Direct Lending Business Plan

Alzette Direct Credit

DOCUMENT GUIDE

Contents

Luxembourg City 3 October 2026 Version 1.0

Executive summary....4
Business details....5
Business concept and objectives....6
Business model canvas....7
SWOT and longer term goals....8
TOWS strategy matrix....9
Owner and management....10
Owner and key personnel profiles....11
Target customers....12
Segmentation targeting and positioning....13
Value proposition canvas....14
Market size and trends....15
PESTLE analysis....16
Local demand and evidence....17
Competitors and positioning....18
Porter five forces....19
Strategy canvas....20
Location and premises....21
Equipment and resource plan....22
Loan product and mandate strategy....23
Pricing and credit economics....24
Competitor price comparison....25
Brand and customer experience....26
Sales channels and process....27
Launch marketing....28
Retention and ongoing sales....29
Daily operations and suppliers....30
Sustainability practices....31
Staffing and training....32
Staff skills and fair work....33
Legal and insurance requirements....34
Opening roadmap....35
Risks and management actions....36
Research and evidence....37

Quotes and assumptions..... 38
Startup costs and funding..... 39
Itemized startup costs..... 40
Owner personal survival budget..... 41
Financing terms and security..... 42
Fund income and monitoring capacity..... 43
Costs and projected profit..... 44
Profit and loss forecast..... 45
Cash flow and financial position..... 46
Cash flow forecast months one to six..... 47
Cash flow forecast months seven to twelve..... 48
Financial position summary..... 49
Break even and scenarios..... 50
Model guide and completion..... 51

Reading this business plan

Proposed Luxembourg manager and separate EUR corporate lending fund. Terms, staff, borrowers and investors are unconfirmed. Financials appear at the end and integrate model v1.0 January 2027 to December 2034. Launch needs permissions, investor capital and separately funded manager servicing.

Native heading driven contents. Update the entire table after editing; final page numbers are cached from the rendered document.

01 / OVERVIEW

Executive summary

Alzette Direct Credit is a proposed Luxembourg City advisory manager and separate closed ended European lending fund. The fund would originate senior secured EUR corporate loans to profitable lower midmarket businesses in France, Belgium, Netherlands and Germany. Professional investors would supply capital. No company has been incorporated, provider appointed, borrower contracted or capital secured.

Proceed only to mandate validation and legal structuring. The Base assumption is EUR 150 million investor capital, EUR 135 million deployment over 24 months and an eight year cash horizon ending December 2034. This is a first close funding hypothesis rather than measured demand. The manager requires its own proposed EUR 800,000 equity and must fund its later servicing obligations. Investor fund capital cannot pay unbudgeted manager losses. Verified Base investor IRR is 3.9% and cash multiple 1.20x through December 2034. Base manager additional funding gap is EUR 398,645; Downside gap is EUR 3,855,944. No capital is secured. Final fund NAV is zero after loan runoff, delayed recoveries and final cash distribution.

02 / BUSINESS

Business details

Working trading name is Alzette Direct Credit. Proposed manager is a Luxembourg SARL providing investment advice to a separate externally managed SCSp fund, with vehicle classification to be settled by Luxembourg counsel and the authorised AIFM. Address, contact person, telephone, email, beneficial owners and registration numbers are pending. No authority to manage an AIF is asserted.

Operating forecast starts 1 January 2027. Documents and loan agreements would be in English with local law collateral advice. Investor eligibility and marketing permissions are launch prerequisites. VAT treatment of advisory and management services, recoverability of expense VAT and any fund levy require advice; budgets currently include nonrecoverable indirect taxes as gross costs where applicable.

03 / STRATEGY

Business concept and objectives

The fund supplies five year bullet senior secured loans, typically EUR 5 million, to established nonfinancial businesses. Underwriting targets EUR 3–15 million EBITDA, recurring cash generation, limited customer concentration and demonstrable debt service capacity. Exclusions are consumers, property speculation, financial firms and loans to related parties. These are proposed mandate restrictions.

First objectives are independent underwriting, diversified deployment, timely covenant monitoring and full repayment or workout within the model horizon. The two year deployment window allows 27 Base tickets, with no reinvestment of repayments. Loan maturity is five years; a final recovery tail allows twelve month collection on defaults. The plan offers no fixed investor return guarantee.

04 / STRATEGY

Business model canvas

Partners are the external AIFM, depositary where required, fund administrator, auditor, collateral counsel and restructuring specialists. Core work is sourcing, underwriting, investment committee review, documenting, monitoring and recovery. Resources include qualified credit staff, signed commitments, reliable borrower data and secure systems.

Borrowers receive structured term funding and accountable monitoring. Investors obtain access to a diversified illiquid loan book. Borrower introductions and eligible institutional private marketing are the channels. Fund income is interest and origination fees; manager revenue is a separately budgeted management fee. Costs are loan losses, fund providers and the manager team. No carry, loan sale or leveraged facility is assumed.

Business model canvas

Partners AIFM administrator auditor counsel and security agents	**Activities** Origination credit approval monitoring and workouts	**Value proposition** Senior EUR corporate funding and transparent investor reporting
Relationships Borrower covenant review and eligible investor reporting	**Customers** Established corporates and professional fund investors	**Resources** Five staff secure systems and funded commitments
Channels Advisers and permitted institutional introductions	**Income** Fund coupon and fees; manager fee separately	**Costs** Credit losses providers salaries and overhead

Planning design; evidence and appointments pending.

05 / STRATEGY

SWOT and longer term goals

S1 is a designed small ticket mandate with senior collateral and no fund leverage. S2 is separate investment approval and finance control. Neither is an existing operating achievement. W1 is missing sponsor track record and investor commitments. W2 is fixed manager costs before a viable close. O1 is financing uncertainty reflected in official enterprise surveys. T1 is borrower distress and illiquid collateral.

Year three goals are full authorised monitoring coverage, complete borrower reporting and resilient manager liquidity. Year five goals concern servicing and recovery rather than a larger new fund. A successor vehicle needs a separately verified track record, investor appetite and additional forecast. Stop fundraising if qualified personnel, operational control or economic scale remain unproven.

SWOT and longer term goals

S1 S2 intended strengths Senior collateral unlevered fund independent finance control	**W1 W2 weaknesses** Unverified sponsor and high fixed manager cost
O1 opportunity Financing uncertainty calls for mandate testing	**T1 threat** Borrower distress illiquid collateral and runoff costs

Planning design; evidence and appointments pending.

06 / STRATEGY

TOWS strategy matrix

SO uses S1 and O1 to test senior loan mandates with advisers and eligible investors, recording actual pricing rather than claiming a financing gap. WO addresses W1 through verified biographies, documented credit experience and provider diligence. Every material commitment needs written evidence.

ST uses S2 to challenge downside debt service, collateral valuations and borrower concentrations before funding. WT limits W2 and T1 through a minimum viable close, separate sponsor cash reserve and workout budget. Decline deployment that relies on rising collateral values or a promised refinancing exit.

TOWS strategy matrix

SO S1 O1 Test senior secured mandates using actual adviser and investor feedback	**WO W1** Verify sponsor experience and appoint qualified providers
ST S2 T1 Independent credit challenge collateral checks and concentration limits	**WT W2 T1** Minimum close and separate manager servicing reserve

Planning design; evidence and appointments pending.

07 / STRATEGY

Owner and management

The manager board would oversee its staff and cash budget. A credit committee would approve recommendations with documented challenge and conflicts abstention. The external authorised AIFM retains its legal investment and risk responsibilities under the agreed mandate; no appointment is assumed. Finance validates payments independently of the deal originator.

The staffing assumption is five FTE: one owner managing partner, two investment professionals, one analyst and one finance/operations professional. Outsourced AIFM, administrator, audit and collateral advice support rather than report as employees. Year seven costs reduce to 40 percent for servicing; employment changes and external outsourcing need a documented transition, and owner gross pay falls proportionately.



Proposed roles. Solid reporting lines; dashed external support. The AIFM retains its own responsibilities.

08 / PEOPLE

Owner and key personnel profiles

Names, ownership percentages, current earnings and verified qualifications are unavailable. Before investor solicitation, obtain employment records, references, investment cases, regulatory history, beneficial ownership details and source of sponsor capital. No invented founder biography or realised returns appear in the proposal.

Role requirements are corporate credit underwriting, debt documentation, restructuring, fund controls and data security. The owner is accountable for manager finance and personnel, two investment staff for borrower oversight, the analyst for verified cash models, and finance for records and payments. Hiring offers remain unissued and compensation is a budget assumption.

09 / MARKET

Target customers

Two counterparties matter: eligible investors who finance the fund and corporate borrowers who pay fund interest. Investor targets are institutional allocators and professional family offices capable of evaluating illiquid private credit. Consumer distribution is excluded. Borrower targets are established B2B services, industrial services, healthcare suppliers and logistics with EUR denominated operating cash flows.

Segment investors by mandate, ticket, liquidity tolerance and permitted geography. Segment borrowers by cash generation, debt service, security and refinancing need. Do not confuse borrower interest with investor fundraising success. Separate onboarding files, consent and AML checks are required for each side.

10 / CUSTOMER STRATEGY

Segmentation targeting and positioning

Target mandates are senior secured EUR loans of approximately EUR 5 million, with a proposed maximum 10 percent of committed capital per ordinary corporate borrower and 30 percent per sector. These are internal diversification limits, not a statement that the statutory 20 percent rule applies to all corporate borrowers. Existing exposure and common ownership must be aggregated.

Positioning is transparent covenants, careful collateral work and an accountable monitoring team. Investors should compare total fees, illiquidity and realised losses against banks, syndicated debt and established private credit funds. Intended service quality is a design choice until borrower and investor interviews confirm it.

Segmentation targeting and positioning

Investors Professional allocators with illiquid EUR credit mandates	**Borrowers** Profitable B2B industrial and healthcare suppliers
Target EUR 5 m senior secured tickets and verifiable cash flows	**Position** Evidence covenants and monitoring; no proven advantage

Planning design; evidence and appointments pending.

11 / CUSTOMER STRATEGY

Value proposition canvas

Borrower jobs are obtaining term capital without relying on short renewal cycles and knowing the reporting requirements. Pains include uncertain approval, security negotiation and cash covenant surprises. Desired gains are clear terms, predictable process and a creditor able to understand the operating business.

The proposed loan package includes a term sheet, repayment schedule, security conditions and covenant reporting calendar. Investor jobs are underwriting income and capital risk; their pains are opaque marks, weak controls and unfunded recovery costs. Reporting would explain performing principal, defaults, recoverable assets and cash rather than present coupon as net return.

Value proposition canvas

Borrower jobs Term capital and a clear covenant calendar	**Borrower pains** Uncertain approval security negotiation and refinancing
Borrower gains Transparent terms and accountable monitoring	**Investor jobs** Assess income capital loss and illiquidity
Investor relievers NAV attribution paid cash and independent controls	**Product** Senior loan package and quarterly reporting

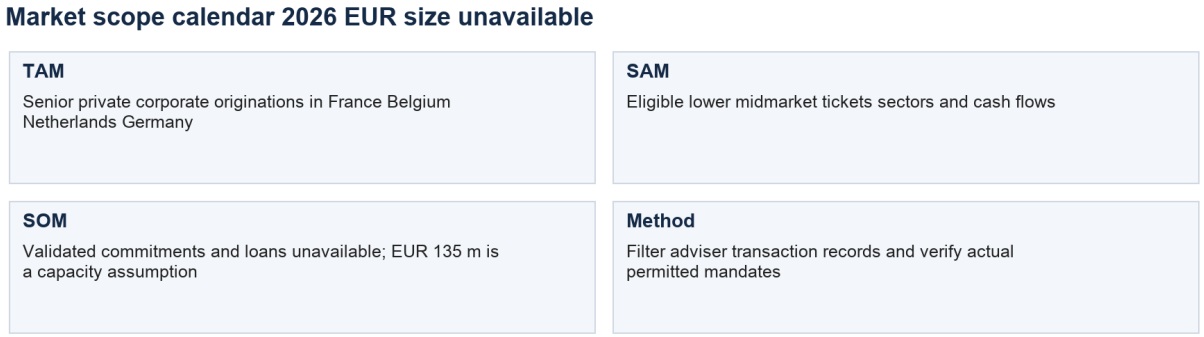
Planning design; evidence and appointments pending.

12 / MARKET

Market size and trends

TAM is annual EUR corporate senior private loan origination volume in the four target countries for calendar 2026. SAM is the eligible lower midmarket subset meeting ticket, sector and cash flow limits. SOM is the independently validated commitments and executable loans available to this fund. Reliable comparable monetary denominators have not been assembled, so all market sizes and share are unavailable.

The EUR 135 million Base deployment is a capacity assumption and is not a market share estimate. Validate adviser transaction records, investor mandate sizes, loan documentation and actual borrower conversion. The scope chart uses equal panels rather than proportional areas because numerical market size is unavailable. No arbitrary growth rate converts a sales forecast into market evidence.



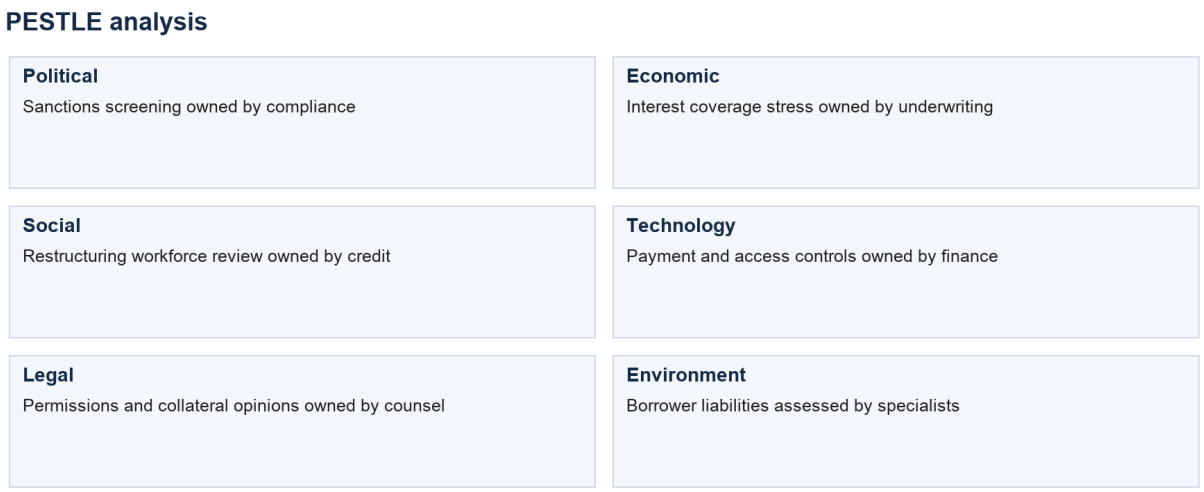
TAM SAM SOM scope chart. EUR volume and share unavailable; 2026 European geography. Areas do not encode size.

13 / MARKET CONTEXT

PESTLE analysis

Political exposure includes sanctions and cross border enforcement. Economic exposure includes borrower interest coverage and refinancing capacity. Social considerations include fair treatment during restructuring and workforce effects. Technology requires reliable borrower information and controlled payments. Legal considerations cover permissions, security enforceability and fund governance. Environmental considerations require borrower specific liabilities and capital spending.

Assign sanctions to compliance, rate stress to underwriting, workforce and collateral review to the credit team, access controls to finance, permissions to counsel and environmental diligence to specialists. Every panel has a concrete pre funding or quarterly action. No green classification, favourable rating or ESG premium is assumed.



Planning design; evidence and appointments pending.

14 / MARKET

Local demand and evidence

The ECB SAFE second quarter 2026 survey, conducted from 21 May to 26 June 2026 and released 20 July, reported further net tightening in bank loan interest and other financing conditions. This is broad euro area context, not proof of demand for the proposed fund or its pricing [R4]. Luxembourg supplies a service provider base, not the borrower market.

Evidence plan is twelve adviser mandate discussions, ten eligible investor interviews and twenty borrower screen files. None has occurred in this plan. Capture signed mandate restrictions, actual term sheet alternatives and reasons for rejection. A soft indication does not count as capital committed or a loan approved.



Planning design; evidence and appointments pending.

15 / MARKET

Competitors and positioning

Alternatives include relationship banks, established direct lending funds, syndicated loans, asset based finance and shareholder equity. Named rival offers and current fees have not been collected. Use an adviser led comparison of all in cost, security, covenants, speed and lender monitoring before claiming differentiation.

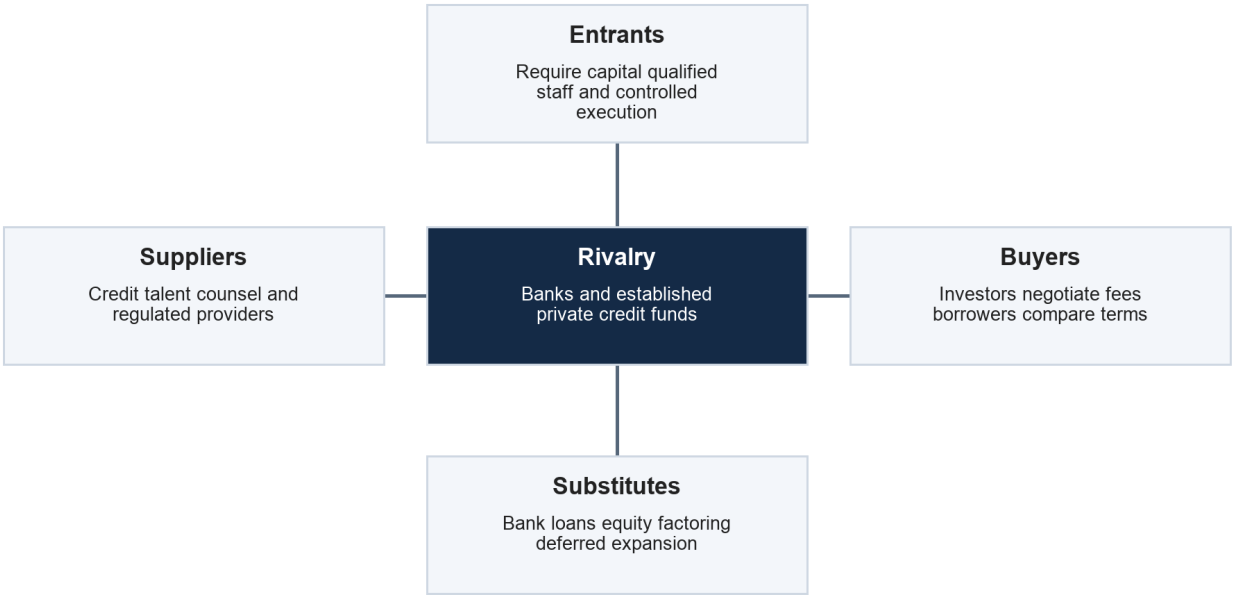
Banks may supply lower pricing while established funds offer a verified team and scale. The proposed manager must overcome its unproven track record with evidence and control, not assertions of faster service. Record competing term sheets with borrower consent and compare like maturity, risk, currency and collateral.

16 / COMPETITIVE STRATEGY

Porter five forces

Rivalry is material because borrowers can compare bank and fund terms. Supplier power sits with experienced credit staff, counsel and regulated service providers. Buyer power includes investor fee negotiation and creditworthy borrowers choosing alternative lenders. Entrants need credible capital, personnel and controlled execution.

Substitutes are bank financing, equity, factoring and deferred expansion. Response is qualified target selection, competitive documented terms, several provider quotations and conservative launch scale. The central rivalry diagram represents qualitative judgement and does not invent scores or current market concentration.



Qualitative forces and proposed response; no observed rating or market concentration estimate.

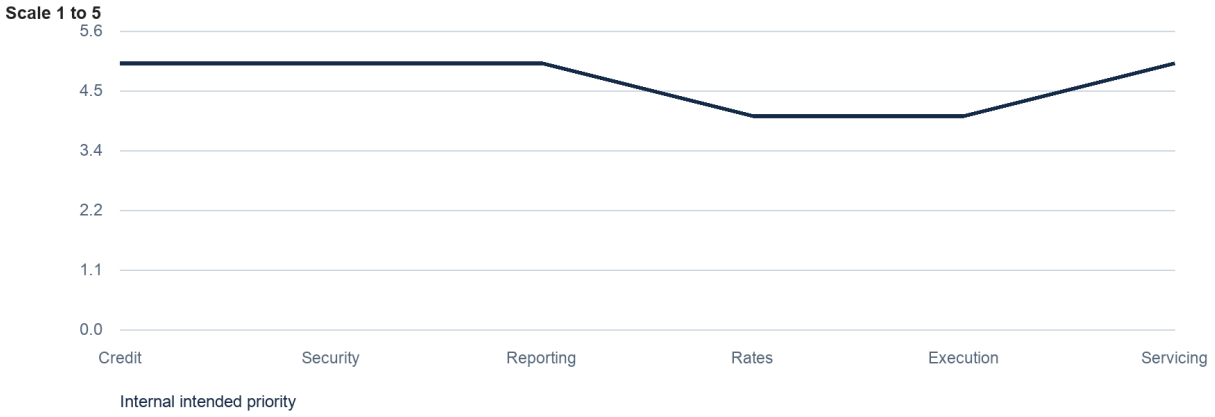
17 / COMPETITIVE STRATEGY

Strategy canvas

The canvas compares intended emphasis across underwriting depth, collateral diligence, reporting clarity, rate flexibility, execution certainty and servicing capacity. Ratings are internal design priorities on a one to five scale. There is no competitor series because measured rival performance is unavailable.

High intended scores require evidence: signed internal standards, borrower reporting tests, payment approval trials and provider service levels. Execution certainty cannot be claimed until investor cash and legal conditions are complete. Price must remain a consequence of borrower risk and commercial negotiation rather than an advertising slogan.

Proposed emphasis no competitor ratings



Internal design judgement; no measured competitor series.

18 / OPERATIONS

Location and premises

Luxembourg City is the proposed manager and provider coordination base. Borrowers are in France, Belgium, Netherlands and Germany. No office lease or address is agreed. The manager overhead assumption includes EUR 60,000 annual occupancy costs inside its EUR 250,000 office, systems, professional and insurance allowance.

A serviced office may be adequate for a five person team if confidentiality, substance and provider requirements are met. Obtain landlord terms, confirm secure document handling and avoid long lease commitments before a viable close. Borrower visits use the marketing and travel allowance rather than a fabricated travel supplier quote.

19 / OPERATIONS

Equipment and resource plan

Manager IT capex is EUR 40,000 in month one, depreciated over 36 months. Intended equipment comprises five secure laptops, authenticated access, encrypted storage and payment controls. Systems and data subscriptions are EUR 80,000 within annual overhead. These amounts are planning allowances, not purchased assets.

Fund administration records must reconcile signed investor capital, cash receipts, loan balances and covenant dates. Finance owns independent bank confirmation and reconciliations. Restoration and access removal tests precede launch. No software platform contract or bundled licence is claimed.

Equipment and resource plan

IT capex EUR 40,000 five secure laptops and controls	**Systems annual** EUR 80,000 within manager overhead
Records Capital loans cash and covenants reconciled	**Approval** Independent callback and dual payment control

Planning design; evidence and appointments pending.

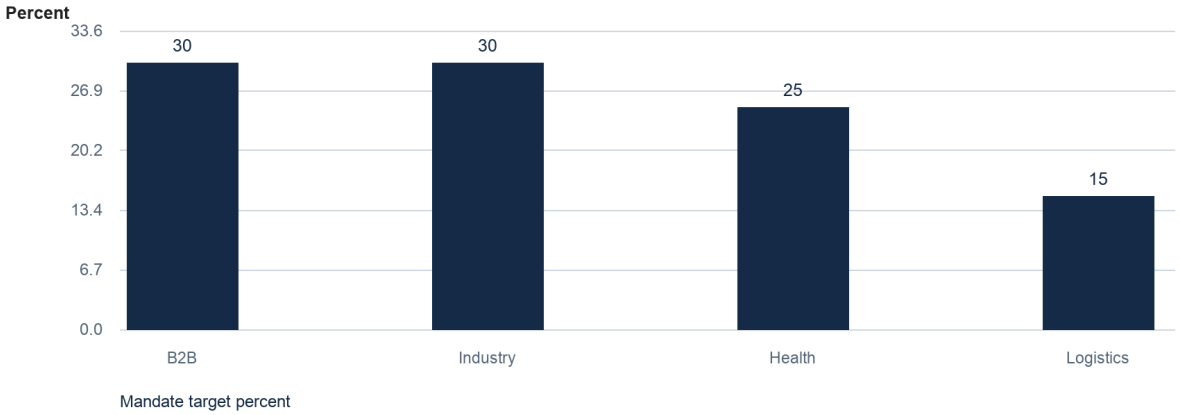
20 / OFFER

Loan product and mandate strategy

Offer one core senior secured corporate loan product denominated in EUR. The planning five year bullet has no PIK, OID or scheduled amortisation. Annual cash coupon is a benchmark plus spread, with interest approximated using average monthly principal. Origination fees accrue entirely to the fund.

Loan contracts may differ from the aggregate assumptions and require a revised cash model before approval. Borrowers must demonstrate a credible maturity repayment plan independent of automatic refinancing. No revolving credit, consumer lending, unsecured product or loan sale programme is included in the initial mandate.

Proposed loan sector allocation



Unvalidated diversification target. Four sectors respect the proposed 30 percent cap; loan approval governs actual mix.

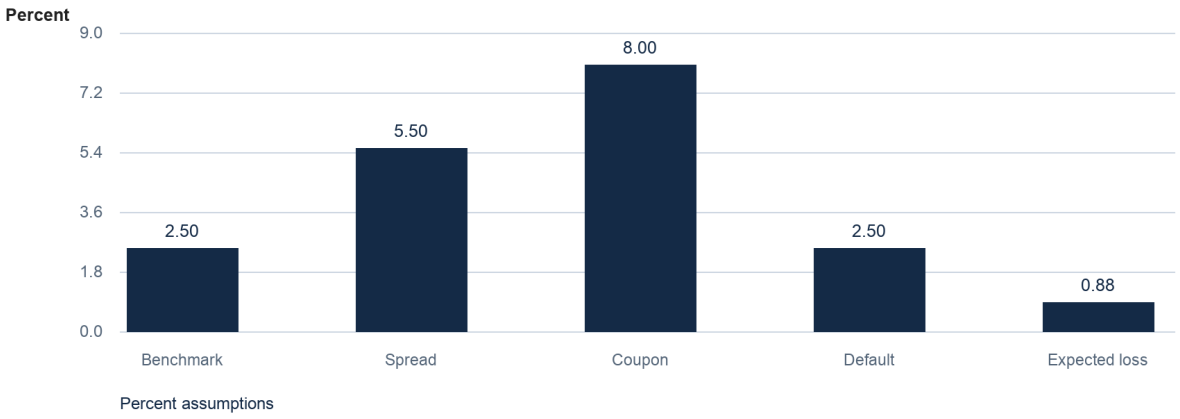
21 / OFFER

Pricing and credit economics

Base coupon assumption is 2.5 percent benchmark plus 5.5 percent spread, or 8 percent annually. An origination fee of 1 percent of gross funded principal belongs to investors. Downside uses 7 percent coupon with 6 percent annual defaults and 40 percent recovery. These are planning cases rather than market quotations.

Credit economics must distinguish gross coupon from net investor return. Defaults stop earning interest on the performing book and expected unrecovered principal is recognised immediately. Recovery cash arrives twelve months later. Manager fees and fund providers are paid before investor distributions. No fee is counted twice as manager and fund income.

Base planned annual credit pricing



Model v 1.0 rates. Expected loss equals 2.5 percent annual defaults times 35 percent nonrecovery; this is not a validated net yield.

22 / OFFER

Competitor price comparison

No comparable loan quotations have been obtained. Request at least three borrower authorised alternatives covering five year EUR term financing, gross coupon, origination charge, covenants, security and exit fees. Describe not available fields explicitly rather than manufacture competitor prices.

The model prices an illustrative mandate. It cannot establish a pricing advantage, observed demand or borrower willingness to pay. Differences in leverage, EBITDA quality, collateral and maturity make headline spreads insufficient for comparison. Reprice the workbook when actual underwriting and quotations exist.

23 / OFFER

Brand and customer experience

Use the working Alzette Direct Credit name only after trademark and domain checks. Publish no investment solicitation until counsel and AIFM approve the permitted material and audience. Communication must show illiquidity, defaults and fee deductions in plain language.

Borrowers receive a named point of contact, a document checklist and a clear decision timeline once validated. Investors receive quarterly balances and exception reporting. Avoid any suggestion of deposit protection or secured return. Collateral reduces loss only if documentation and recovery value withstand stress.

24 / GROWTH

Sales channels and process

Sourcing uses corporate finance advisers, accountants and industry networks subject to conflict and fee review. Track introduced borrowers, screened cases, diligence, committee decisions, documentation and funded loans. The model assumes 27 EUR 5 million Base tickets over 24 months; no conversion history supports that pace.

Investor process is controlled private introductions, eligibility and AML checks, diligence materials, signed subscription and cleared funding. Do not deploy loans against nonbinding interest. Marketing permissions and cross border notifications are legal launch gates. The two investment professionals initially oversee roughly 13 to 14 loans each at full deployment.

Designed monitoring capacity

Fund capacity 27 illustrative EUR 5 m tickets at EUR 135 m total deployment	**Credit workload** 13.5 loans per credit professional across two FTE
Manager staffing Five full time roles including owner analyst and finance	**Constraint** Complex workouts require additional time and specialists

Model Base deployment and separate staffing assumptions. Loan counts, loans per professional and team FTE have different units.

25 / GROWTH

Launch marketing

Annual manager outreach and travel budget is EUR 100,000 Base, with EUR 120,000 Downside. It funds eligible investor meetings, adviser diligence, materials and travel. No paid retail campaign or guaranteed lead generation is budgeted. The separate EUR 250,000 manager setup allowance covers formation, recruitment and launch preparation.

Measure permission compliant meetings, eligible mandates and written commercial feedback. Funding success is measured by signed subscriptions and cleared capital. Freeze new spend if the sponsor cash runway or first close economics deteriorate. Staff time and travel are costs even when investor meetings do not convert.

Retention and ongoing sales

Borrower retention means timely information, covenants and workouts rather than repeated refinancing assumed in the forecast. Investors receive transparent NAV, paid distributions and attribution of credit losses. Recycling and successor fundraising are excluded; monitoring is the ongoing service.

Quarterly reviews cover reporting timeliness, financial covenants, borrower liquidity and portfolio concentration. Escalate late information before arrears. No investor retention rate, net promoter score or recurring investor commitment is invented. Any new mandate requires fresh permissions and capacity assessment.

27 / OPERATIONS

Daily operations and suppliers

Credit staff screen data and verify borrower cash, debt and collateral. The committee challenges assumptions; AIFM approval follows its mandate. Finance confirms conditions precedent and validates payment details using an independent callback. Administrator entries and bank balances reconcile monthly.

Suppliers include counsel, valuation specialists, administrator, auditor and security agents. The fund provider envelope is EUR 300,000 annually before 3 percent Base inflation. Legal opinions must address each country and security package. No supplier contract, quote or availability is confirmed. Obtain service levels, fees and continuity plans before committing capital.

28 / OPERATIONS

Sustainability practices

Underwrite environmental liabilities, insurance coverage, energy costs and required capital spending for each borrower. Evaluate labour practices and governance where they affect cash flows and enforceable lender rights. This is financial and operational diligence, not an assumed sustainable fund classification.

Avoid unsupported ESG or emissions claims. Specialists verify material liabilities and the credit model includes required remediation before approving debt capacity. The manager uses secure remote records and limits unnecessary travel where diligence quality permits. No financial benefit, carbon offset or sustainability premium is forecast.



Planning design; evidence and appointments pending.

29 / OPERATIONS

Staffing and training

Base full team gross annual pay is EUR 720,000: owner 150,000, two credit staff 360,000 combined, analyst 90,000 and finance 120,000. Employer cost allowance is 20 percent, yielding EUR 864,000 annual payroll before 3 percent annual growth. All are planning compensation, not actual offers or statutory load rates.

Training covers underwriting, AML escalation, sanctions, payment security and workout documentation. For years seven and eight, the manager scales all recurring staffing and overhead to 40 percent after the active investment period, retaining servicing capability. This reduces owner gross pay too and requires employment, client and AIFM transition agreement.

Staffing and training

Owner One FTE EUR 150,000 gross annually	**Credit team** Two FTE EUR 180,000 each annually
Analyst and finance Two FTE EUR 90,000 and EUR 120,000 annually	**Employer allowance** 20 percent; not a statutory payroll rate

Planning design; evidence and appointments pending.

30 / PEOPLE

Staff skills and fair work

Recruit experienced corporate credit staff and finance control independently of origination. Record competence checks, role scope and authorised responsibilities. Employment contracts, working time, leave, payroll deductions and social insurance need local advice. The 20 percent employer allowance is not a substitute for actual payroll calculation.

Review workloads at the proposed 27 loan book. Complex restructurings consume more time than performing monitoring and may require additional resources. Prevent commission incentives from overruling credit judgement. The budget provides salaries rather than a success fee or bonus pool; approved changes require a full model refresh.

31 / OPERATIONS

Legal and insurance requirements

AIFMD II introduces specific loan origination rules, including credit policies, closed ended structure subject to exceptions, restrictions on related party lending and originate to distribute strategies. The fund is designed without leverage or consumer exposure. Loan transfers would require a 5 percent retention analysis. A 20 percent borrower cap has specified financial borrower categories, not every corporate loan [R1].

CSSF lists the Luxembourg AIFM law updated 16 April 2026; counsel must confirm this structure and actual permissions [R2]. ESMA draft open ended loan fund RTS were not expected for adoption before 1 October 2027 at the earliest [R3]. This plan selects closed ended terms. Obtain professional indemnity, cyber and directors cover within EUR 30,000 manager insurance allowance; no policy is bound.

32 / OPERATIONS

Opening roadmap

October to December 2026 is a conditional preparation period: verify sponsor, appoint counsel, validate AIFM arrangements, secure quotations and investor mandates. A1 January 2027 planning start requires signed permitted documents, qualified staff, separate manager equity and investor cleared capital. Date is an assumption, not a scheduled launch.

Months 1–24 deploy only approved loans; month 25 begins quarterly excess cash distributions. Months 37 onward change fees to opening performing principal. Loans mature five years after funding; subsequent recoveries can extend to December 2034. The model makes the final cash distribution in month 96 and shows any manager shortfall separately.



Planning design; evidence and appointments pending.

33 / MANAGEMENT

Risks and management actions

Highest risks are an undersized close, borrower default, weak collateral, conflict, concentration, missing data and manager runoff losses. Mitigations are funded launch gates, independent diligence, controlled committee decisions, covenant escalation, verified reporting and explicit servicing budgets. Insurance does not remove credit risk.

Stop funding when borrower conditions fail or sanctions remain unresolved. Escalate an overdue report within ten business days, review covenant breach promptly and engage counsel before security action. If manager cash forecasts negative, agree additional sponsor equity or lower costs before signing loan servicing duties. Do not divert investor reserve without authorised terms.

34 / APPENDIX A

Research and evidence

R1 is Directive EU 2024/927. R2 is the CSSF regulatory framework and updated AIFM law listing. R3 is ESMA loan fund draft RTS status. R4 is ECB SAFE second quarter 2026. R5 is Guichet corporate income tax information updated April 2026. R6 is CSSF investment vehicle overview updated June 2026. Sources were accessed 3 October 2026 and support context, not commercial commitments.

The next evidence required is investor subscription documentation, adviser market records, borrower accounts, collateral opinions, provider quotations and verified sponsor experience. Maintain a dated evidence register with owner and document location. Unknown market size and unconfirmed customer demand remain explicit. Financial assumptions have no false claim of market calibration.
R1 https://eur-lex.europa.eu/eli/dir/2024/927/oj/eng
R2 https://www.cssf.lu/en/regulatory-framework-for-ucis/
R3 https://www.esma.europa.eu/press-news/esma-news/esma-publishes-implementing-rules-loan-originating-aifs
R4 https://www.ecb.europa.eu/stats/ecb_surveys/safe/html/index.en.html
R5 https://guichet.public.lu/en/entreprises/fiscalite/impots-benefices/benefices-patrimoine/benefices-societes-capitaux/impot-revenu-collectivites.html
R6 https://www.cssf.lu/en/Document/overview-of-luxembourg-investment-vehicles-and-their-ifm/

35 / APPENDIX B

Quotes and assumptions

All deployment, coupon, default, recovery, fee, payroll, provider, rent, capex and household values are assumptions. No supplier quotation or contract is represented as accepted. The Inputs sheet contains the case matrix, chosen values, basis and source URLs. The loan model is a transparent aggregate vintage forecast, not a loan level covenant or valuation engine.

The chosen financial reference is the direct lending design and workbook. This package rebuilds the rollforwards in retained JavaScript, replacing USD leverage, PIK, OID and carried interest with unlevered EUR loans, separate manager statements and delayed recovery. The reference workbook is not imported as the delivered model. Actual IFRS or Luxembourg accounting policies require professional review.

36 / FINANCIAL PLAN

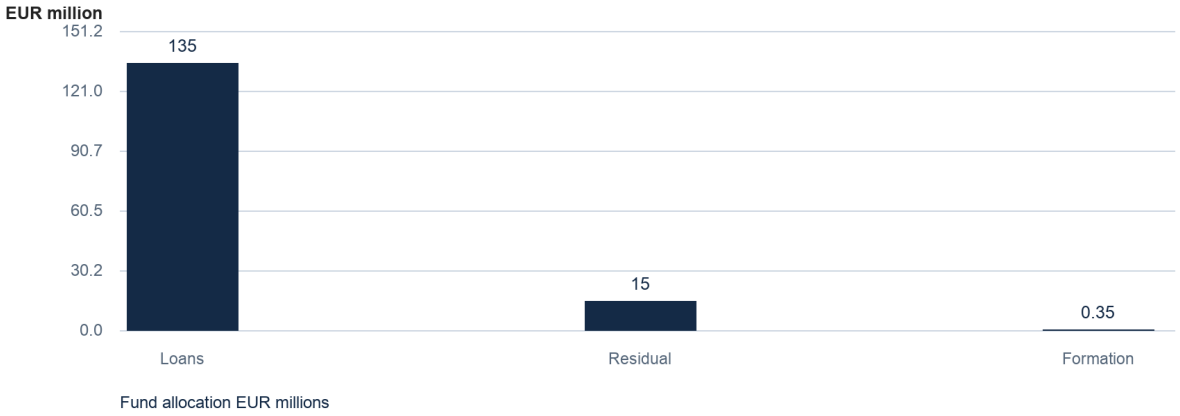
Startup costs and funding

Fund and manager uses are distinct. Fund Base capital assumption is EUR 150 million paid in month one, with EUR 135 million gross loan deployment, EUR 350,000 formation expense and cash reserved for fees, provider costs and investor distributions. Loan capital is an asset purchase rather than fund operating expense.

Manager equity assumption is EUR 800,000. Month one cash uses include EUR 250,000 setup and EUR 40,000 IT plus operating salaries and overhead, offset by earned fees. None of this equity is secured. Compare each entity cash path rather than treat fund investor commitments as working capital available to the manager.

Distinct capital and uses	EUR
Fund proposed investor capital	€150,000,000
Fund total loan deployment	€135,000,000
Fund formation expense	€350,000
Fund initial residual before operations	€14,650,000
Manager proposed equity	€800,000
Manager setup expense	€250,000
Manager IT capex	**€40,000**

Startup costs and funding



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

37 / FINANCIAL PLAN

Itemized startup costs

Manager setup envelope comprises EUR 100,000 legal and formation, EUR 80,000 recruitment and EUR 70,000 launch preparation. IT capex is EUR 40,000. No inventory, customer fitout or manufacturing equipment is needed. Fund formation is EUR 350,000 as a separate fund expense and is not included in manager setup.

Other recurring manager overhead is EUR 60,000 rent, EUR 80,000 systems, EUR 80,000 professional support and EUR 30,000 insurance, totalling EUR 250,000 annually. Investor loans and retained cash comprise fund capital allocation, not purchased manager equipment. Obtain actual quotes before spending or offering terms.

Manager startup item	EUR
Legal and formation	€100,000
Recruitment	€80,000
Launch preparation	€70,000
Total setup expense	**€250,000**
IT capital equipment	€40,000
Total initial setup and IT	**€290,000**

Itemized startup costs



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

38 / FINANCIAL PLAN

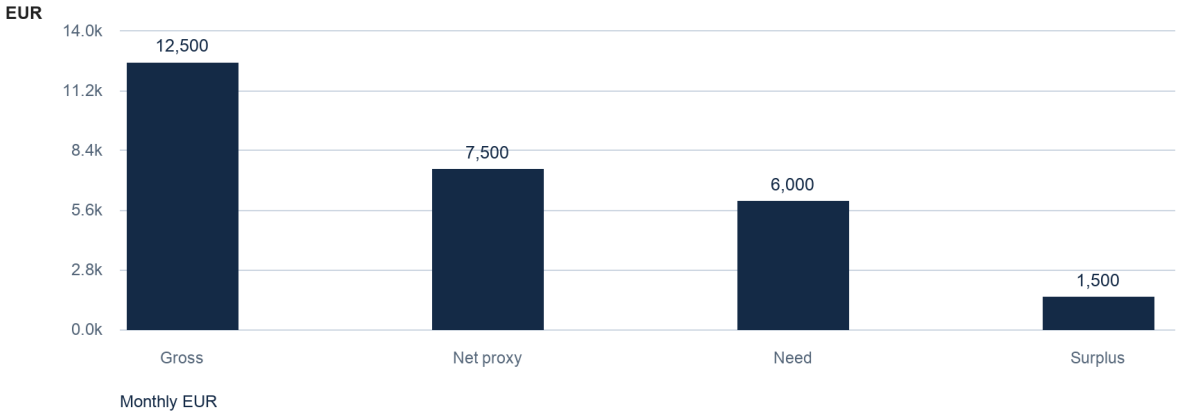
Owner personal survival budget

Illustrative household assumptions are EUR 2,500 housing, EUR 1,200 utilities and food, EUR 800 transport and insurance, EUR 500 debt and subscriptions and EUR 1,000 savings and contingency, totalling EUR 6,000 monthly. Other reliable income is assumed zero. No personal spending or current income has been supplied.

Owner gross pay is EUR 12,500 monthly initially. A 60 percent net retention assumption gives EUR 7,500 take home and EUR 1,500 surplus, but actual personal tax and contributions require payroll advice. At 40 percent servicing pay, gross becomes EUR 5,000 before inflation and that household budget may be unsupported. Owner cannot take unmodelled fund distributions or manager drawings.

Illustrative household monthly	EUR
Housing	€2,500
Food and utilities	€1,200
Transport and insurance	€800
Debt and subscriptions	€500
Savings and contingency	€1,000
Total need	**€6,000**
Gross owner pay initially	€12,500
Net at assumed 60 percent	€7,500
Initial surplus	**€1,500**

Owner personal survival budget



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

39 / FINANCIAL PLAN

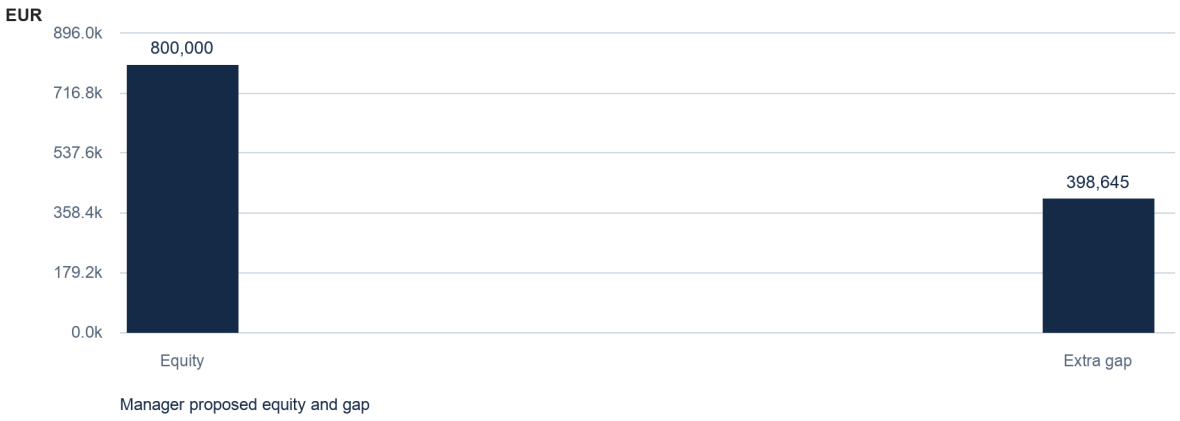
Financing terms and security

The fund is unlevered: no bank credit line, collateral borrowing or subscription bridge is forecast. Investors would provide closed ended equity commitments, assumed fully called at closing. No return, principal protection or redemption on demand is promised. Investor documentation and eligible marketing remain unapproved.

The manager has proposed equity only and no debt funding or personal guarantee. Loans are intended senior secured assets owned by the fund; they are not collateral promised for manager finance. Collateral ownership, prior liens, perfection, enforcement and recoverability require independent country counsel. Funding gaps remain visible without a balancing loan plug.

Proposed funding	EUR
Fund investor capital	€150,000,000
Fund borrowing	–
Manager sponsor equity	€800,000
Additional Base manager gap	**€398,645**

Financing terms and security



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

40 / FINANCIAL PLAN

Fund income and monitoring capacity

Fund income derives from monthly average performing principal times coupon plus actual origination fees. The fund makes 24 equal monthly deployment vintages. Base deployment totals EUR 135 million, equivalent to 27 EUR 5 million tickets. Prepayments and defaults reduce earning principal. Loan bullet maturities occur sixty months after each vintage.

Manager revenue is the fund management fee. For 36 months it is 1.25 percent of committed capital annually, then 0.9 percent of opening performing principal. No new vehicle or carry revenue is assumed. Five staff and external providers must support monitoring and workouts; growth beyond this capacity needs a revised staffing and investment plan.

Forecast line EUR	2027	2028	2029
Originations	€67,500,000	€67,500,000	–
Fund income	€3,316,660	€8,343,898	€9,690,618
Manager fee revenue	**€1,875,000**	**€1,875,000**	**€1,875,000**

Fund income and monitoring capacity



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

41 / FINANCIAL PLAN

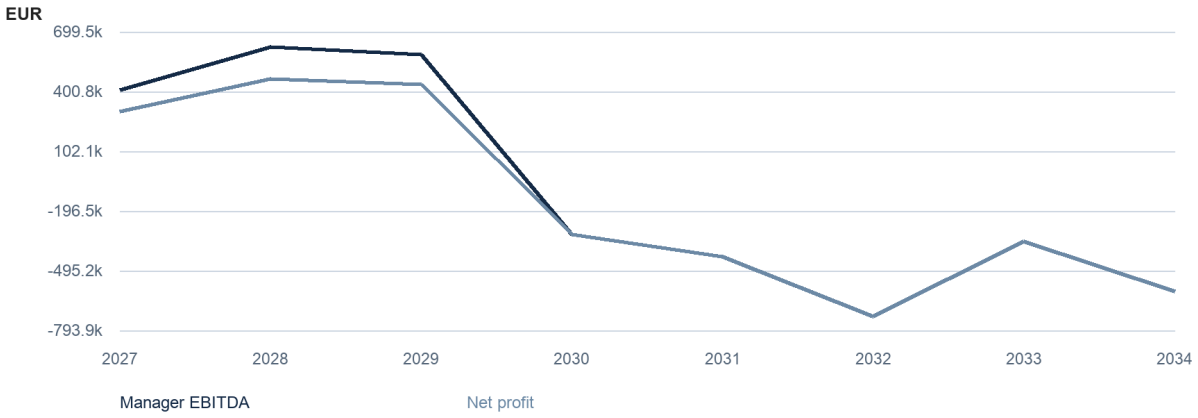
Costs and projected profit

Fund earnings deduct management fees, provider costs, formation and immediate expected loss on defaults. Manager earnings deduct salaries, employer load, overhead, outreach, setup and depreciation. Fund investor cash receipts and manager fee revenue reconcile directly and are never added as consolidated external sales.

The manager tax proxy charges incremental positive cumulative pretax profits at 23.87 percent, offsetting startup losses before tax. Later losses do not create tax refunds or a deferred tax asset. This is a conservative cash provisioning convention rather than a filed tax computation. Corporate tax threshold bands, minimum wealth tax, VAT and settlement timing need advice [R5]. Investor level tax and currency hedging are excluded.

Forecast line EUR	2027	2028	2029
Manager fee revenue	€1,875,000	€1,875,000	€1,875,000
Manager owner salary	€150,000	€154,500	€159,135
Other payroll and employer costs	€714,000	€735,420	€757,483
Manager overhead marketing setup	€600,000	€360,500	€371,315
Manager EBITDA	**€411,000**	**€624,580**	**€587,067**
Manager tax proxy	€94,923	€145,905	€136,950
Manager net profit	**€302,744**	**€465,342**	**€436,784**

Costs and projected profit



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

42 / FINANCIAL PLAN

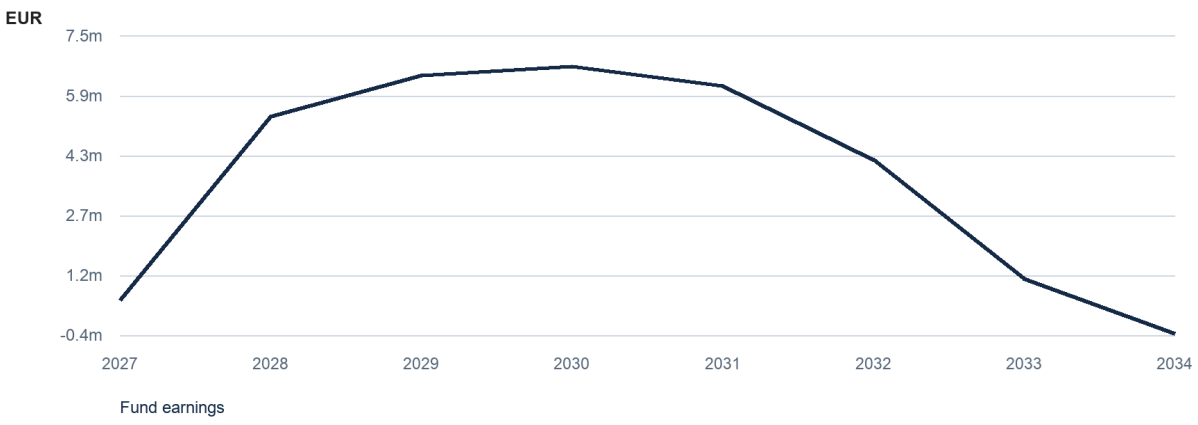
Profit and loss forecast

The workbook provides eight calendar year fund and manager earnings summaries, with the first three years used here for launch assessment. Fund credit loss expense equals gross defaults times unrecovered fraction immediately, even though recovery cash is later. Realised writeoff of the defaulted book does not create a second expense.

The manager owns the EUR 40,000 IT asset and depreciates it over 36 months. Investor loan principal repayment, capital calls, distributions and manager equity are financing or balance sheet items, not earnings. A positive fund return does not ensure the manager earns enough during runoff to pay its retained servicing team.

Forecast line EUR	2027	2028	2029
Fund income	€3,316,660	€8,343,898	€9,690,618
Fund management fees	€1,875,000	€1,875,000	€1,875,000
Fund external and formation	€650,000	€309,000	€318,270
Fund credit losses	€265,150	€816,725	€1,063,229
Net fund earnings	**€526,510**	**€5,343,173**	**€6,434,118**
Manager fee revenue	€1,875,000	€1,875,000	€1,875,000
Manager other payroll and employer cost	€714,000	€735,420	€757,483
Manager owner gross pay	€150,000	€154,500	€159,135
Manager overhead marketing setup	€600,000	€360,500	€371,315
Manager EBITDA	**€411,000**	**€624,580**	**€587,067**
Manager depreciation	€13,333	€13,333	€13,333
Manager tax proxy	€94,923	€145,905	€136,950
Manager net profit	**€302,744**	**€465,342**	**€436,784**

Profit and loss forecast



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

43 / FINANCIAL PLAN

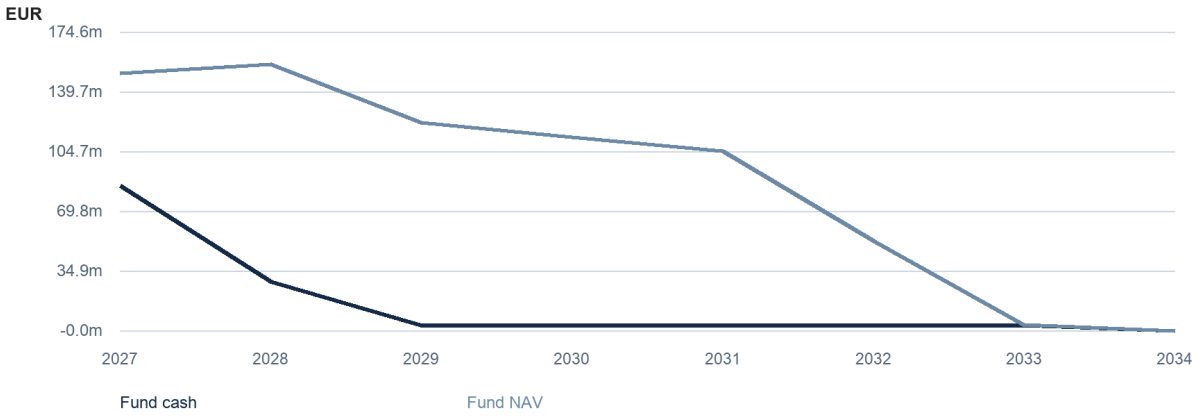
Cash flow and financial position

Fund cash starts with investor capital, receives coupons, fees, prepayments, maturities and delayed recoveries, then pays loans, providers and manager fees. After month 24 quarterly distributions pay cash above EUR 3 million. No investor distribution is funded with borrowed cash. December 2034 distributes remaining positive cash.

Manager cash starts with its own proposed equity, collects fees and pays expenses, tax and IT. Negative manager cash indicates an unfunded obligation, even when accounting identities reconcile. The workbook preserves this gap. Cash is linked to each balance sheet and checked monthly; negative cash is not described as funded liquidity.

Forecast line EUR	2027	2028	2029
Fund distributions	–	–	€40,690,302
Fund cash	€84,803,644	€28,613,241	€3,000,000
Manager cash	€1,076,077	€1,554,752	€2,004,869
Fund NAV	**€150,526,510**	**€155,869,684**	**€121,613,500**

Cash flow and financial position



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

44 / FINANCIAL PLAN

Cash flow forecast months one to six

January to June 2027 shows the initial investor capital and six deployment vintages. Fund origination fee receipts occur with funding and coupons use a half month convention on new principal. Formation expense occurs in January. No distributions occur during initial deployment.

The manager receives monthly fees, pays full staffing and recurring expense, spends setup and IT in January, and begins depreciation immediately. The table separates each entity and actual month labels. Net cash change bridges opening and closing cash rather than treating loan balances as revenue.

Cash EUR thousands	2027-01	2027-02	2027-03	2027-04	2027-05	2027-06
Fund opening cash	–	143,919	138,248	132,638	127,088	121,598
Investor capital	150,000	–	–	–	–	–
Fund income receipts	75	112	150	186	223	260
Loan repayments recovery	–	23	47	70	93	115
New loans paid	5,625	5,625	5,625	5,625	5,625	5,625
Fund manager fee	156	156	156	156	156	156
Fund provider costs	25	25	25	25	25	25
Fund formation	350	–	–	–	–	–
Investor distributions	–	–	–	–	–	–
Fund closing cash	**143,919**	**138,248**	**132,638**	**127,088**	**121,598**	**116,167**
Manager opening cash	–	565	620	675	730	781
Manager equity	**800**	**–**	**–**	**–**	**–**	**–**
Manager IT cash	40	–	–	–	–	–
Manager operating cash	(195)	55	55	55	50	42
Manager closing cash	**565**	**620**	**675**	**730**	**781**	**823**

45 / FINANCIAL PLAN

Cash flow forecast months seven to twelve

July to December 2027 continues equal fund deployment and recurring fees. Defaults begin on opening performing balances, with recovery delayed by the selected month lag. At the Base twelve month lag, defaults in 2027 first generate recovery cash in 2028.

The companion workbook continues through 96 months. Annual closing cash is the December balance rather than the sum of twelve months. Review Base and stressed manager cash before distributing sponsor funds. No additional manager capital is automatically added to cover losses.

Cash EUR thousands	2027-07	2027-08	2027-09	2027-10	2027-11	2027-12
Fund opening cash	116,167	110,794	105,481	100,225	95,027	89,887
Investor capital	–	–	–	–	–	–
Fund income receipts	296	332	368	403	439	474
Loan repayments recovery	138	161	183	205	227	249
New loans paid	5,625	5,625	5,625	5,625	5,625	5,625
Fund manager fee	156	156	156	156	156	156
Fund provider costs	25	25	25	25	25	25
Fund formation	–	–	–	–	–	–
Investor distributions	–	–	–	–	–	–
Fund closing cash	**110,794**	**105,481**	**100,225**	**95,027**	**89,887**	**84,804**
Manager opening cash	823	865	907	949	992	1,034
Manager equity	**–**	**–**	**–**	**–**	**–**	**–**
Manager IT cash	–	–	–	–	–	–
Manager operating cash	42	42	42	42	42	42
Manager closing cash	**865**	**907**	**949**	**992**	**1,034**	**1,076**

46 / FINANCIAL PLAN

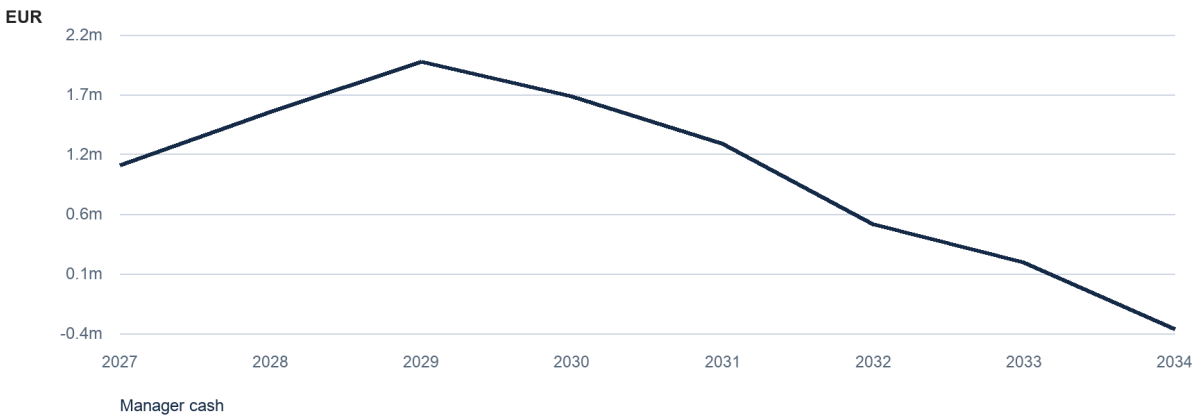
Financial position summary

Fund NAV equals cash plus performing principal plus the recoverable share of gross defaulted principal pending settlement. Fund equity equals cumulative investor capital plus cumulative earnings less paid distributions. Defaults reduce the performing asset and expected unrecovered value immediately.

Manager assets equal cash plus net IT; equity equals sponsor capital plus retained profit, with no debt or drawings. Gross negative cash is a funding deficit and would require actual refinancing or reduced costs before operations continue. The final portfolio and recovery tail have no forced resale value or invented terminal exit.

Forecast line EUR	2027	2028	2029
Fund cash	€84,803,644	€28,613,241	€3,000,000
Fund performing loans	€65,230,446	€125,739,667	€116,638,931
Fund default recoverable asset	€492,421	€1,516,775	€1,974,569
Fund NAV	**€150,526,510**	**€155,869,684**	**€121,613,500**
Manager cash	€1,076,077	€1,554,752	€2,004,869
Manager net IT	€26,667	€13,333	–
Manager equity	**€1,102,744**	**€1,568,086**	**€2,004,869**

Financial position summary



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

47 / FINANCIAL PLAN

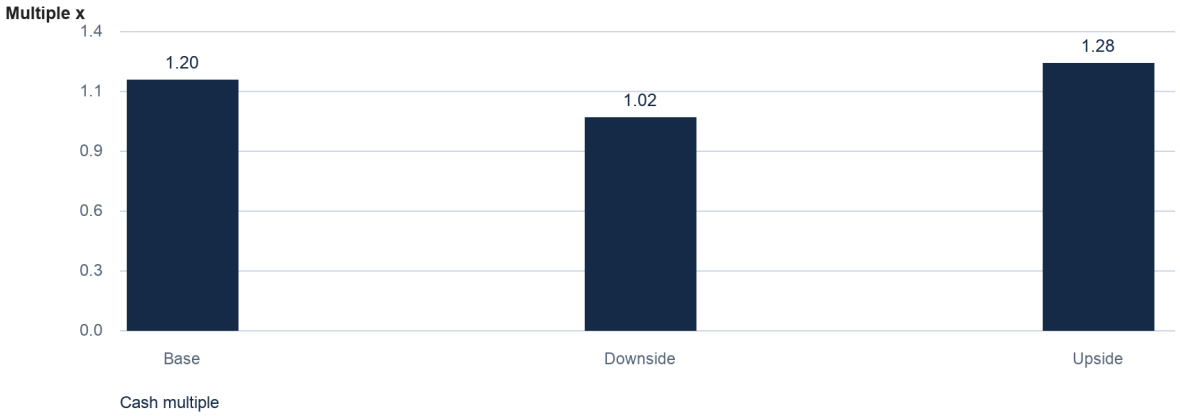
Break even and scenarios

Manager first year breakeven committed capital divides operating expense, setup and depreciation by the first 36 month fee rate. This threshold is a screening tool for viable first close scale, not a guarantee of profitability after the fee base declines. Loan default stress affects fund returns and later manager fees.

Base, Downside and Upside change capital, deployment, coupon, defaults, recovery, origination fees and expense inflation. Snapshots are captured model v 1.0 outputs; their stale warning changes when any case input changes. The selected case drives the full live build. No scenario promises minimum investor return or secures manager cash funding.

Captured v1.0 case	IRR	Cash multiple	Manager gap
Base	3.9%	1.20x	€398,645
Downside	0.5%	1.02x	€3,855,944
Upside	**5.1%**	**1.28x**	**–**

Break even and scenarios



Model v 1.0 EUR January 2027 to December 2034. Annual year end values; startup allocations, monthly owner amounts and captured cases labelled separately.

Model guide and completion

Change the Inputs F5 case selector from 1 Base to 2 Downside or 3 Upside. Blue numeric values are editable assumptions; green working formulas link across sheets. Summary outputs are dark. Cohorts track 24 loan vintages, Portfolio consolidates principal and defaults, Fund tracks investor cash and NAV, and Manager tracks its own earnings and cash.

Cases are saved snapshots with a stale input warning, not parallel live forecasts. Rebuild with retained build_model.mjs after approving new cases, then regenerate the Word tables and visuals from model-results.json. Launch remains conditional on investor funding, manager liquidity, permissions, competent staff and signed service arrangements.