KROLL

European Mid-Market Debt Update

Spring 2023

European Mid-Market Debt Update

Table of Contents | Page

Executive Summary

Welcome to the fifth edition of our biannual mid-market debt report in which more than 50 leading credit funds, banks, and asset-based lenders participated, submitting deals completed in H1 and H2 of 2022.

Following a record-setting (post-COVID-19) year in 2021, we saw market volatility and uncertainty creeping into the markets in 2022 caused by geo-political events, spiralling inflation, supply chain pressures, and rising cost of debt. Deal activity levels continued to be strong in H1; however, market sentiment worsened throughout the year, resulting in increased caution towards new deals and strongly declining mid-market M&A and debt deal volumes in H2. This was markedly the case towards the end of Q4 when several lenders, de facto, stopped new lending.

Defensive sectors continued to dominate in 2022, with more than 70% of deals in H2 of 2022 in media/tech/telecom/software; business services, health care, and financial services. Additionally, we saw a strong decline in deal flow in industrials.

Though the UK continued to lead with 32% geographic share, debt-fund focus shifted slightly to continental Europe, with the relative share of UK deals down 5% on last year and corresponding increased shares for other countries, notably France, followed by Germany and the Netherlands. The UK, France, Germany and the Netherlands represent 78% of debt fund deals recorded.

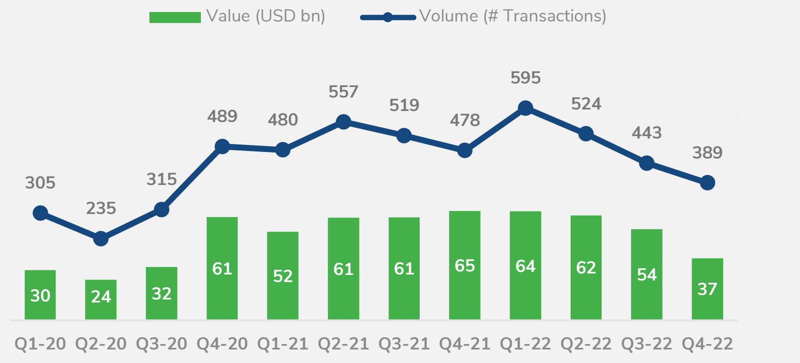
In this report we present the usual lender “league tables” for European direct lenders, UK banks and UK asset-based lending (ABL) providers. In the UK, debt funds' market share stood at 73% in H2 2022 and clearing bank appetite for super senior revolving credit facilities (SSRCFs) remained heavily subdued.

Compared to the leveraged loan markets, deal flow in the ABL market remained steady, with deal volumes in 2022 comparable to those witnessed in 2021. Most activity remained in the lower mid-market as in previous periods. Drawn loan-book levels for many lenders were finally reported to have edged above pre-pandemic levels.

Debt fund dry powder is at an all-time high, and we expect the debt markets to remain open with slightly improved sentiment compared to December 2022. However, we expect continued lender caution in H1 of 2023 and a selective focus on existing clients and quality credits. Many fund lenders appear to focus on slightly larger credits and command premium margins and fees compared to levels seen in 2021, compounded by higher base rates. We saw more fund-club deals in 2022 and preference for smaller ticket sizes may continue into 2023, even though borrowers often prefer a bilateral fund deals. ABL supply of capital is expected to remain solid, in contrast with clearing bank appetite for SRCFs. Overall debt market volumes for H1 2023 are expected to fall well below the levels seen in H1 2022 and refinancing, restructuring and lender action activity is expected to step up.

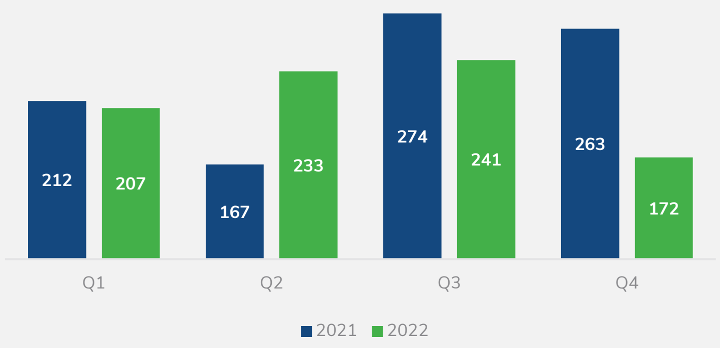
Leveraged Loans-Western European M&A and Debt Deal Count

Western European Mid-Market M&A Activity[1]



Source: White & Case M&A Explorer in Partnership with Merger Market

Western European Mid-Market Debt Deal Count



Sharp Drop in M&A Volumes and Decline in Valuation Multiples

Solid Western European M&A activity in H1 2022 defied prevailing and deteriorating market conditions with the number of mid-market M&A deals in H1 (1,119) up from H2 of 2021 (979).

However, as market volatility and uncertainty worsened during, summer, mid-market M&A activity, in terms of both volume and value, dropped strongly from the peak levels witnessed in Q1 2022.

The number of M&A transactions in H2 2022 (832) was down 25% from the levels seen in H1 2022 (1119).

Sponsor-driven M&A activity represented c. 26% of 2022 volumes, down from the c. 30% seen in 2021. The deterioration in debt market conditions towards the end of the year may have been a contributing factor, as some processes were halted where financing was difficult to obtain or too expensive. Valuation multiples were reported by RealDeals[2] to have dropped below 10x for the first time since Q2 2020.

Corresponding Decline in Mid-Market Deal Volumes

As predicted in our previous market update, we saw a decline in deal volumes compared to the last two six-month periods on the back of worsening market sentiment and increased lender caution in H2 of 2022.

We recorded 405 debt transactions in H2 2022, down 8% from the 440 recorded for H1 2022 and down 25% from the 537 recorded for the corresponding and record-breaking H2 period in 2021.

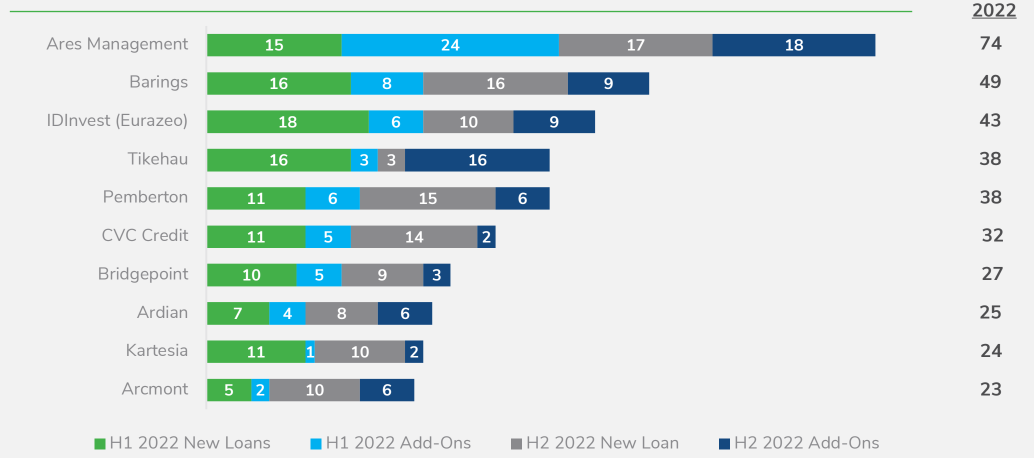
As expected, and consistent with the general worsening market sentiment felt by many towards the end of last year, most contrast was seen in Q4 2022 when deal volume of 172 was 35% down from the same quarter for 2021 (263). These numbers are consistent with the general negative market sentiment felt by many towards the end of last year.

Overall, we recorded 853 lender transactions in 2022, compared to 916 in 2021. 2022 numbers are slightly inflated by the higher number of club deals witnessed in 2022, increasing the number of lender participations.

[1]In this edition of the report we have changed the source data for our M&A activity analysis. Whereas we previously used leverage buyout LBO data from Merger market, covering mid-market as well as large and mega M&A deals, we have now changed to mid-market-only data, covering buy-outs and corporate M&A
[2]Average mid-market multiple now below 10x – study', Real Deals, 9 February 2023

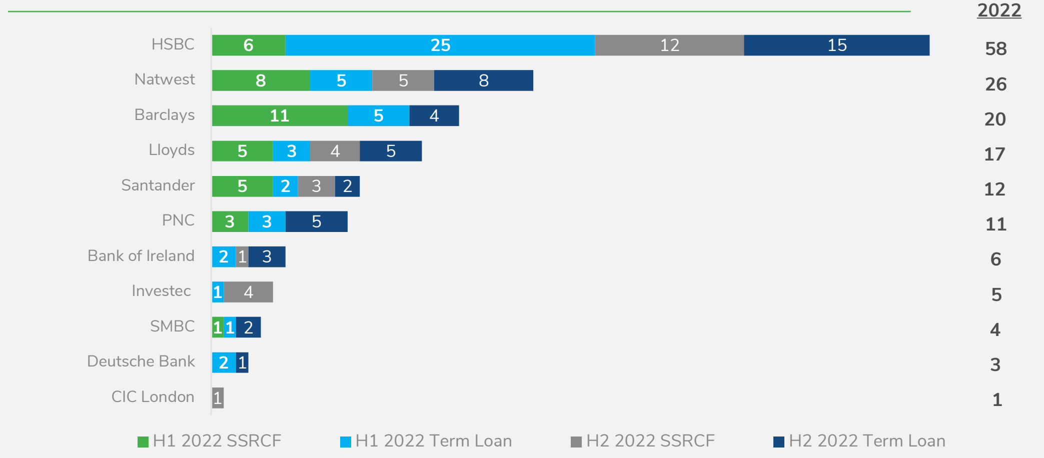
Leveraged Loans-Lender League Tables

Top 10 Funds Europe-2022[1]



Source: Kroll 2022 Mid-Market Debt Survey

Banks UK Market-H1 2022



Source: Kroll 2022 Mid-Market Debt Survey

Familiar Names Led the Way, Some Top Ten Changes

Consistent with 2021 full year results, Ares led the way with 74 transactions, up slightly from the 72 reported for 2021. We note that the majority of these were for add-ons.

They were followed in the top 5 by Barings (49, vs 56 in 2021), IDInvest (43, vs 50 in 2021), Tikehau (38, vs 68 in 2021) and Pemberton (38, same as 2021).

Most lenders except Ares and Pemberton reported fewer deals in 2022 compared to 2021, in line with the overall trend of reduced deal activity, especially in Q4 of 2022.

Most of IDInvest's deals were in France and most of Tikehau's deals were in France and Benelux, with others showing a wider geographic spread.

The number of club deals increased in 2022. We note that this slightly inflates the overall number of deal participations reported.

A full list of survey participants and their respective transaction counts can be found in the Appendix.

Bank Deals Generally Down but SSRCFs Up Compared to 2021

Whilst overall bank activity was strong in H1, full-year results were down in 2021, in line with an overall decline in debt deal volumes

HSBC led the way with 58 transactions for the year (vs 68 for 2021), followed by Natwest (26, up from 20 in 2021), Barclays (20, vs 25 in 2021), Lloyds (17, down from 26 in 2021), Santander (12, same as 2021), PNC (11, new in the table as an active SSRCF lender), Bank of Ireland (6), SMBC (4, vs 7 in 2021), Deutsche Bank (3, same as 2021), Investec (5, vs 9 in 2021) and CIC (1). We note that this table reports on UK deals only, and deal numbers will exclude deals done outside the UK and/or outside the mid-market size range we report on[1].

The number of SSRCFs participants reported in 2022 (94) were up from the prior year (76), although market participants have continued to complain that these remain difficult to source, at times requiring fund-underwritten bridge facilities and ABL or specialist bank-led alternatives.

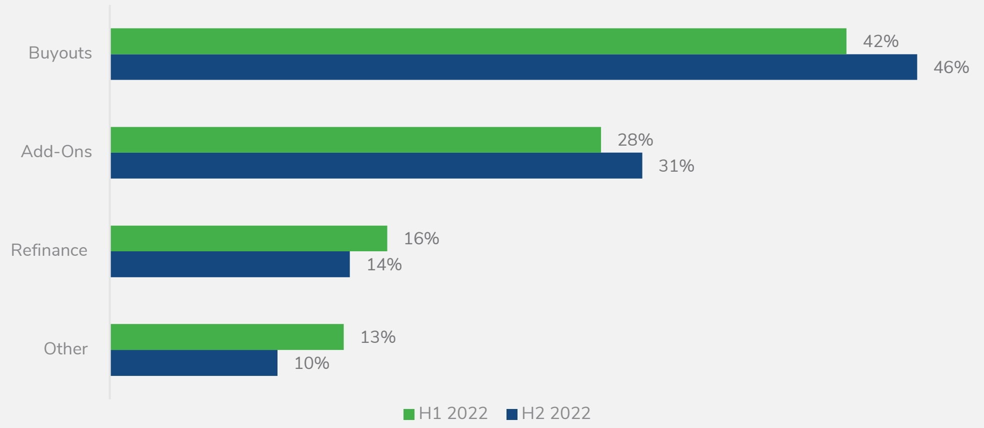
First-out last-out (FOLO) structures were up on last year with several reported by PNC and some by HSBC and Bank of Ireland.

[1]*Our survey focuses on completed mid-market leveraged loans with total debt between EUR 20 mn and EUR 300 mn*

KROLL

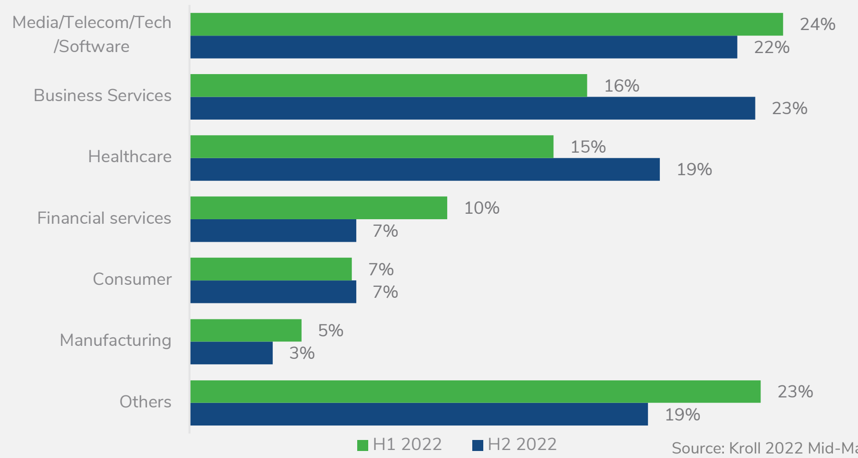
Leveraged Loans-Transaction Purpose, Size and Sector

2022 Transaction Purpose



Source: Kroll 2022 Mid-Market Debt Survey

2022 Transactions by Sector[1]



Source: Kroll 2022 Mid-Market Debt Survey

M&A Activity Continued to Drive Debt Capital Deployment

Whilst at lower overall levels, M&A activity (buyouts and add-ons) drove transaction purpose, representing 70% of transactions in H1 and 77% in H2 (with the average slightly up on levels seen in 2021).

New buyouts accounted for 46% of transactions in H2 (up from 42% in H1) and add-ons represented a further 31% (up from 28% in H1).

Refinancings were down from 16% in H1 to 14% in H2, which were below the 2021 average of 20%.

“Other” includes growth financings and dividend recapitalizations (noting that sometimes lenders classify these under refinancings).

55% of transactions in H2 were below 100mn (60% in H1). The number of transactions above 151mn was 21% in H2, up from 15% in H1. Our survey covers the mid-market only, but we had previously noted the GBP 3.5 bn unitranche refinancing for the Access Group, led by Arcmont in H1.

Diverse Industry Spread but Defensive Sectors Continue to Dominate

Media/Telecom/Tech/Software, Business Services and Health care continued to be the most popular sectors, with a combined share of 55% in H1 (61% in 2021) and 64% in H2 (57% in 2021) as the market continued to prefer businesses with low earnings volatility and predicable or recurring revenues. This was notably the case in H2 of 2022 when debt markets were risk-averse on more cyclical sectors.

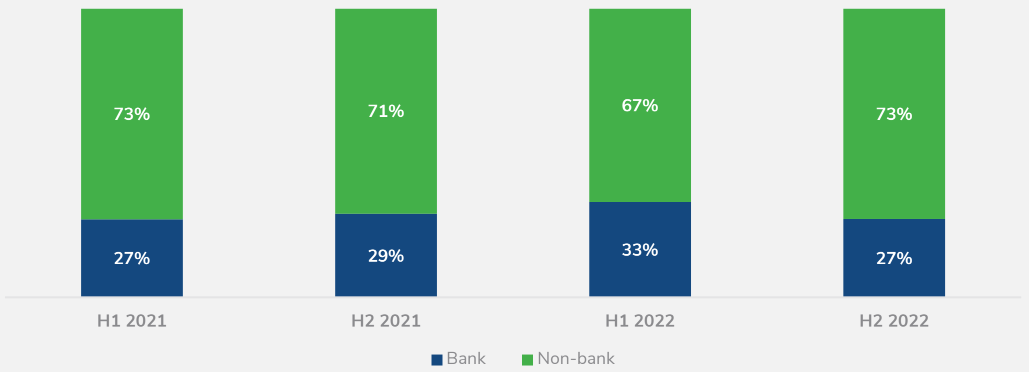
Deals recorded in Financial Services (10% in H1 and 7% in H2) and Consumer (7% in H1 and H2) were comparable to the average levels seen in 2021, whereas Industrials was down significantly on previous reporting periods at 2%.

Transactions noted as 'Other' (19% in H2) include, amongst others, Energy/ Infrastructure/Utilities, Consumer - Manufacturing, Construction, Industrials/Engineering, Education, Aerospace and Defense, and certain transactions labelled as ‘Other' by participants, with each category below 4% of total deals recorded.

[1]*Consumer includes both Consumer - Retail and Consumer – Services*

Leveraged Loans-Fund vs. Bank Share and ESG Trends

Bank vs-Fund Market Share in UK



Source: Kroll 2022 Mid-Market Debt Survey

Continued Importance of ESG Considerations

Funds Market Share Back Up After Dip in H1 2022

After a temporary drop in market share in H1 of 2022, the relative market share of funds in the UK was back up at c. 73% in H2, closer to the levels seen at the start of 2021.

The increase in market share for banks in the UK in H1 of 2022 was previously reported to be linked to higher UK bank activity in H1 2022 combined with reduced UK fund activity, with many funds more active in continental Europe than the UK for that survey period.

We note that the trend towards stronger continental European fund deal flow continued in H2 as the UK's geographic share of deals remained down from 37% in 2021 to 32% for the full year (we previously reported this to be the case for H1 2022). This suggests a relative slowdown of UK bank activity in H2.

In terms of geographic share, France was up from 19% in 2021 to 22% in 2022, Germany stayed at 14%, and the Netherlands was up from 8% to 9%.

Fund Investors Drive Growth in ESG Considerations and Ratchets

ESG-linked interest margin ratchets[1] are becoming more prevalent, notably in the investor-driven direct-lending market. In Q1 of last year, Debtwire reported that ESG-linked unitranches accounted for more than a quarter of mid-market transactions.[2] Kroll's view is that this percentage is now significantly higher than the reported figure.

The requirement for annual ESG reporting by independent providers is becoming the norm in loan documentation, and margin ratchets are increasingly built into documentation rather than left as 'to be agreed' post-signing or post-completion.

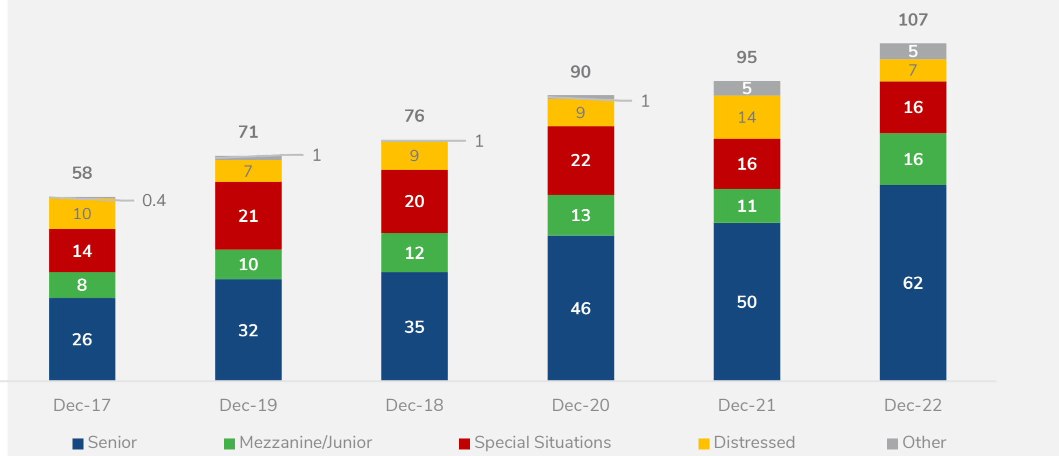
Sectors that are not considered ESG-friendly are increasingly expected to find it more difficult or more expensive to obtain capital.

Kroll has a dedicated ESG Advisory practice that assists borrowers and lenders with identifying and monitoring KPIs. Please get in touch should you wish to learn more.

[1]Typically linking a small margin step up and step down of, say up to 15 basis points, to ESG-related KPIs.
[2]Debtwire Par, February 3, 2022: "ESG ratchets become the new normal, but mechanism suffers teething issues - Mid Market Chatter".
Definition: KPI – Key Performance Indicator

Leveraged Loans-Debt Fund Dry Powder & Fundraising

Private Debt Dry Powder (USD bn) for Europe



Source: Preqin, data as of December 2022

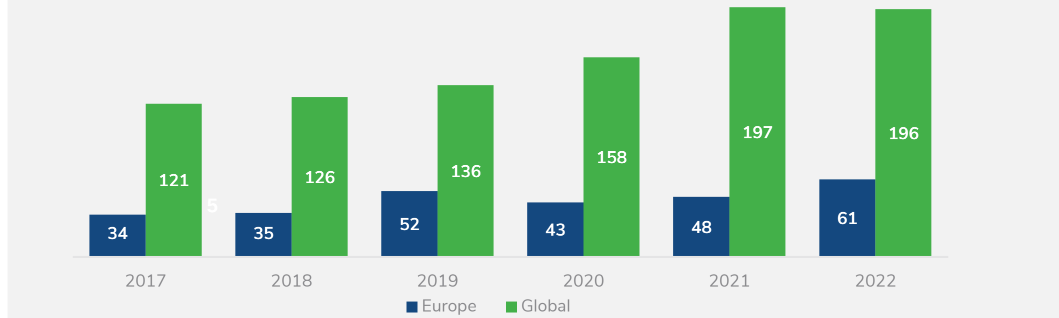
Senior Dry Powder on the Rise

Overall private debt dry powder targeting European borrowers was up again on the previous year, mainly driven by an increase in dry powder for senior debt (including unitranche, up from EUR 50mn in 2021 to EUR 62mn in 2022) and mezzanine debt strategies (up from EUR 11 in 2021 to 16mn in 2022).

This means that senior dry powder accounted for a record high 58% of all European dry powder. We believe these high levels of dry powder are most likely a result of fundraising levels holding up in 2022 (see below) combined with lower levels of deployment on the back of reduced M&A activity and worsening debt market conditions in H2 of 2022.

Dry powder for distressed strategies shrunk from EUR 14 bn to EUR 7 bn suggesting higher levels of deployment during 2022.

Private Debt Fundraising Levels (USD bn)



Source: Preqin, (Historical Fund Raising for Global & European Strategies)

Private Debt Fundraising Levels Holding Up

Whilst 2022 global fundraising levels (at USD 196 bn) were broadly similar to 2021 (USD 197 bn), fundraising levels for European strategies defied market conditions and were up from EUR 48 bn in 2021 to EUR 61 bn in 2022.

Notable private debt fundraisings in 2022 included ICG's Fund VIII closing at EUR 8.1 bn, CVC's third direct-lending fund at EUR 3.3 bn, Ardian's fifth-generation private credit fund at EUR 5 bn, Tikehau's fifth-generation fund at EUR 3.3 bn, and Apera's Fund II at EUR 1.27 bn.

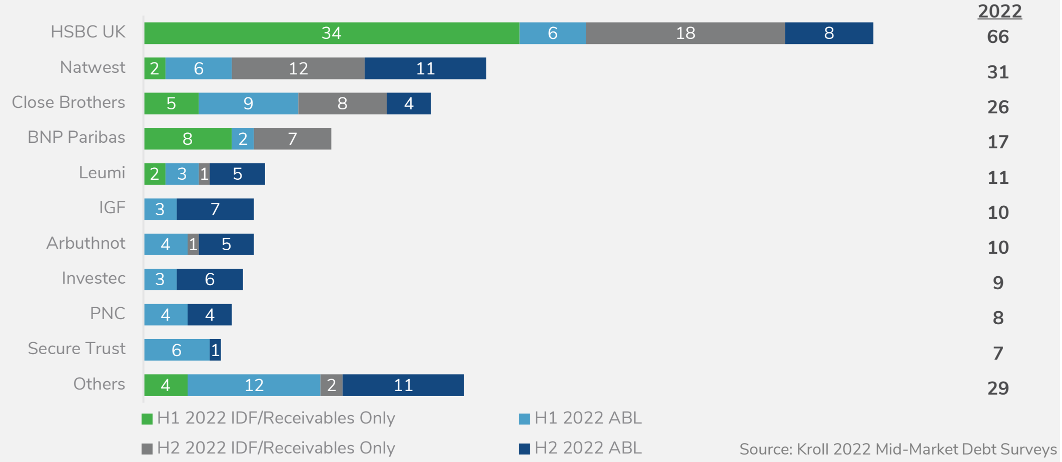
Private debt-fund raisings are taking more time than before (21 months on average for 2022[1]) but market participants believe that investors will continue to favour private debt due to its expected resilience (yet to be proven in case of a recession), its seniority in the capital structure (for senior and unitranche strategies), and its fixed margins over base rates. However, the longer time needed to raise capital may affect fundraising levels for 2023 and may also indirectly impact deployment levels, alongside more caution generally.

The average fund size continues to increase, at USD 1.1 bn in 2022, up from c. USD 800 mn in 2021.

[1]*Preqin data and chart on "Fundraising Momentum, Average Time Spent Raising Capital".*

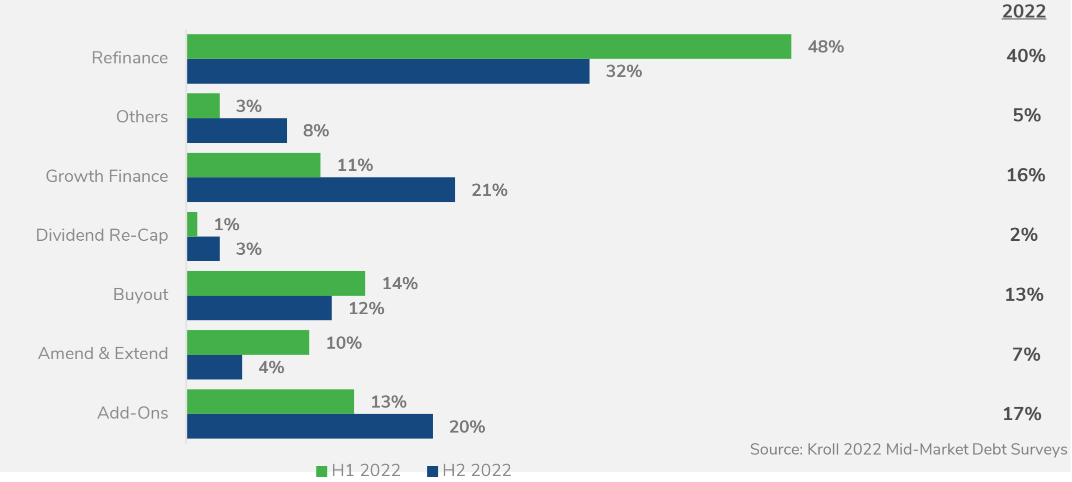
UK ABL Market: Deal Count by Lender and Loan Purpose

2022 ABL Deal Count[1] by Lender



Source: Kroll 2022 Mid-Market Debt Surveys

2022 ABL Deals by Loan Purpose



Source: Kroll 2022 Mid-Market Debt Surveys

Continued Healthy ABL Deal Activity, Similar to Levels Seen in 2021

16 participants reported a total of 111 ABL transactions in H2, comparable to the 113 recorded in H1, taking the total for 2022 to 224, down only slightly from the 231 recorded for 2021. This suggests deal volumes in the ABL market held up well throughout 2022, in contrast to trends seen in the leveraged loan markets.

In the receivables-only segment, HSBC continued to lead, but with deal flow dominated by refinancings and add-ons. Others most active in the receivables-only segment in 2022 included BNP (15), NatWest (14) and Close Brothers (13). Overall deals recorded by Close Brothers equalled 26, identical to last year but with a stronger emphasis on receivables-only deals. Natwest saw a particularly strong H2 across both receivables (12) and ABL (11). ABN AMRO saw less activity in the UK (2, versus 15 deals in 2021) but remained very active internationally. Those focused more on the ABL segment included IGF (10), Arbuthnot (9), PNC (8, now also offering SSRCFs) and Wells Fargo (6).

Drop in Refinancings, Rise in Growth Financings and Add-ons

Refinancing levels dropped sharply in H2 (32%) compared to previous six-month periods (48% in H1), with an increase in growth financings from 11% in H1 to 21% in H2 and add-ons at 17% for the full year, compared to 8% in 2021.

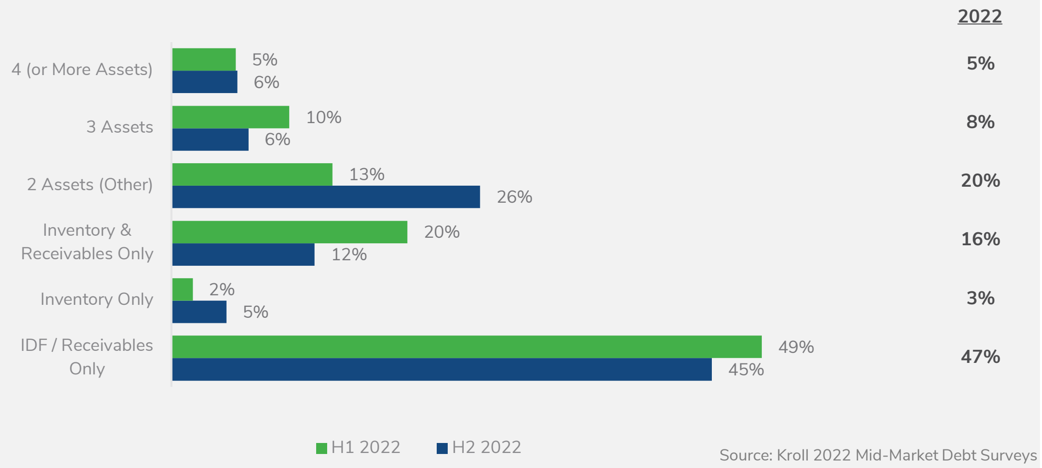
New buyout financing activity continued to disappoint slightly, at only 13% for the year, which was below the 16% seen in 2021. However, some ABL lenders mentioned a strong pipeline of PE deals for H1 2023.

Several ABL lenders reported that the size of their loan book has now recovered and risen above pre-pandemic levels through a mix of recovery in utilisation levels and new business. Market participants seem positive about market outlook as the ABL market is typically expected to do well when general debt market conditions are difficult. The 2023 pipeline is expected to be driven by a mix of growth/acquisition financing as well as more stretched/stressed businesses looking to boost liquidity.

[1]Our survey focuses on UK IDF/receivables-only facilities and UK multi-asset class ABL financings with total debt of between GBP 5mn and GBP 250mn
Note: Others represents the following lenders: Well Fargo (6), Cynergy Bank (6), BrealZeta CF (6), Blazehill (5), ABN Amro (4), Aurelius (2)
Definition: IDF – Invoice Discount Facility

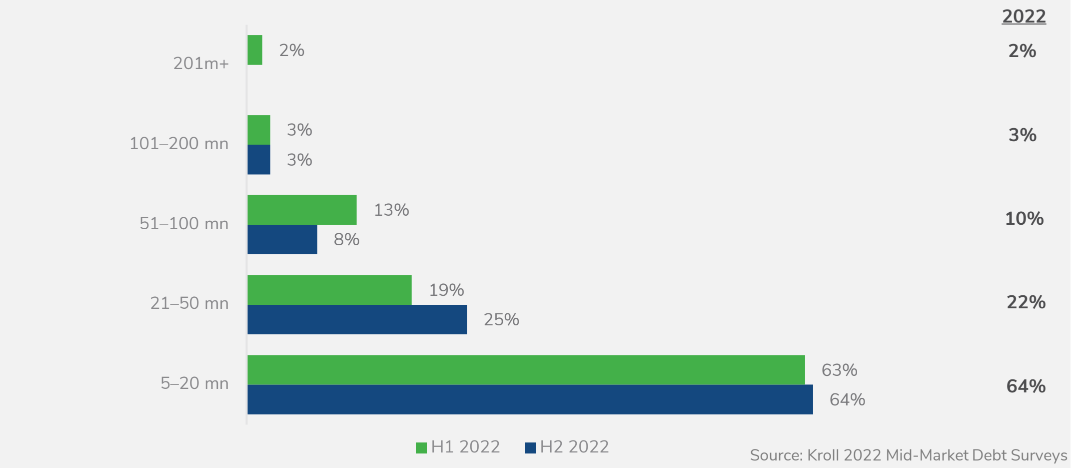
UK ABL Market: Asset Classes and Transaction Size

2022: Asset Class Breakdown by Count



Source: Kroll 2022 Mid-Market Debt Surveys

2022: Transaction Size (GBP)



Source: Kroll 2022 Mid-Market Debt Surveys

Small Shift from Receivables-Only to Multi-Asset Deals

IDF/receivables-only deals represented 45% of deals reported in H2, down strongly from the 58% reported for H2 2021, and 47% for the full year, down from the 52% reported for 2021.

In the ABL segment, few transactions in 2022 were backed by three or more asset classes (13%), down from 2021 (18%).

Inventory and receivables-only deals were up strongly at 16% in 2022 versus 8% in 2021, whereas the number of 'other' two-asset class deals at 20% in 2022 was close to the levels seen in the prior year (19%).

Continued Emphasis on Smaller End of the Market

Emphasis was consistently on smaller transactions, with 64% of deals below GBP 20m and 86% below GBP 50m, broadly in line with data for 2021 (65% and 84% respectively). The relative percentages for the other listed GBP size ranges were also broadly in line with previous years.

Sizeable (GBP 150m+) deals in H1 2022 included C&J Clark Ltd and Admenta UK. No GBP 100m+ deals were reported on a named basis in H2 2022.

A notable transaction in early 2022 was the GBP 43m refinance and growth funding package for Butchers Pet Care (advised by Kroll), provided on a bi-furcated basis by Secure Trust and Blazehill. As reported previously, we expect to see more of these bifurcated ABL plus term loan deals going forward given reduced clearing bank appetite for SSRCFs. However, we note they only offer an alternative to an SSRCF for asset-heavy sectors, and several direct-lending funds do not favour these structures.

Mid-Market Outlook

Expected drop in H1 2023 deal volumes on the back of continued caution from lenders

Debt market sentiment is expected to remain cautious during H1 of 2023, resulting in lower levels of deployment compared to H1 of 2022. Debt fund dry powder remains strong, and most lenders remain open for business but with a strong focus on high-quality credits, and limited appetite for exposure to discretionary spending and inability to pass through cost inflation.

Several funds are out fundraising, which is taking more time than before and may cause a further slowdown in fund lending.

Liquidity at the lower end of the mid-market has deteriorated dis-proportionally, except for ABL debt where appetite is expected to remain strong. Clearing bank lenders remain particularly cautious for lending to new clients and providing SSRCFs.

Slower M&A processes with valuation multiples under pressure. Increased distress levels and lender action

M&A processes are generally taking longer to complete with more off-market or non-standard processes.

Valuation multiples are expected to remain under pressure due to generally lower available leverage levels and higher costs of debt (base rates and margins).

A longer period of high inflation, rising debt cost and supply chain pressures, combined with high levels of leverage in the system and the need to repay or refinance government support loans (e.g., CBILS and CLBILS in UK), are likely to lead to increases in continuation funds, distressed refinancing activity, and restructurings, with debt funds taking over ownership.

Other Trends

New ways to deploy capital, including recurring revenue financings, have been on the rise, but the ability to service debt will be an increased area of focus. Noteworthy activity includes Pemberton's relatively new working capital finance offer (stepping into the gap left by reduced clearing bank appetite for RCFs) and some funds raising an impact fund.

Interest-rate hedging is back on the table for discussion and has become increasingly mandatory.

General tightening of lending terms and move to smaller debt ticket sizes (except for the strongest credits) is expected to continue to result in more club deals for larger mid-market deals despite borrower preference for single fund deals.

ESG Continues to Grow in Importance

Expect increasing emphasis on ESG compliance and policies in M&A and debt marketing materials.

The requirement for annual ESG reporting by independent providers is becoming the norm in loan documentation and margin ratchets are increasingly built into documentation rather than left as ‘to be agreed’ post-signing or post-completion.

Sectors that are not considered ESG-friendly are increasingly expected to find it more difficult or more expensive to obtain capital.

Stay Ahead with KROLL

Risk and Financial Advisory Solutions

Unique insights, data and technology
Providing foresight clients need to create an enduring competitive advantage

6,500 professionals worldwide
Continuing the firm's nearly 100-year history of trusted expertise

- Valuation
- Compliance and Regulation
- Corporate Finance and Restructuring
- Cyber Risk
- Environmental, Social and Governance
- Investigations and Disputes
- Business Services

KROLL

For more information, please contact:

Andreas Stoecklin
Managing Director and Head of
EMEA Corporate Finance, Frankfurt
+49 6971 918 466
andreas.stoecklin@kroll.com

Philip Dakin
Managing Director
Restructuring, London
+44 (0)20 7089 4705
philip.dakin@kroll.com

Bob Bartell, CFA
President, Corporate Finance
Chicago
+1 (312) 697-4654
bob.bartell@kroll.com

Howard P. Lanser
Managing Director and Head of
U.S. Private Capital Markets, Chicago
+1 3129809521
howard.lanser@kroll.com

About Kroll

As the leading independent provider of risk and financial advisory solutions, Kroll leverages our unique insights, data and technology to help clients stay ahead of complex demands. Kroll's team of more than 6,500 professionals worldwide continues the firm's nearly 100-year history of trusted expertise spanning risk, governance, transactions and valuation. Our advanced solutions and intelligence provide clients the foresight they need to create an enduring competitive advantage. At Kroll, our values define who we are and how we partner with clients and communities. Learn more at Kroll.com.

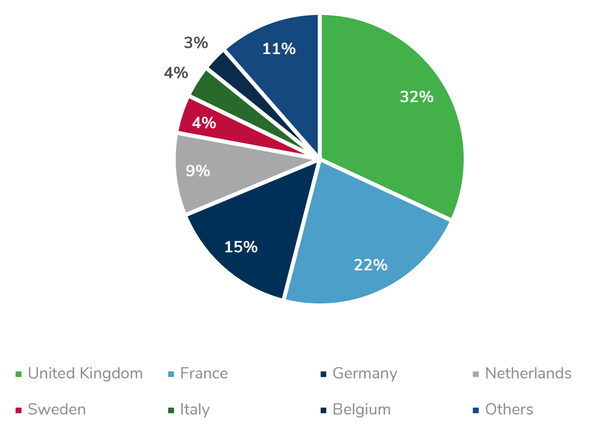
M&A advisory, capital raising and secondary market advisory services in the United States are provided by Kroll Securities, LLC (member FINRA/SIPC). M&A advisory, capital raising and secondary market advisory services in the United Kingdom are provided by Kroll Securities Ltd., which is authorized and regulated by the Financial Conduct Authority (FCA). Valuation Advisory Services in India are provided by Kroll Advisory Private Limited (formerly, Duff & Phelps India Private Limited), under a category 1 merchant banker license issued by the Securities and Exchange Board of India.

Appendix-Further Survey Results and Data

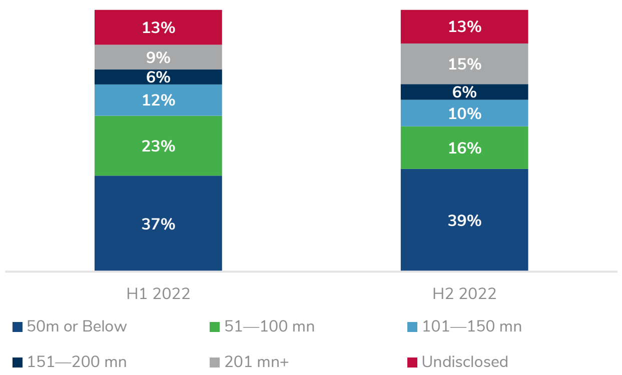
European Direct Lender Transaction Count 2022[1]

Lender	H1 2022 TOTAL	H2 2022 Total	2022 Total
Ares Management	39	35	74
Barings	24	25	49
IDInvest (Eurazeo)	24	19	43
Pemberton	17	21	38
Tikehau	19	19	38
CVC Credit	16	16	32
Bridgepoint	15	12	27
Ardian	11	14	25
Arcmont	8	16	24
Kartesia	12	12	24
Permira Credit Limited	13	8	21
Capital Four	8	12	20
Apera	13	4	17
Hayfin	10	7	17
Blackrock	9	6	15
Bain Capital	8	6	14
Golub	8	6	14
Cordet Private Debt	10	3	13
Crescent Capital	6	7	13
Muzinich	3	8	11
Pricoa Capital	5	6	11
Five Arrows	5	4	9
LGT Private Debt	4	5	9
P Capital Partners	4	5	9
Apollo	4	4	8
HIG Whitehorse	4	4	8
Macquarie	3	4	7
Federated Hermes	1	5	6
Northleaf	4	2	6
Dunport Capital	2	2	4
M&G	3	1	4
Guggenheim	0	3	3
Total	312	301	613

2022 Leveraged Term Loans by Geography



2022 Transaction Sizes



[1]The following direct lenders also provided RCF facilities in 2022, in addition to the above count: Golub (2), Capital Four (1), Pricoa (1)

Appendix-Further Survey Results and Data

UK ABL Deal Count 2022[1]

Lender	H1 2022 Deal Count	H2 2022 Deal Count	Total
HSBC UK	40	26	**66**
Natwest	8	23	**31**
Close Brothers	14	12	**26**
BNP Paribas	10	7	**17**
Leumi	5	6	**11**
Arbuthnot	4	6	**10**
IGF	3	7	**10**
Investec	3	6	**9**
PNC	4	4	**8**
Secure Trust	6	1	**7**
Cynergy Bank	4	2	**6**
Wells Fargo	2	4	**6**
Blazehill	3	2	**5**
BrealZeta CF	4	2	**5**
ABN Amro	2	2	**4**
Aurelius	1	1	**2**
Total	113	111	**224**

[1]*UK deal count only. Several lenders also lent across Europe during 2022 (notably ABN AMRO), and these have not been included in this table.*

KROLL

Appendix-Further Survey Results and Data

Banks UK Market Deal Count 2022

Lender	H1 2022 Term	H1 2022 SSRCF	H2 2022 Term	H2 2022 SSRCF	2022 TOTAL
HSBC	6	25	12	15	58
Natwest	8	5	5	8	26
Barclays	11	5	-	4	20
Lloyds	5	3	4	5	17
Santander	5	2	3	2	12
PNC	3	3	-	5	11
Bank of Ireland	-	2	1	3	6
Investec	-	1	4	-	5
SMBC	1	1	-	2	4
Deutsche Bank	-	2	-	1	3
CIC London	-	-	1	-	1
Total	**39**	**49**	**30**	**45**	**163**

[1]*UK deal count only. Several lenders also lent across Europe during 2022 (notably ABN AMRO), and these have not been included in this table.*

Important Notice

The European Mid-Market Debt Update was prepared by Kroll Securities Limited and/or Kroll Advisory Ltd .(together 'Kroll' or "we") for a specific purpose and was based on public information sources and/or responses provided to the Mid-Market Debt Tracker ("the Tracker" or "European Mid-Market Debt Survey"), collecting certain deal information from mid-market lenders.

Analysis and/or trends derived from the Tracker responses may be shared by Kroll with other companies or individuals, and we are not responsible for the subsequent use made of such information by such companies or individuals or for any further disclosure they might make. Kroll has no liability for any information supplied which is in breach of any confidentiality agreement that Tracker participants may have entered into.

Statements made by Kroll in this document, expressed or implied, do not constitute a guarantee of any kind but solely represent the opinion of Kroll based upon the best information available. We safeguard information received using measures consistent with those utilised to safeguard Kroll's own information.

In the absence of written consent to the contrary, no representation, warranty or undertaking (express or implied) is made by Kroll, and no responsibility is taken or accepted as to the adequacy, accuracy, completeness or reasonableness of either the responses received in relation to the Tracker, or any analysis thereof, and we exclude liability thereof. Neither Kroll nor any of its associates, officers, employees, affiliates, representatives and agents owe a duty of care to any recipient of this European Mid-Market Debt Update, either in relation to the underlying Tracker responses received, or any analysis thereof, and any other information which a recipient receives in relation to this European Mid-Market Debt Update at any time.

The material in this report is for information purposes only and is not intended to be relied upon as financial, accounting, tax, legal or other professional advice. This report and contents do not constitute and should not be construed as soliciting or offering any investment or other transaction, identifying securities for you to purchase or offer to purchase, or recommending the acquisition or disposition of any investment.

If you have not received this document directly from Kroll, your receipt is unauthorised. In this event, please delete or destroy this document and contact Kroll immediately. For the avoidance of doubt, in the absence of a formal contractual agreement to the contrary, neither Kroll nor any of its associates, officers, employees, affiliates, representatives, agents and in all cases any predecessor, successor or assignees shall be liable for any losses, damages, costs or expenses arising from or in any way connected with your use of the European Mid-Market Debt Update.

KROLL