Company. The PPN were subscribed for a total commitment of € 205,344,522 (2021: € 205,344,522). On 2 July 2019, the PPN were listed on the Global Exchange Market of the Euronext Dublin exchange that is due on 30 June 2027.

The PPN entitles CEPD II (Lev) SCSp to interest on the outstanding principal amount of the note at an amount equal to the net income of the issuer excluding an annual reserved profit in proportion of its retention of interest.

The PPN is limited recourse obligations and the future cash flows for the PPN depends on the cash flows receipts of the underlying portfolio investments.

The contractual agreement of the PPN gives the Company the option to redeem the PPN in whole or in part prior to the maturity date without a redemption fee or equivalent break costs.

7. Other liabilities - Amounts due within 1 year

	As at 31 December 2022 €	As at 31 December 2021 €
Audit fee	36,285	37,240
Tax advisory	8,303	8,303
Professional fee	6,235	27,196
General and administration	60,750	27,750
Total	**111,573**	**100,489**

General and administration payables includes €nil (2021: € 7,500) which are due to the Company's Administrators, of which an estimated payable of €nil (2021: € 2,500) is the consideration for the individuals made available to act as the Directors of the Company. During the year, no fees were paid to directors (2021: €nil).

Accounting and corporate secretarial services have been outsourced to the Company's Administrator. The scope of corporate services agreement with the Administrator includes directorship services and hence administration fees paid to Administrator includes fees paid for directorship services.

In accordance with the provision of Sections 305A (1) of the Companies Act 2014 (as amended), the Company estimated that €10,000 (2021: €10,000) was paid to the Administrator for making available the services of directors of the Company. The terms of the corporate service agreement provide for a single fee for the provision of corporate services (including the making available of individuals to act as directors of the Company). As a result, the allocation of fees for directorship is a subjective calculation. The individuals acting as directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as directors of the Company. For the avoidance of doubt, the Directors of the Company do not receive any remuneration for acting as Directors of the Company.

8. Derivatives financial liabilities

	As at 31 December 2022 €	As at 31 December 2021 €
Movement during the financial year		
At beginning of the financial year	**-**	**16,721**
Net unrealised losses on financial derivatives	-	(16,721)
At end of financial year	**-**	**-**
Maturity analysis		
Derivatives due <1 year	-	-
Derivatives due >1 years	-	-

During the year ended 31 December 2021, the company settled all its Currency forwards as part of the overall hedging strategy by the Asset Manager and the AIFM of the Noteholder by putting currency forwards in CEPD II (Lev) SCSp. The Company settled the financial derivatives in cash and realised a loss on financial derivatives of €643,144.

9. Taxation on profit or loss

The Company is under Irish law and as such the Company is subject to corporate income tax on residual profits. The applicable rate of Corporation tax is 25% (2021: 25%). Taxable profits for the year ended 31 December 2022 amounted to € 350 (2021: € 350). The provision for tax for the year ended 31 December 2022 amounted to € 88 (2021: € 87).

	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Taxable profit for the year	**350**	**350**
Profit before tax multiplied by the standard rate of corporation tax in the Republic of Ireland 12.5%	44	44
Effect of:		
Higher tax rate applicable under Section 110 TCA, 1997	44	43
Taxation for the year	**88**	**87**
Profit before taxation	350	350
Taxation for the year	(88)	(87)
Profit after taxation for the year	**262**	**263**

10. Subscribed capital

The authorised and subscribed capital pertains to ordinary shares with a nominal value of €1.The ordinary share capital of the Company is fully owned by Pargen (Ireland) Limited.

11. Retained earnings

	As at 31 December 2022 €	As at 31 December 2021 €
Profit or loss brought forward	1,050	787
Profit or loss for the financial year	262	263
Retained earnings	**1,312**	**1,050**

During the year, the Company did not make any distribution of dividends (2021: €nil)

12. Interest income on loans and receivables

Interest income includes interest earned on loans and receivables for a total aggregated amount of € 25,212,510 (2021: € 22,460,378).

	As at 31 December 2022 €	As at 31 December 2021 €
Cash interest income from loans and receivables	23,761,632	20,553,625
PIK interest income from loans and receivables	1,412,807	1,906,753
Other interest income	38,071	-
Total	**25,212,510**	**22,460,378**

Other interest income includes interest income from the Company's bank accounts.

13. Fee and other income

Fee and other income mainly includes fees charged in respect of loans for a total aggregated amount of € 1,397,244 (2021: € 1,823,873). The fees include transaction structuring and financing fees received in executing these transactions and are generally payable only if the transaction closes.

14. General and administrative expenses

	As at 31 December 2022 €	As at 31 December 2021 €
Audit fee	148,826	36,265
General and administration	111,000	53,250
Professional fee	74,358	86,323
Legal	-	2,118
Tax advisory services	3,866	3,645
Bank Fee	43,205	39,637
Total	**381,255**	**221,238**

Audit fee relate to the auditor’s remuneration. There are no other assurance services, tax advisory services or other non-audit services serviced by the auditors. During the year ended 31 December 2022 auditor’s remuneration amounted to € 148,826 (2021 : € 36,265).

General and administration are expenses in relation to services provided by the Company’s Administrators.

15. Unrealised foreign exchange

	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Loans unrealised foreign exchange movements	(6,955,557)	6,823,044
Asset Backed Facility unrealised foreign exchange movements	3,766,275	-
Other unrealised foreign exchange movements	(686,675)	(2,922,277)
Total	**(3,875,957)**	**3,900,767**

Other unrealised foreign exchange movements includes unrealised foreign exchange movements on Debt securities, cash and cash equivalents, other receivables and other payables.

16. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

- LGT PD has developed a robust risk management framework, incorporating strategy, risk appetite, risk identification and assessment and monitoring, reporting and escalation protocols to ensure that the board of the Company ("Board") is aware of, controls and otherwise mitigates the risks faced by the Company.
- The Board of LGT PD is responsible for the total process of risk management, as well as forming its own opinion on the effectiveness of the process.
- The Risk Management Committee of LGT PD convenes at least once per quarter, with an agenda outlining a prescribed set of KPIs that are presented and reviewed.
- The Risk Management Committee of LGT PD is accountable to the Asset Manager for designing, implementing and monitoring the process of risk management and implementing it into the day-to-day business activities of the Company.
- The Risk Management Committee decides the Company's appetite or tolerance to the impact of risk – those risks it will accept and those it will not take in the pursuit of its goals and objectives. In addition, the Risk Management Committee ensures that the Company has implemented an effective, on-going process to identify risk, to measure its potential impact against a broad set of assumptions and then to ensure that such risks are actively managed.

The risk profile of the Company is such that market, credit, liquidity, and other risks of the financial asset instruments held for risk management are borne fully by the holders of Debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

(a) Market risk;

(b) Liquidity risk; and

(c) Credit risk

The Company's exposure to each of the risks, the Company's objectives, policies and processes for measuring and managing risk are presented below.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings of financial instruments.

Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and price risk.

The objective of market risk management is to manage and control market risk exposures with acceptable parameters while optimising the returns on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 31 December 2022, the weighted average interest rate on loans and receivable 9.4% (2021: 7.1%), and Asset Backed Facility 4.5% (2021: 2.6%).

The Board of Directors and LGT PD consider the Company's exposure to the risk of changes in market interest rate to be minimal as the Company's loans and receivables are with floating interest rates and have a minimum floor rate. The minimum floor rate limits the downside risk of interest rate fluctuations. Any future changes in interest income will have an equal but opposite impact on the Company's interest expense on PPN. As a result, the Company does not have material financial exposure to interest rate movements.

The interest rate risk profile of the Company is as follows:

As at 31 December 2022	Floating rate €	Fixed rate €	Non-interest bearing €	Total €
Loans and receivables	323,927,722	-	-	323,927,722
Other receivables	-	-	2,396,413	2,396,413
Cash and cash equivalents	14,198,906	-	-	14,198,906
Total assets	**338,126,628**	**-**	**2,396,413**	**340,523,041**
Debt securities	(333,315,864)	-	(7,094,291)	(340,410,155)
Other liabilities - Amounts due within 1 year	-	-	(111,573)	(111,573)
Total liabilities	**(333,315,864)**	**-**	**(7,205,864)**	**(340,521,728)**
Net Exposure	**4,810,764**	**-**	**(4,809,451)**	**1,313**

As at 31 December 2021	Floating rate €	Fixed rate €	Non-interest bearing €	Total €
Loans and receivables	328,010,428	-	-	328,010,428
Other receivables	-	-	1,382,695	1,382,695
Cash and cash equivalents	13,277,609	-	-	13,277,609
Total assets	**341,288,037**	**-**	**1,382,695**	**342,670,732**
Debt securities	(333,737,867)	-	(8,831,325)	(342,569,192)
Other liabilities - Amounts due within 1 year	-	-	(100,489)	(100,489)
Total liabilities	**(333,737,867)**	**-**	**(8,931,814)**	**(342,669,681)**
Net Exposure	**7,550,170**	**-**	**(7,549,119)**	**1,051**

The sensitivity of the Company's results to potential interest rate risk is considered to be very limited. Since the risk of changes in market interest rate fluctuations related to instruments with a floating interest rate component such as loans and receivables and the ABF will have an equal and opposite impact on the Company's corresponding interest expenses recognised on the PPN.

If interest rates increased by 3% and all other variables were held constant, interest income would increase by €9,717,832 (2021: €9,840,313), and interest expense on the Asset Backed Facility would increase by €4,827,296 (2021: €4,981,387). Accordingly, the resulting residual profit would be distributed to the Noteholder of the PPN in accordance with the contractual terms.

(ii) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is the risk which arises due to the assets and liabilities of the Company held in foreign currencies, which will be affected by fluctuations in foreign exchange rates.

The Company's most significant non-Euro currency exposures are to GBP and USD. Exposure to market currency risk is managed by matching the assets with liabilities to the extent possible.

During the year ended 31 December 2021, the company settled all its Currency forwards as part of the overall hedging strategy by the Asset Manager and the AIFM of the Noteholder by putting currency forwards in CEPD II (Lev) SCSp.

The Company's exposure to foreign currency risk as at 31 December 2022 is as follows:

	EUR	**GBP**	**USD**	**Total**
As at 31 December 2022	**€**	**€**	**€**	**€**
Loans and receivables	202,519,773	111,889,158	9,518,791	323,927,722
Other receivables	1,483,533	725,208	187,672	2,396,413
Cash and cash equivalents	11,700,702	2,432,661	65,543	14,198,906
Total assets	**215,704,008**	**115,047,027**	**9,772,006**	**340,523,041**
Debt securities	(278,394,027)	(58,490,535)	(3,525,593)	(340,410,155)
Other liabilities - Amounts due within 1 year	(874,201)	744,755	17,873	(111,573)
Total liabilities	**(279,268,228)**	**(57,745,780)**	**(3,507,720)**	**(340,521,728)**
Net Exposure	**(63,564,220)**	**57,301,247**	**6,264,286**	**1,313**

The Company's exposure to foreign currency risk as at 31 December 2021 is as follows:

	EUR	**GBP**	**USD**	**Total**
As at 31 December 2021	**€**	**€**	**€**	**€**
Loans and receivables	192,535,055	126,570,152	8,905,221	328,010,428
Other receivables	802,044	456,711	123,940	1,382,695
Cash and cash equivalents	10,797,249	2,454,369	25,991	13,277,609
Total assets	**204,134,348**	**129,481,232**	**9,055,152**	**342,670,732**
Debt securities	(280,782,209)	(58,506,749)	(3,280,234)	(342,569,192)
Other liabilities - Amounts due within 1 year	(15,207)	(84,942)	(340)	(100,489)
Total liabilities	**(280,797,416)**	**(58,591,691)**	**(3,280,574)**	**(342,669,681)**
Net Exposure	**(76,663,068)**	**70,889,541**	**5,774,578**	**1,051**

The following table demonstrates the sensitivity to a +/- 5% rate change in GBP and USD exchange rates, with all other variables held constant. The net impact of changes in the exchange rates to the monetary assets and liabilities are as below:

	As at 31 December 2022	**As at 31 December 2021**
GBP	2,865,062	3,544,477
USD	313,214	288,729

(iii) Price risk

The Company has minimal exposure to price risk as it does not hold any financial instruments that are traded on an active market and subject to fluctuations in prices.

(b) Liquidity risk

Liquidity risk is the risk that the Company will have difficulties meeting obligations associated with its financial liabilities that are settled in cash or another financial asset when they become due.

The Board of Directors have put in place a liquidity management policy to assess and monitor liquidity risks associated with the Company's obligations. This is done in particular by conducting stress tests and through the preparation of cash flow forecasts, the regular review of cash balances and monitoring of the expected cash receipts from its assets.

The Company maintains a level of liquidity which is appropriate, and allows for a reasonable amount of headroom to meet current financial and operational obligations and working capital requirements.

The Company's exposure to liquidity risk as at 31 December 2022 is as follows:

As at 31 December 2022	**Less than 1 year €**	**1 to 5 years €**	**Over 5 years €**	**Total €**
Asset Backed Facility	8,798,674	163,425,479	-	172,224,153
PPN	5,588,033	173,526,603	-	179,114,636
Other liabilities - Amounts due within 1 year	111,573	-	-	111,573
Total liabilities	**14,498,280**	**336,952,082**	**-**	**351,450,362**

The Company's exposure to liquidity risk as at 31 December 2021 is as follows:

As at 31 December 2021	**Less than 1 year €**	**1 to 5 years €**	**Over 5 years €**	**Total €**
Asset Backed Facility	5,088,367	170,502,055	-	175,590,422
PPN	7,943,653	-	169,531,100	177,474,753
Other liabilities - Amounts due within 1 year	100,489	-	-	100,489
Total liabilities	**13,132,509**	**170,502,055**	**169,531,100**	**353,165,664**

The PPN shown in the tables above are limited recourse obligations and future cash flow obligations of the PPN is directly dependent on the future cash flows receipts of the Company's loans and receivables. The gross contractual cash flow of the PPN includes the carrying amount of the PPN only. Future interest on the PPN was not included since it will be determined based on the future profitability and performance of the Company. With this broad matching of cash flow profiles, the liquidity risk is not regarded as significant.

Furthermore, the Company's investments are highly cash generative with monthly cash receipts, which also contributes to mitigate the liquidity risk.

The Company had secured the ABF with BNP. As at 31 December 2022, the Company has an outstanding balance of € 160,909,865 (2021: € 166,046,242).

(c) Credit risk

Credit risk is the risk of financial loss to the Company as a result of a counterparty failing to meet its contractual obligations. This risk is principally in connection with the Company’s loans and receivables. The loans and receivables are not rated. This risk is mitigated by the robust due diligence and credit assessment procedures that the Asset Manager have in place prior to making an investment and the ongoing monitoring of that investment by the Asset Manager’s Portfolio Monitoring Team up to the date of exit or realisation. This includes a systematic review of each loan and receivable balances to pre-empt such issues and create capacity to manage and mitigate any foreseeable periods of concern. In addition, the risk of significant credit loss is further mitigated by the Company’s policy to diversify its loans and receivables in terms of geography and industry sector and to limit the amount invested in any single company.

The Directors, monitor the credit risk to the Company in relation to its underlying investments and other receivables. The Company’s maximum exposure is equal to the amount of assets shown in the Statement of Financial Position. As at the signing date of the Financial Statements, the Directors believe that the Company does not have any significant credit loss to be recognised arising from the Company’s assets other than those described in Note 3. Loans and receivables, including the related accrued interest receivables, are not assigned a credit rating, LGT PD closely monitors, assesses and manages the risks associated with the loans and receivables.

The following table analyses the concentration of credit risk in relations to its underlying investment and other receivable by geographical distribution.

	2022	2021
	% Loans and receivables	**% Loans and receivables**
France	41.4%	41.8%
United Kingdom	36.7%	37.0%
Germany	9.1%	9.0%
Spain	5.7%	5.1%
Italy	3.6%	3.6%
Netherlands	3.5%	3.4%
Total assets	**100.0%**	**100.0%**

The following table analyses the concentration of credit risk in relations to its underlying investment and other receivable byindustrial distribution.

	2022	2021
	% Loans and receivables	**% Loans and receivables**
Commercial Services & Supplies	12.5%	13.5%
Insurance	15.4%	15.4%
Real Estate Management & Development	9.4%	9.7%
Distributors	9.0%	9.5%
Diversified Consumer Services	7.4%	5.9%
IT Services	6.8%	5.6%
Textiles, Apparel & Luxury Goods	6.2%	5.1%
Household Products	6.0%	4.7%
Construction & Engineering	4.4%	4.6%
Hotels, Restaurants & Leisure	4.0%	4.1%
Other	18.9%	21.9%
Total assets	**100.0%**	**100.0%**

Cash and cash equivalents of the Company are held with BNP Paribas, which is considered a major bank and has a Standard and Poor's credit rating of A-1 (2021: A-1).

Credit risk may be considered high in specific sectors and early indicators come through in the results of the portfolio reporting metrics. Such counterparty borrowers would be closely monitored for any further indications of further potential payment default risk. Systematic reviews of each portfolio company within the Company are performed to pre-empt such issues and create capacity to manage and mitigate any foreseeable periods of concern.

(d) Capital risk management

The Company views the issued PPN as its capital. The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to the Noteholder. The Company is not subject to externally imposed capital requirements.

17. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Company has appointed LGT Private Debt UK Limited as its Asset Manager, being responsible for the Company's investment decisions. LGT PD is the AIFM of CEPD II (Lev) SCSp. There were no management fees incurred/paid with LGT PD during the year (2021: nil), and the Company has no outstanding balances with LGT PD or the Asset Manager (2021: nil).

During the year the Company paid €12,500 (2021: €nil) to the Asset Manager for services provided.

In the opinion of the Board of Directors, LGT Fund Manager (Ireland) Limited as the administrator and Pargen (Ireland) Limied as the parent company are related parties. LGT Fund Manager (Ireland) charges a fee of € 15,000 (2021: € 30,000) per year for their services as the Company's Administrator, of which an estimate of € 10,000 (2021: € 10,000) is consideration for the making available of individuals to act as directors of the Company.

As at 31 December 2022, the Company had a payable of € nil (2021: € 7,500) due to the Company's Administrators, of which an estimated payable of € nil (2021: € 2,500) is the consideration for the individuals made available to act as the Directors of the Company.

The Company has no directors not employed by the service provider. For the avoidance of doubt, notwithstanding that the directors of the Company are employees of the corporate service provider group; they do not receive any remuneration for acting as directors of the Company.

As at 31 December 2022, the Company have an outstanding receivable of € 1 (2021: € 1) from Pargen (Ireland) Limited.

18. Commitments

In the normal course of business, the Company grants commitments under loan and financing agreements to fund portfolio companies and undrawn credit facilities. As at 31 December 2022, the Company had unfunded commitments under loan and financing agreements of €nil (2021: € 6,137,935) to fund to no (2021: 12) portfolio companies. These commitments are primarily composed of working capital credit facilities, acquisition credit facilities and subscription agreements. The commitments are generally subject to the portfolio companies meeting certain criteria such as compliance with covenants. The terms of the borrowings and financings subject to commitment are comparable to the terms of other loans in our portfolio.

The Company has committed to a secured facility with BNP Paribas ("BNP") of € 160,909,865 (2021: € 190,000,000), which can be drawn in Euros, Great British Pounds and United States Dollars. As at 31 December 2022, € 160,909,865 (2021: € 166,046,242) had been drawn. The facility terminates in June 2024. The interest rate is 2.40% plus EURIBOR or, in relations to any loans in GBP 2.60% plus SONIA and USD 2.60% plus SOFR. The ABF agreement outlines that the borrower shall repay the facility in full on the termination date of the ABF. The borrower is also able to effect a voluntary prepayment or voluntary cancellation of the loan prior to the termination date.

19. Ukraine and Russia conflict

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Despite the impact on the macroeconomic environment, the Asset Manager remains confident that there is no meaningful exposure to the Company from either Ukraine or Russia.

The Asset Manager continues to monitor this development and evaluate its impact on the Company.

20. Silicon Valley Bank exposure

On Friday, 10 March 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposits Insuarnce Coporation as receiver.

The Asset Manager has performed an initial assessment and deemed no direct exposures to the Company and its investments in portfolio companies.

The full extent of the impact on the macroeconomic environment is difficult to assess at this point, and the Asset Manager will continue to monitor the evolving situation.

21. Subsequent events

No events affecting the Company have occurred after 31 December 2022 that require disclosure or adjustment in these Financial Statements, other than those that are already disclosed.

22. Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors and authorised for issuance on 28 April 2023.

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