

KKR ALTERNATIVE INVESTMENT MANAGEMENT

To: The Central Bank of Ireland
The Boards of Directors of:
- Avida Holding AB (the “Portfolio Company”)
- Shareholders in the Portfolio Company

From: KKR Alternative Investment Management Unlimited Company (the “KKR AIFM”)

Re: Notifications and disclosures required under the European Union (Alternative Investment Fund Managers) Regulations 2013, as amended (the “Irish AIFMD Regulations”)

Date: 7 August 2020

Ladies and Gentlemen,

We are writing to you in our capacity as alternative investment fund manager of KKR DAF Securitised Private Credit Fund, a sub-fund of KKR European Credit Investment Funds plc, an alternative investment fund established in Ireland and KKR Private Credit Opportunities Partners II (EEA) L.P., an alternative investment fund established in the United Kingdom (the “KKR EEA AIFs”), and in compliance with our obligations under Regulations 28 and 29 of the Irish AIFMD Regulations, which require certain notifications and disclosures by an alternative investment fund manager managing an alternative investment fund which acquires control (“Control”) of portfolio companies that have their registered office in the European Economic Area (the “EEA”). Terms not otherwise defined herein have the meanings ascribed to them in the Irish AIFMD Regulations.

On 28 July 2020, the Controlling AIFs (as defined below) acquired joint Control of the Portfolio Company, a non-listed company whose shares are traded on the NOTC (an information system for unlisted shares), Norwegian OTC-market. 57.17% of the voting rights in the Portfolio Company are exercised indirectly by the Controlling AIFs (as defined below).

The KKR EEA AIFs indirectly hold 89.79% of the voting rights in Eckern Finans Holding AB (the “KKR BidCo”). KKR DAF Securitised Private Credit Fund, a sub-fund of KKR European Credit Investment Funds plc, indirectly holds 28.24% of the voting rights in the BidCo. KKR Private Credit Opportunities Partners II (EEA) L.P. is a 32.58% limited partner in PCOP II Cayman Investors A L.P. (“PCOP II”). PCOP II indirectly holds 61.55% of the voting rights of the KKR BidCo. KKR Private Credit Opportunities Partners II (EEA) L.P. is the sole shareholder of the general partner of PCOP II and can effectively exercise any rights PCOP II has, including voting rights, as a result of this shareholding. The KKR BidCo holds 40.68% of the voting rights in the Portfolio Company.

FS KKR Capital Corp. and FS KKR Capital Corp. II, non-EU alternative investment funds (the “FSK AIFs” and, together with the KKR EEA AIFs, the “Controlling AIFs”), hold 81.05% and 18.95% of the voting rights, respectively, in FSK Eckern Finans Holding AB (the “FSK BidCo”). The FSK BidCo holds 20.64% of the voting rights in the Portfolio Company. FS KKR Capital Corp. and FS KKR Capital Corp. II are advised by FS/KKR Advisor, LLC.

*Directors: Michael Gilleran, Michael Buckley, Tim Franks (United Kingdom)
Edmund O'Neill, Steven Perrotto (United States), Eileen Fitzpatrick*

Registered in Ireland. KKR Alternative Investment Management (Registration No: 576253) is a registered business name of KKR Alternative Investment Management Unlimited Company (Registration No: 539765)

Registered Office: Level 3, 75 St. Stephens Green, Dublin 2, Authorised and Regulated by the Central Bank of Ireland, D02 PR50.

AV046/035/AC#35574014.1

Accordingly, for the purposes of the Irish AIFMD Regulations only, the KKR AIFM is deemed to have cooperated with FS/KKR Advisor, LLC in the acquisition of joint Control of the Portfolio Company.

Consequently, the KKR AIFM is required to notify and make available certain information to the Central Bank of Ireland, the Portfolio Company and shareholders of the Portfolio Company. The KKR AIFM's disclosure on conflicts of interest, external and internal communications and other matters relating to the Portfolio Company, as required under Regulation 29 of the Irish AIFMD Regulations, is set out in the Appendix to this letter.

In compliance with the Irish AIFMD Regulations, the KKR AIFM managing the KKR EEA AIFs respectfully requests the board of directors of the Portfolio Company to inform all employee representatives or, where there are no representatives, the employees themselves, without undue delay of the information provided in this letter and the Appendix.

Further, in compliance with Regulation 30 of the Irish AIFMD Regulations, the KKR AIFM respectfully requests the board of directors of the Portfolio Company to ensure that the annual report of the Portfolio Company is made available to all employee representatives or, where there are no representatives, the employees themselves, within the period such annual report has to be drawn up in accordance with the national applicable law. The annual report shall include a fair review of the development of the Portfolio Company's business representing the situation at the end of the period covered by the annual report. The report shall also give an indication of:

- (a) any important events that have occurred since the end of the financial year;
- (b) the Portfolio Company's likely future development; and
- (c) the information concerning acquisitions of own shares prescribed by Article 22(2) of Council Directive 77/91/EEC.

The relevance of this information to each of the aforementioned parties will necessarily vary. The statements made in this letter are accurate as of the date it is written. Except as required by law, the KKR AIFM expressly disclaims any obligation or undertaking to undertake any update or revisions to such statements or to take any other action to reflect any change in events, conditions or circumstances on which any such statements are based.

Please do not hesitate to contact us in case of any queries.

KKR AIFM

APPENDIX

1. About KKR

Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “**KKR**”) is a leading global investment firm. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners’ capital.

1.1 Policy for preventing and managing conflicts of interest

The KKR AIFM has adopted a conflicts of interest policy as required under the Irish AIFMD Regulations. The KKR AIFM’s policy is to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from arising or giving rise to a material risk of damage to the interests of its clients. The KKR AIFM is required to segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest. The KKR AIFM also takes into account intra-group business activities and client duties in its conflicts of interest arrangements and governance framework.

1.2 Conflicts of interest affecting the KKR AIFM, the KKR EEA AIF and the Portfolio Company

The private placement memorandum for the KKR EEA AIF contains disclosure on actual, potential or apparent conflicts of interest that may affect the KKR AIFM, the KKR EEA AIF and portfolio companies. In addition, the Form ADV Part 2 maintained by KKR also contains further information regarding conflicts of interest relating to KKR that may be relevant to the KKR AIFM, the KKR EEA AIF, investment funds and accounts managed by the KKR AIFM or its affiliates (“Other KKR Investment Vehicles”), and portfolio companies. The private placement memorandum disclosures are available upon request from the KKR AIFM as well as further information on its policies and procedures for managing conflicts of interest. The Form ADV Part 2 is publicly available¹. Further information, including KKR’s public company filings with the United States Securities and Exchange Commission, can be found on www.kkr.com.

1.3 Safeguards in relation to agreements between the KKR AIFM and/or the KKR EEA AIF and the Portfolio Company

(a) Alignment of interests with portfolio companies

KKR expects that in most cases involving the Portfolio Company, given that the KKR EEA AIF is a significant investor, the interests of the KKR AIFM and the KKR EEA AIF and the Portfolio Company should be aligned. However, this may not always be the case, particularly if the Portfolio Company were to encounter financial difficulty in the future. In such case and in line with the domestic laws of most EEA jurisdictions, the directors of the Portfolio Company may owe duties to creditors of the Portfolio Company rather than the shareholders, including the KKR EEA AIF.

(b) Directors’ duties to portfolio companies and procedures relating to engagement of KKR and related persons

From time to time, KKR personnel and other individuals with relationships with KKR (such as KKR Capstone) may serve on the board of directors of the Portfolio Company. Such

¹ Please see

http://www.adviserinfo.sec.gov/iapd/content/viewform/adv/Sections/iapd_Adv2Brochures.aspx?ORG_PK=144533&RGLTR_PK=50000&STATE_CD=&FLNG_PK=05C54AB80008017700A986700513D98D056C8CC0

individuals are aware of the potential for actual or perceived conflicts of interest to arise in relation to the engagement of related or other third parties. KKR's current conflicts of interest documentation and policy guidelines for KKR executives acting as directors of portfolio companies highlight the potential for conflicts of interest to arise and require them to comply with their fiduciary obligations to the Portfolio Company in accordance with applicable laws. In particular, the applicable requirements relating to conflicts of interest may prevent or restrict such individuals from attending, voting and/or speaking at meetings of the board of directors or equivalent body of the Portfolio Company where an agreement between the Portfolio Company and the KKR AIFM and/or the KKR EEA AIF is being considered.

KKR policies provide further general guidance to assist KKR executives in fulfilling their primary duties and fiduciary responsibilities owed to the Portfolio Company and identify certain tools available to the executives in managing conflicts that may arise. KKR would expect that engagements with KKR and/or KKR Capstone would also be subject to the safeguards provided for in the Portfolio Company's policies and procedures (including any required consents such as board approval).

(c) Procedures for resolution of conflicts of interest affecting the KKR EEA AIF

If any matter arises that the general partner of the KKR EEA AIF or the KKR AIFM determines in its good faith judgment constitutes an actual conflict of interest, the general partner or the KKR AIFM may take such actions as it determines in good faith may be necessary or appropriate to mitigate the conflict.

Conflicts of interest that arise between the KKR EEA AIF and the KKR EEA AIF's investors, on the one hand, and KKR and Other KKR Investment Vehicles, on the other hand, generally will be discussed and resolved on a case-by-case basis by senior management of KKR, including representatives of the general partner of the KKR EEA AIF and the KKR AIFM (or otherwise managed in accordance with internal policies and procedures reviewed by senior management). Any such discussions and policies will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. To implement best practice in the application and monitoring of conflict resolution, KKR has created a Global Conflicts Committee. KKR's Global Conflicts Committee is responsible for analysing and addressing new or potential conflicts of interest that may arise in KKR's business, including conflicts relating to specific transactions and circumstances as well as those implicit in the overall activities of KKR and its various businesses. This committee is overseen by KKR's General Counsel.

2. Policy for external and internal communication relating to the Portfolio Company in particular as regards employees

The KKR AIFM will adhere to requirements under applicable law with regard to external and internal communications. In particular, the KKR AIFM will adhere to the requirements of Regulation (EU) 596/2014 of the European Parliament and of the Council on market abuse and national transposing legislation relating to the use and disclosure of price sensitive information. KKR has adopted information-sharing policies and procedures which address both (i) the handling of confidential information (including information relating to portfolio companies) and (ii) the information barriers that exist between the public and private sides of KKR.

Communications relating to employees of the Portfolio Company will be made through the appropriate channels such as through the management and/or Human Resources function of the Portfolio Company, directly to employees or through the appropriate employee representatives.

3. **Intentions of the AIFM with regard to the future business of the Portfolio Company and the likely repercussions on employment, including any material change in the conditions of employment**

It is intended to continue to develop the business of the Portfolio Company. Currently, no material changes in the conditions of employment applicable to the Portfolio Company are intended.

4. **Information on the financing of the acquisition of control of the Portfolio Company**

The transaction was financed without any third-party financing through a mixture of debt extended under profit participating loans and equity contributions.