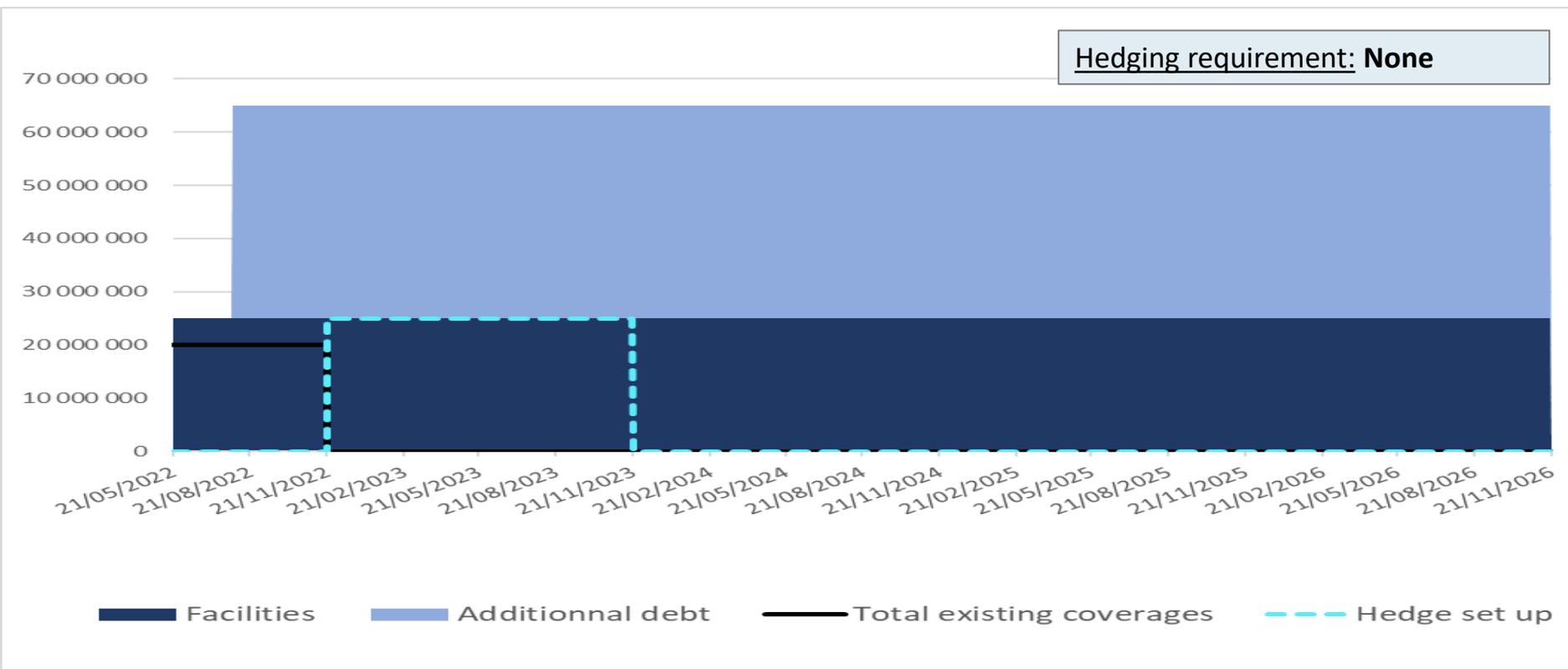


Hedging Interest Rate Risk Final Report

25 July 2022

- New hedge set up on a 1-year horizon to mitigate the sensitivity of the group to interest rate variations, including the impact of negative rates with a cash flow hedge objective.
- A cap with a protection rate (strike) at 1% has been set up to limit the financing rate on the hedged part. This product takes into account the 0% floor on the debt.



Financing: (IDINVEST) Facilities A, B and C of **€25'000'000**, drawn on 21/11/2019 + **additional debt of €40'000'000** expected to be drawn on 31/07/2022

- **Facilities (A+B+C): €25'000'000**, bullet amortization, maturing 21/11/2026, **floor 0%** on Euribor 6 months + 6,75%
- **Additional debt: €40'000'000**, bullet amortization, maturing 21/11/2026, **floor 0%** on Euribor 6 months + 6,75%
- **Facility D: €13'000'000**, not considered in the analysis

- Hedges set up: Purchased Cap 1% for 1 year.
- Banking split : Caixa Bank 100%

| | |
|---------------------|---------------------|
| Product | : Cap |
| Strike price | : 1% |
| Trade Date | : 22/07/2022 |
| Start Date | : 21/11/2022 |
| End date | : 21/11/2023 |
| Index | : Euribor 6 Months |
| Base | : ACTUAL/360 |

Caixa Bank hedging

Notional Principal: €25,000,000 amortization as set out in the table.

Upfront Premium of €165'800 to pay on 22/07/2022.

| Fixing | Start | End | Payment | Notional Amount | Accounting deferral |
|------------|------------|------------|------------|-----------------|---------------------|
| 17/11/2022 | 21/11/2022 | 22/05/2023 | 22/05/2023 | 25 000 000 | 82 673 |
| 18/05/2023 | 22/05/2023 | 21/11/2023 | 21/11/2023 | 25 000 000 | 83 127 |

| | |
|----------------------------------|-------|
| Corresponding annualized premium | 0,66% |
|----------------------------------|-------|

| | |
|-------|---------|
| Total | 165 800 |
|-------|---------|

Amortization table

| FIXING DATE | START DATE | END DATE | PAIEMENT DATE | Facilities | | Additional debt | | TOTAL DEBT | Total existing coverages | Hedge set up |
|-------------|------------|------------|---------------|------------|------------|-----------------|------------|------------|--------------------------|--------------|
| | | | | Amort. | CRD | Amort. | CRD | | | |
| 19/05/2022 | 23/05/2022 | 21/11/2022 | 21/11/2022 | 0 | 25 000 000 | 0 | 0 | 25 000 000 | 20 000 000 | 0 |
| 17/11/2022 | 21/11/2022 | 22/05/2023 | 22/05/2023 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 25 000 000 |
| 18/05/2023 | 22/05/2023 | 21/11/2023 | 21/11/2023 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 25 000 000 |
| 17/11/2023 | 21/11/2023 | 21/05/2024 | 21/05/2024 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 0 |
| 17/05/2024 | 21/05/2024 | 21/11/2024 | 21/11/2024 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 0 |
| 19/11/2024 | 21/11/2024 | 21/05/2025 | 21/05/2025 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 0 |
| 19/05/2025 | 21/05/2025 | 21/11/2025 | 21/11/2025 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 0 |
| 19/11/2025 | 21/11/2025 | 21/05/2026 | 21/05/2026 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 0 |
| 19/05/2026 | 21/05/2026 | 23/11/2026 | 23/11/2026 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 | 0 |
| 19/11/2026 | 23/11/2026 | 23/11/2026 | 23/11/2026 | 25 000 000 | 0 | 40 000 000 | 0 | 0 | 0 | 0 |

In addition to the qualitative aspects (analysis and choice of the most appropriate strategy) and the time saved during the process, the KERIUS Finance service generated the following savings:

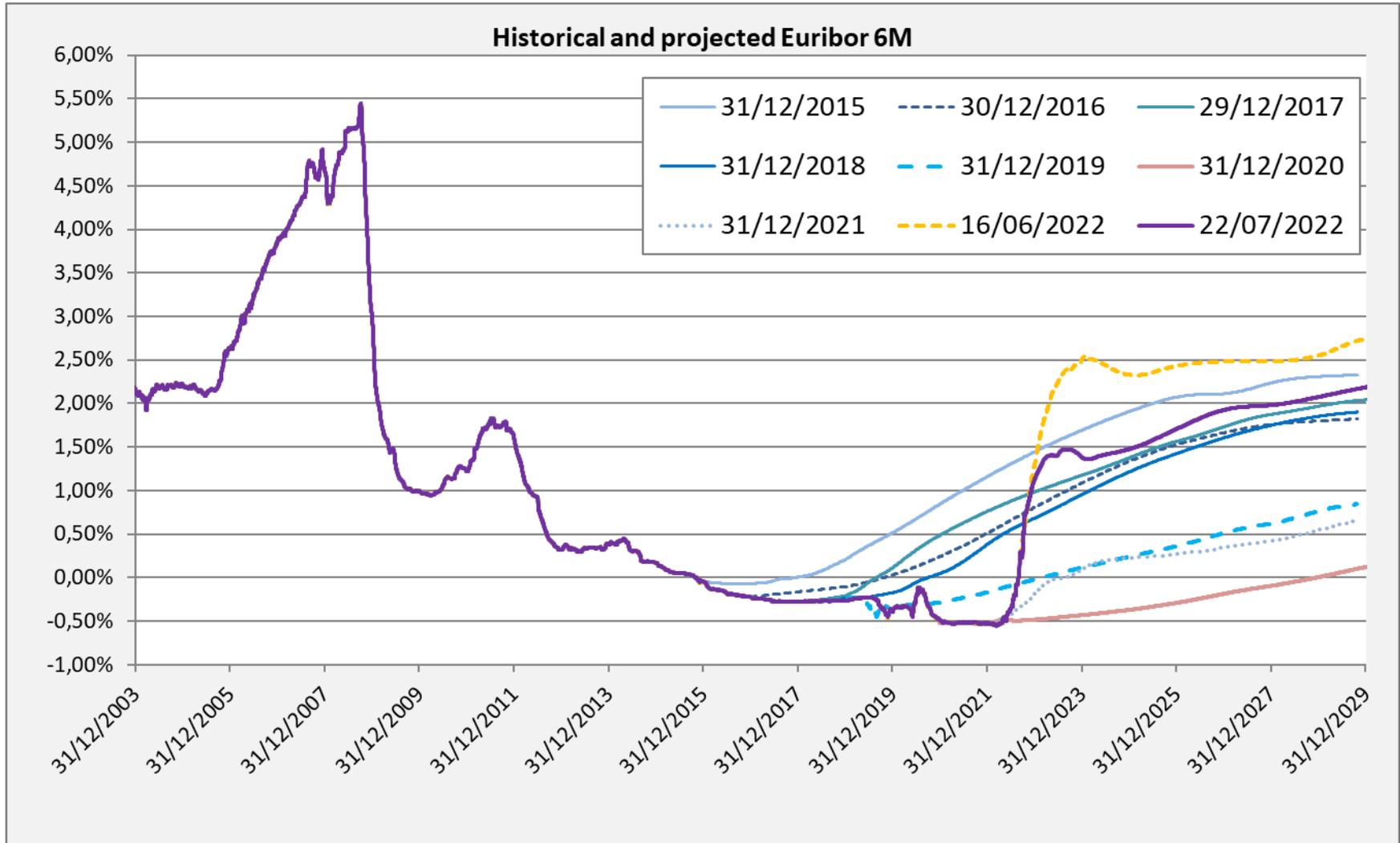
| | |
|--|---------------|
| Value of 1 BP | 2 535 |
| | Caixa |
| Total savings | 28 874 |
| Market price without bank margin | 143 980 |
| Price with standard bank margin * | 194 674 |
| Standard bank margin (20 basis points) * | 50 694 |
| Final price | 165 800 |
| Final margin | 21 820 |

* The standard margin taken by banks in this context is 20 to 25 basis points over the fixed rate or running premium compared to the rate / price without margin used above. A margin of 10 basis points is used for this comparison.

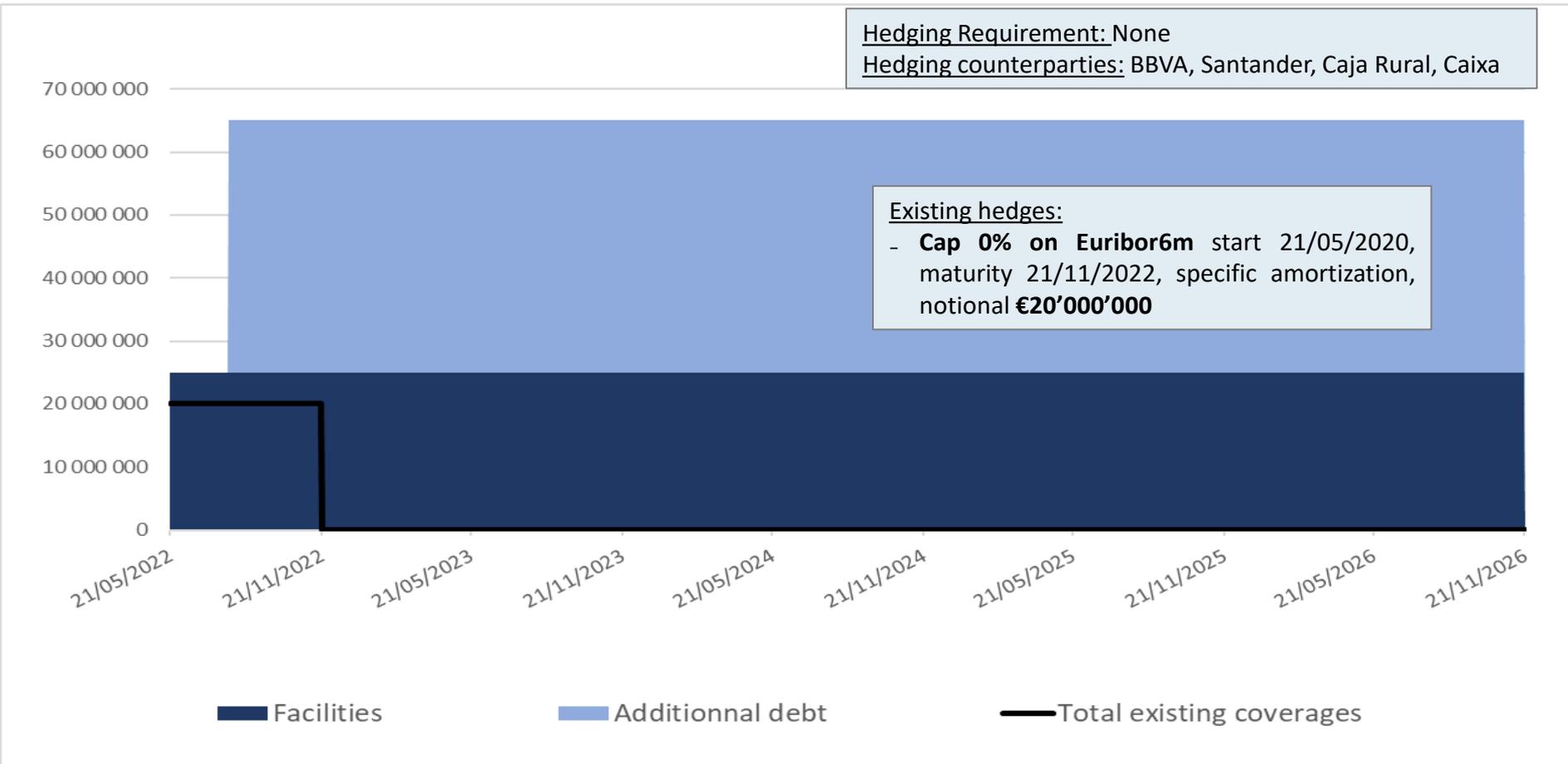
The total savings are made in three stages in a "cooperative" way with the bank:

- Choosing the optimal product: similar or identical products are often "priced" differently
- Preliminary negotiations before quotes tender (explanation of KERIUS method and target margin to be selected)
- Final negotiation at the end of the process

- Market Data : Historic and projected Euribor
- Financing terms
- Recall : impact of negative rates on swaps
- Recall : Profiles at maturity of different types of hedge

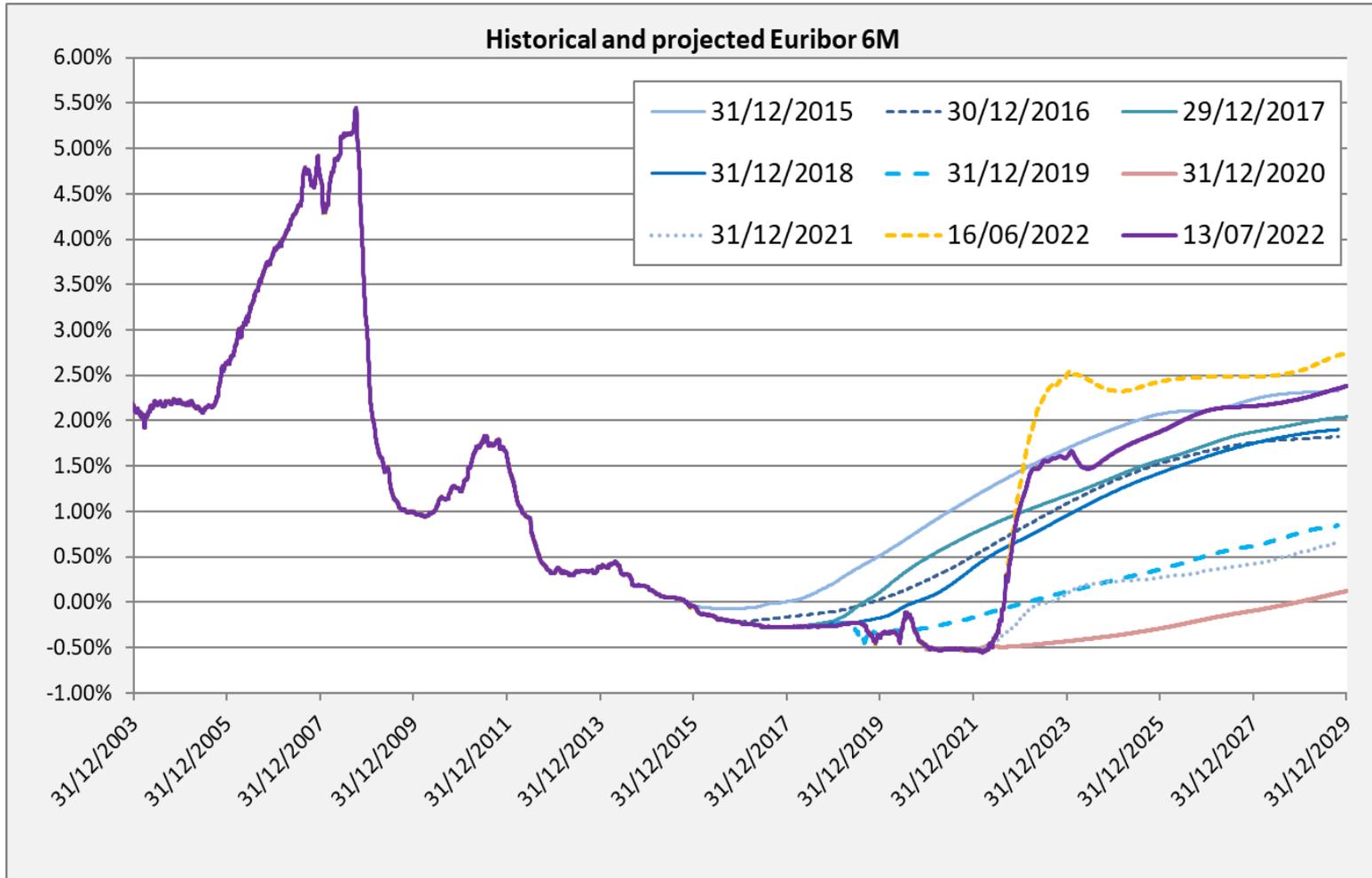


Debt & Hedging Requirement Mapping



Financing: (IDINVEST) Facilities A, B and C of €25'000'000, drawn on 21/11/2019 + additional debt of €40'000'000 expected to be drawn on 31/07/2022

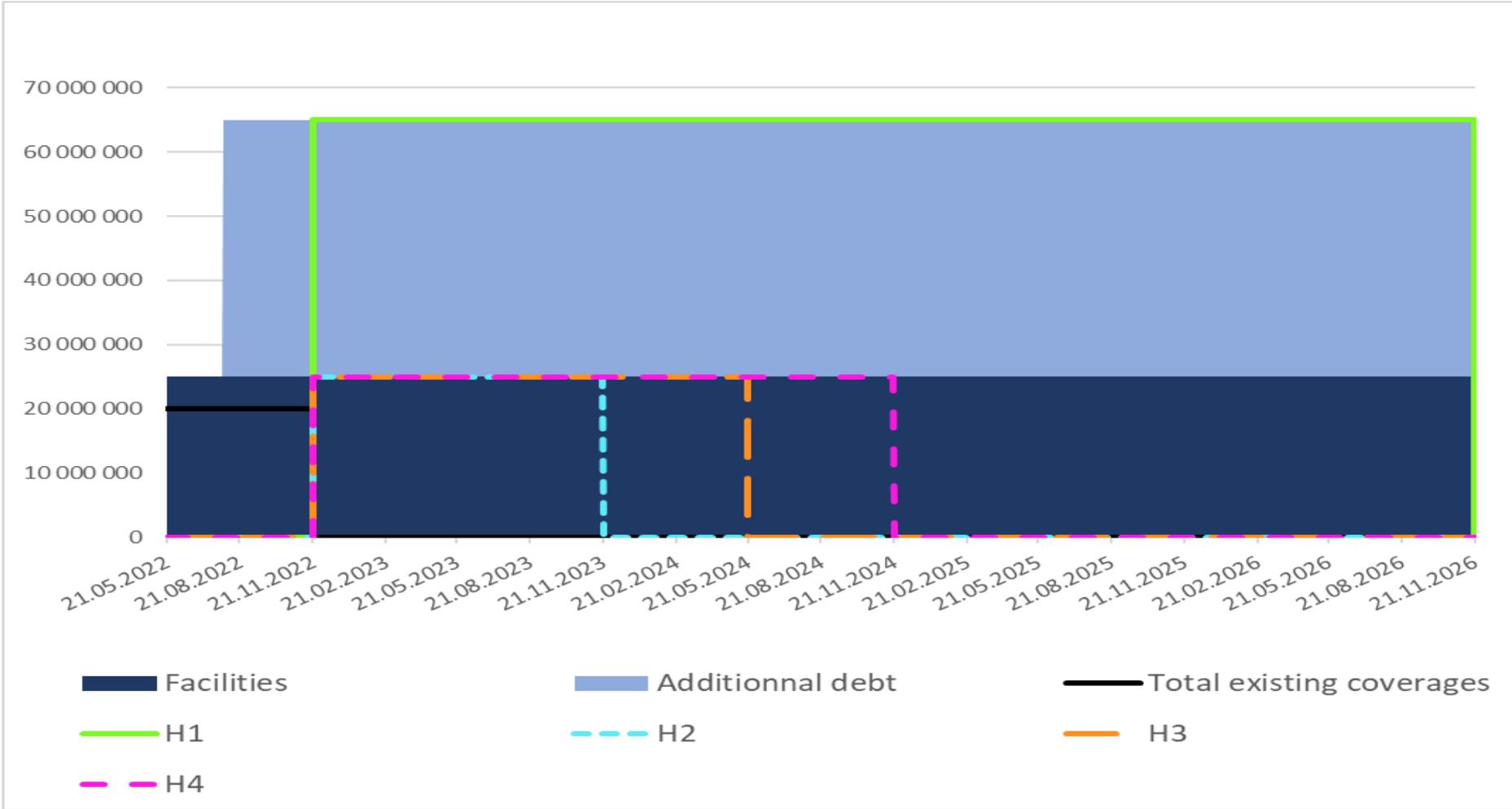
- **Facilities (A+B+C):** €25'000'000, bullet amortization, maturing 21/11/2026, **floor 0%** on Euribor 6 months + 6,75%
- **Additional debt:** €40'000'000, bullet amortization, maturing 21/11/2026, **floor 0%** on Euribor 6 months + 6,75%
- **Facility D:** €13'000'000, not considered in the analysis



The markets are currently highly volatile and can significantly influence hedge prices

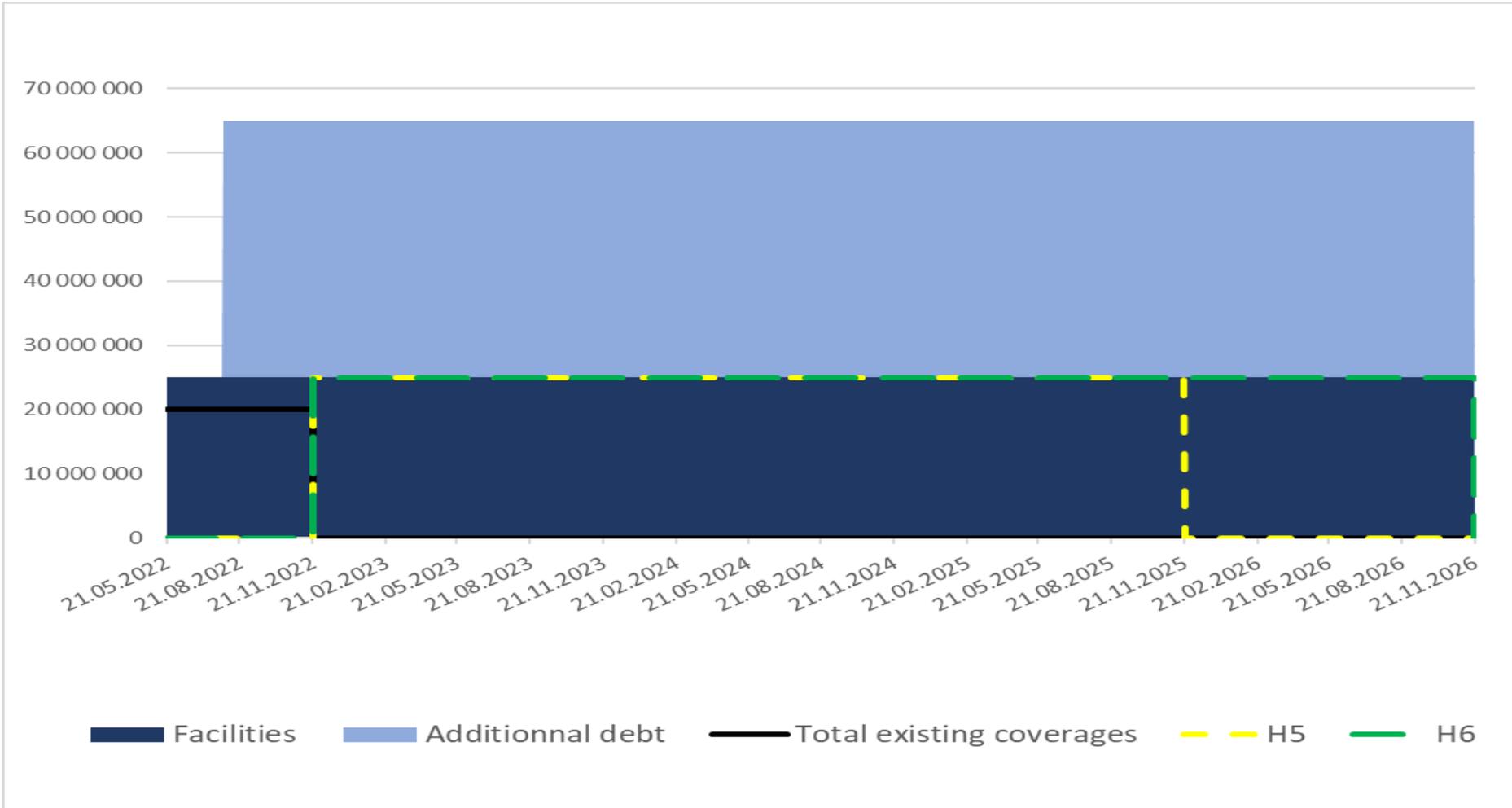
- Hedge prices fluctuate daily by +/- 5 basic points
- The delay to set up a hedge has been significantly extended due to the current situation

New hedges: Various amounts and maturities possible



DISCLAIMER : It is not possible to hedge a facility that is not issued yet. Therefore, except for H1 which is purely informative, all strategies are based on the facilities already issued.

New hedges: Various amounts and maturities possible



DISCLAIMER : It is not possible to hedge a facility that is not issued yet. Therefore, except for H1 which is purely informative, all strategies are based on the facility already issued.

| Hedging | H1 | H2 | H3 | H4 | H5 | H6 |
|---------------------------------|----------------|---------------|------------------|----------------|----------------|----------------|
| Duration | 4 years | 1 year | 1,5 years | 2 years | 3 years | 4 years |
| Index | Euribor 6M | Euribor 6M | Euribor 6M | Euribor 6M | Euribor 6M | Euribor 6M |
| Starting Notional Amount | 65 000 000 | 25 000 000 | 25 000 000 | 25 000 000 | 25 000 000 | 25 000 000 |
| Start of Period | 21.11.2022 | 21.11.2022 | 21.11.2022 | 21.11.2022 | 21.11.2022 | 21.11.2022 |
| End of Period | 21.11.2026 | 21.11.2023 | 21.05.2024 | 21.11.2024 | 21.11.2025 | 21.11.2026 |
| Value of 1bp in EUR | 26 379 | 2 535 | 3 799 | 5 076 | 7 611 | 10 146 |

Swap Rate (rf appendice about Constraints related to negative rates)

| | | | | | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Swap without Floor | 1,60% | 1,27% | 1,34% | 1,38% | 1,50% | 1,60% |
| Floor 0% | 0,22% | 0,13% | 0,16% | 0,18% | 0,20% | 0,22% |
| Swap with Floor | 1,82% | 1,40% | 1,50% | 1,57% | 1,70% | 1,81% |

Annualised Premium

| | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cap 0% annualised | 1,82% | 1,40% | 1,50% | 1,57% | 1,70% | 1,81% |
| Max Financing Rate | 1,82% | 1,40% | 1,50% | 1,57% | 1,70% | 1,81% |

| | | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cap 0,5% annualised | 1,42% | 0,99% | 1,10% | 1,17% | 1,30% | 1,41% |
| Max Financing Rate | 1,92% | 1,49% | 1,60% | 1,67% | 1,80% | 1,91% |

| | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cap 1% annualised | 1,09% | 0,67% | 0,78% | 0,86% | 0,97% | 1,09% |
| Max Financing Rate | 2,09% | 1,67% | 1,78% | 1,86% | 1,97% | 2,09% |

| | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cap 2% annualised | 0,66% | 0,32% | 0,41% | 0,48% | 0,56% | 0,66% |
| Max Financing Rate | 1,66% | 1,32% | 1,41% | 1,48% | 1,56% | 1,66% |

Premium in EUR

| | | | | | | |
|-----------------|-----------|---------|---------|---------|-----------|-----------|
| Cap 0% | 4 669 200 | 352 500 | 565 400 | 786 200 | 1 267 600 | 1 794 100 |
| Cap 0.5% | 3 652 700 | 248 300 | 413 300 | 587 400 | 969 400 | 1 403 300 |
| Cap 1% | 2 808 400 | 167 900 | 293 300 | 428 600 | 725 500 | 1 078 800 |
| Cap 2% | 1 701 000 | 81 300 | 154 200 | 237 600 | 420 600 | 653 400 |

| | |
|--|----------|
| Estimated Bank Margin in Basis Points (BP) included in the prices | 7 |
|--|----------|

| | |
|---|--------|
| **Cost of floor 0% included in the facility contract | 31 700 |
|---|--------|

** the sentence from the facility contract « if the Euribor is negative, then it will be considered as 0% » represents a cost for the borrower which is assessed by the value of a floor 0% on the facility's total amount, on the day of issuance.

Indicatives quotations

See profil at expiry in appendix

Quotation without bank margin. Final price could be higher by 0,10% to 0,20% according to banks credit margins.

Markets are currently very volatile and these prices can strongly fluctuate.

Indications for comparing the quotations:

- The swap rate represents the financing rate of the hedged portion of the debt (excluding the specific floor problem in the event of negative rates).
- The annualized premium for the cap represents the cost to be paid over the duration to benefit from the protection. The overall funding rate is then capped at strike + annualized premium. The cap enables to benefit from Euribor rates lower than the strike, provided that the strike is greater than the floor included in the hedged financing.
- In the event of a resale of the cap before maturity, the unpaid premium remain due; but from this amount will be deducted the residual value (mark to market / fair value) of the cap, which may exceed the amount of the premium remaining due if rates have risen.

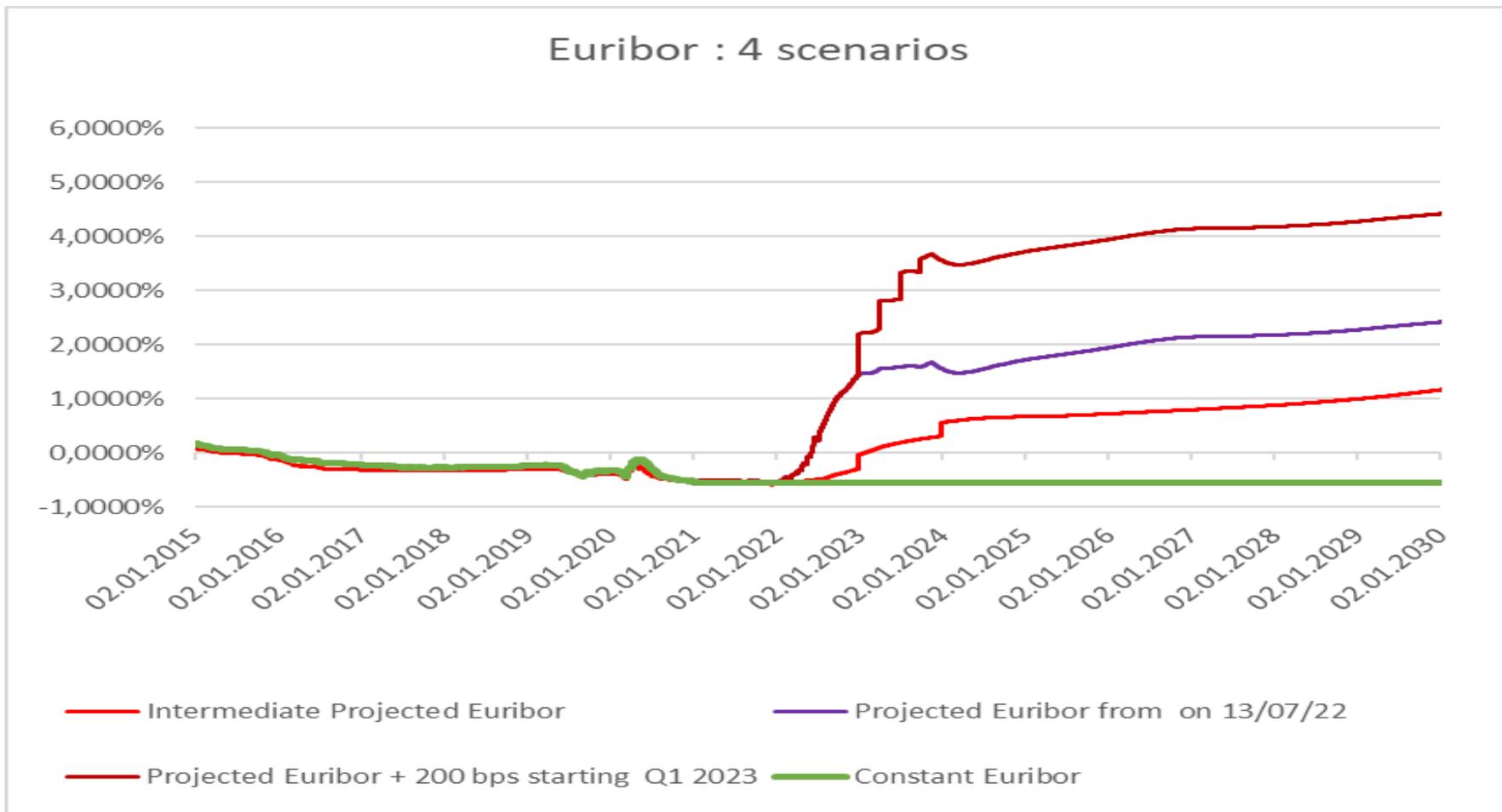
Example of annualized premium payments:
H6 Cap 0%

| Fixing | Start | End | Payment | Notional Amount | Premium to be paid | Remaining to be paid in case of settlement |
|------------|------------|------------|------------|-----------------|--------------------|--|
| 17/11/2022 | 21/11/2022 | 22/05/2023 | 22/05/2023 | 25 000 000 | 223 189 | -1 570 911 |
| 18/05/2023 | 22/05/2023 | 21/11/2023 | 21/11/2023 | 25 000 000 | 224 416 | -1 346 495 |
| 17/11/2023 | 21/11/2023 | 21/05/2024 | 21/05/2024 | 25 000 000 | 223 189 | -1 123 305 |
| 17/05/2024 | 21/05/2024 | 21/11/2024 | 21/11/2024 | 25 000 000 | 225 642 | -897 663 |
| 19/11/2024 | 21/11/2024 | 21/05/2025 | 21/05/2025 | 25 000 000 | 221 963 | -675 700 |
| 19/05/2025 | 21/05/2025 | 21/11/2025 | 21/11/2025 | 25 000 000 | 225 642 | -450 058 |
| 19/11/2025 | 21/11/2025 | 21/05/2026 | 21/05/2026 | 25 000 000 | 221 963 | -228 095 |
| 19/05/2026 | 21/05/2026 | 23/11/2026 | 23/11/2026 | 25 000 000 | 228 095 | 0 |

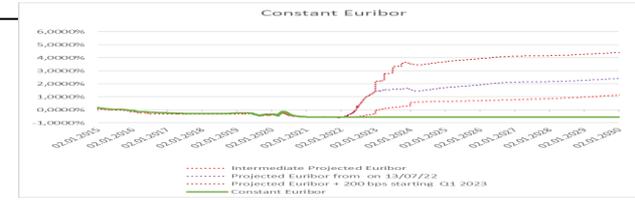
| | |
|--------------------|-------|
| Annualised Premium | 1,81% |
|--------------------|-------|

| | |
|------------------|-----------|
| Total to be paid | 1 794 100 |
|------------------|-----------|

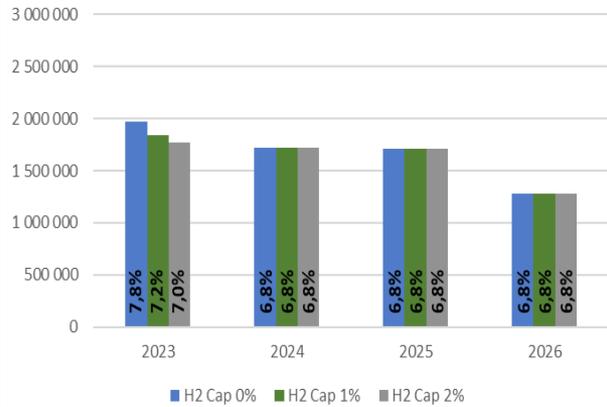
Simulation of financial expenses
with four Euribor evolution scenarios



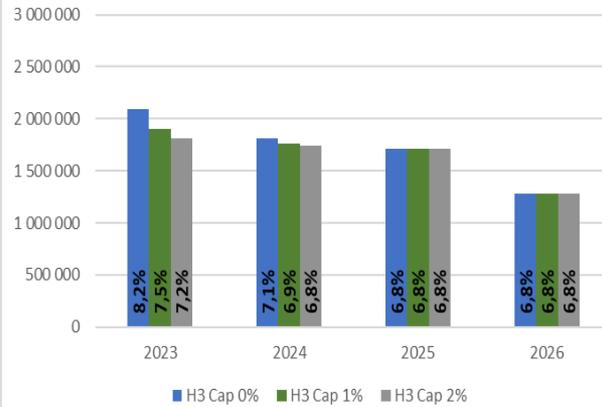
All financial expenses simulations start in 2023 and include the credit margin **6,75%** (Facilities), Euribor 6m variations' impact, existing hedge related costs and the cost of setting up the new hedge



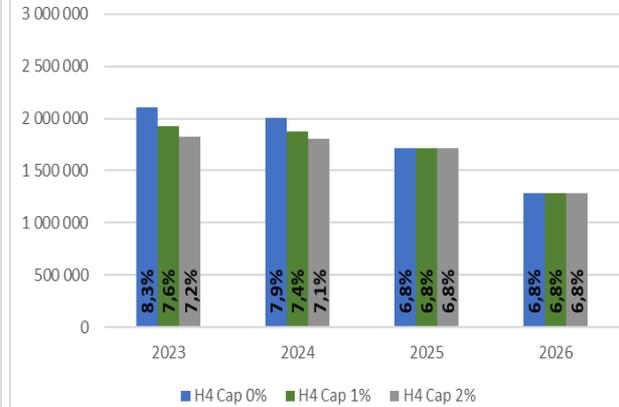
STRATEGY H2



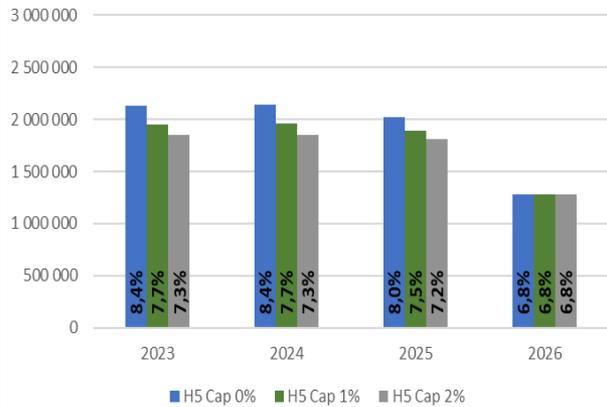
STRATEGY H3



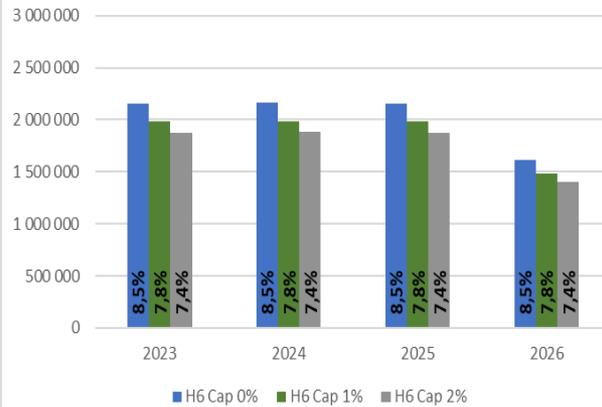
STRATEGY H4



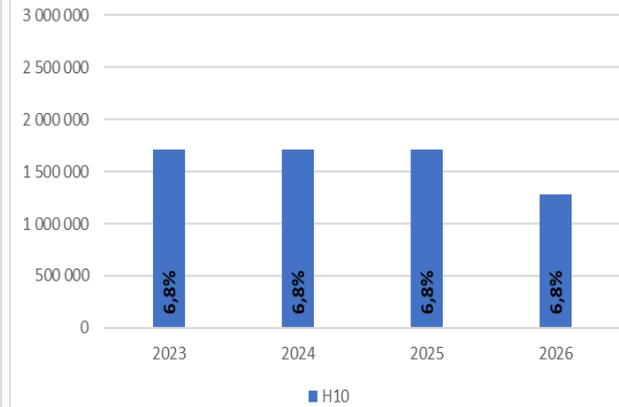
STRATEGY H5

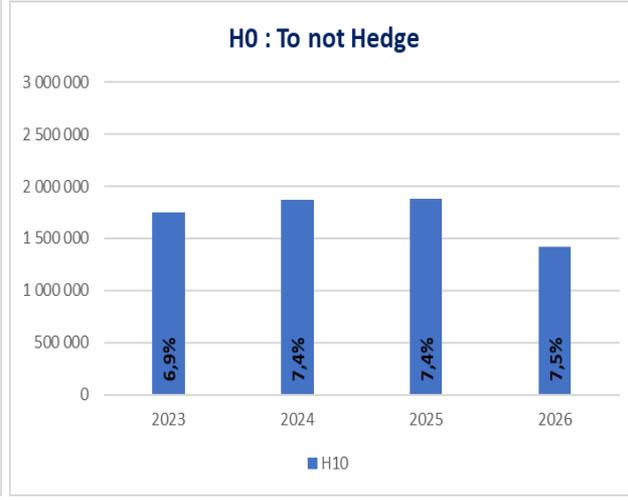
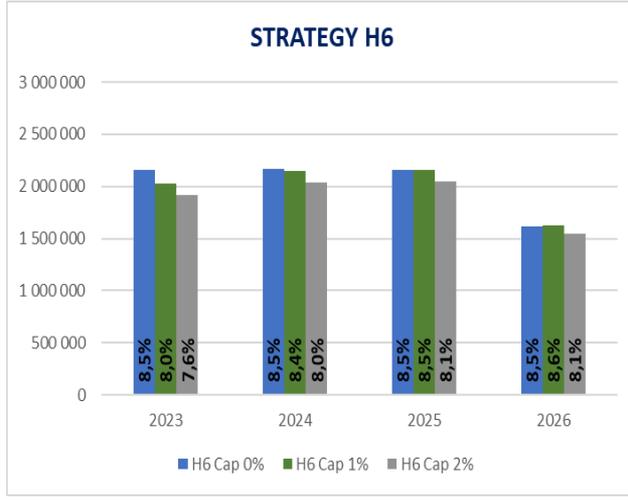
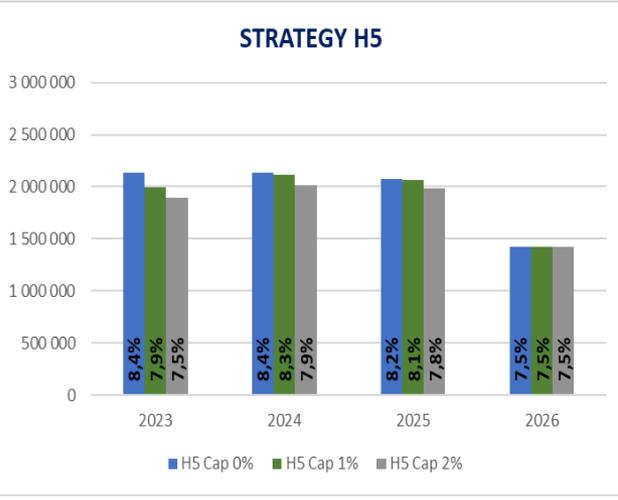
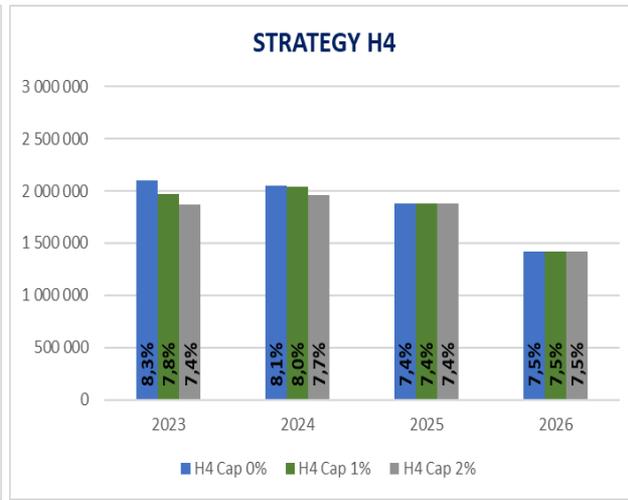
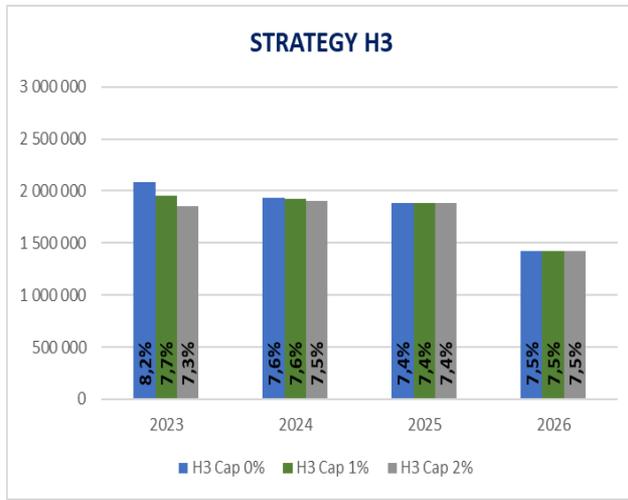
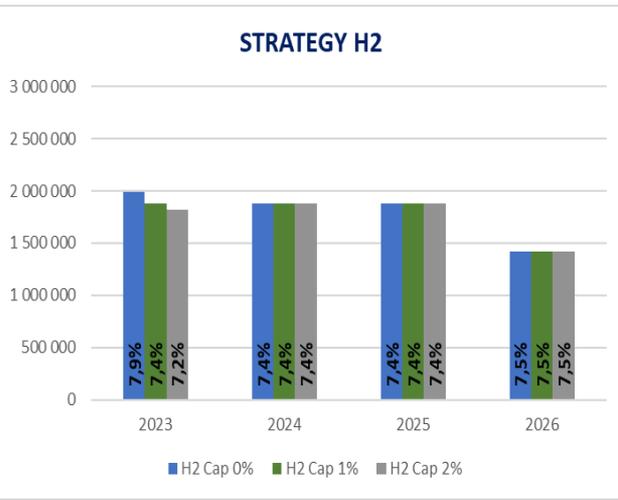
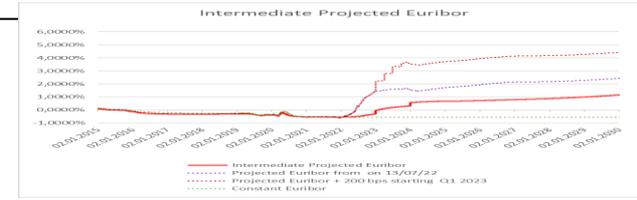


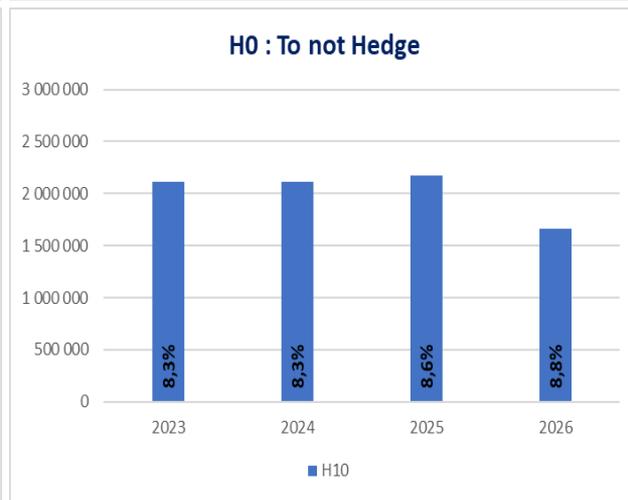
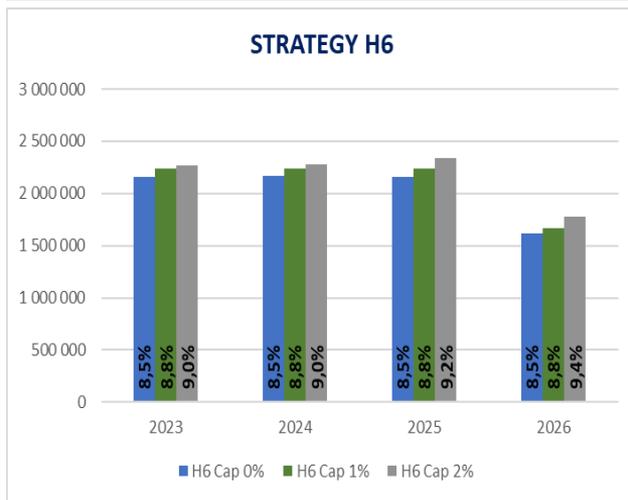
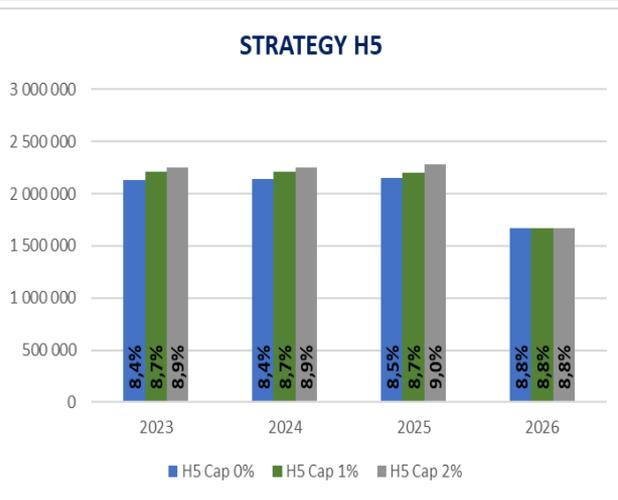
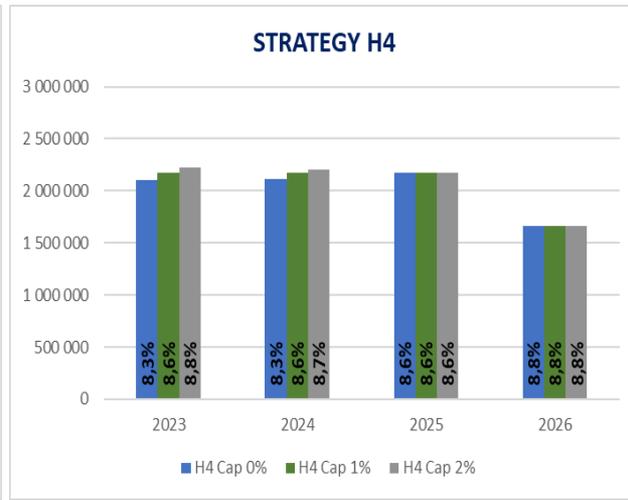
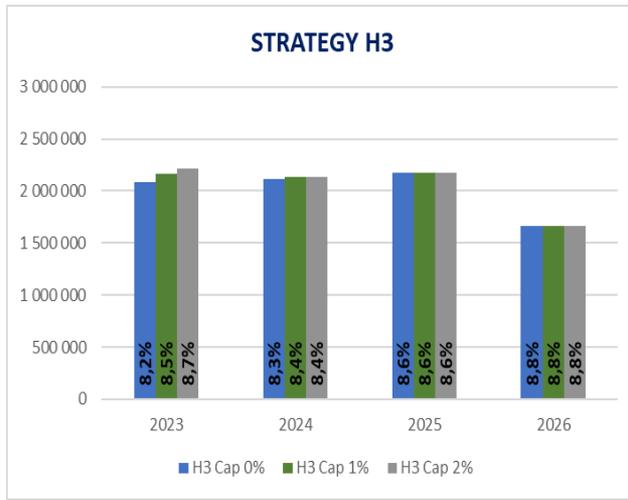
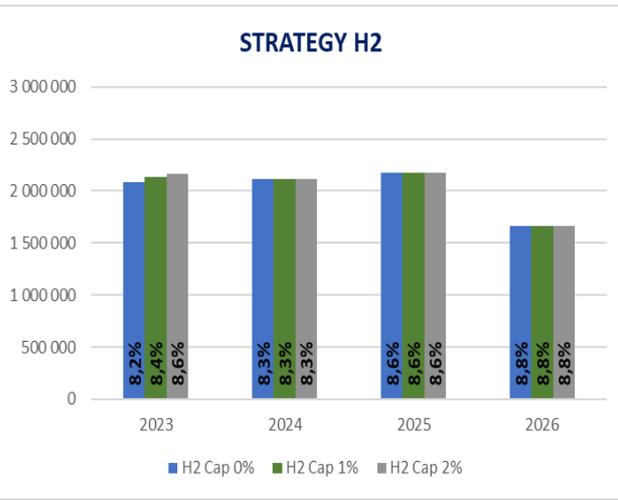
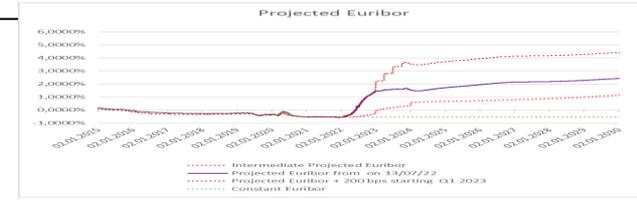
STRATEGY H6

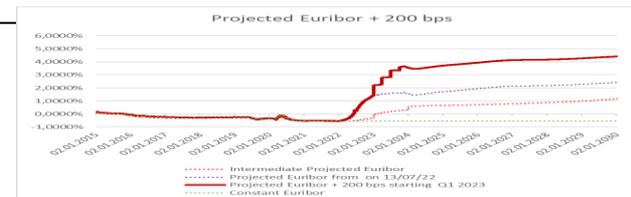


H0 : To not Hedge

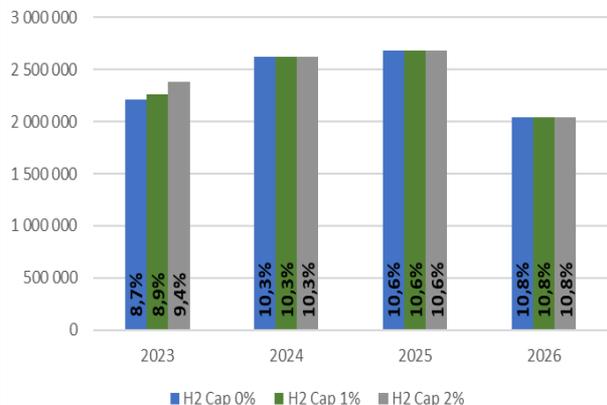




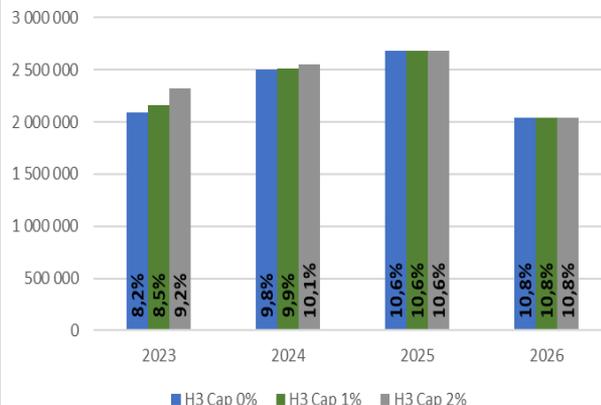




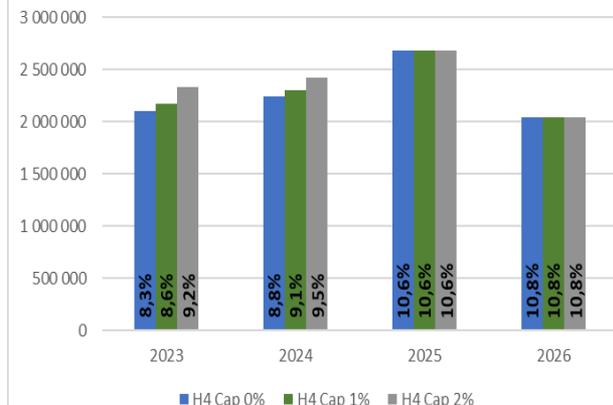
STRATEGY H2



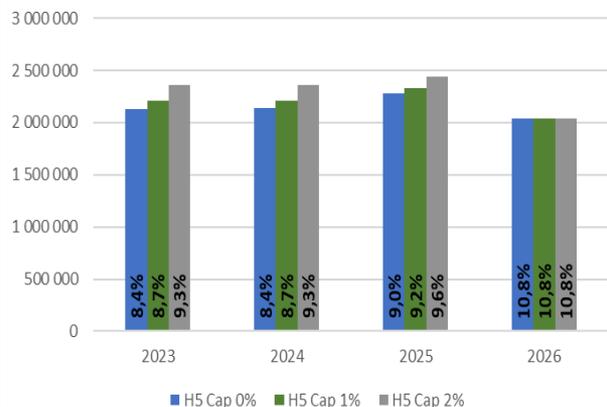
STRATEGY H3



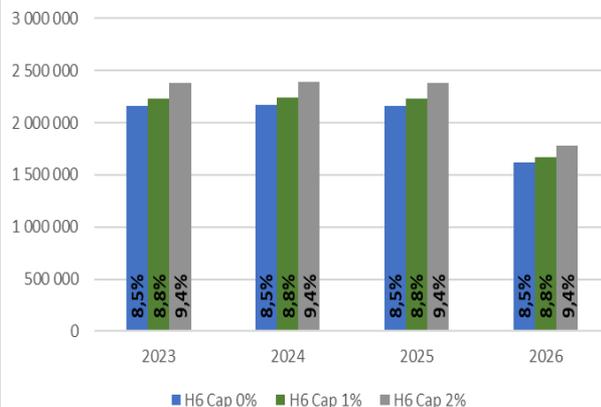
STRATEGY H4



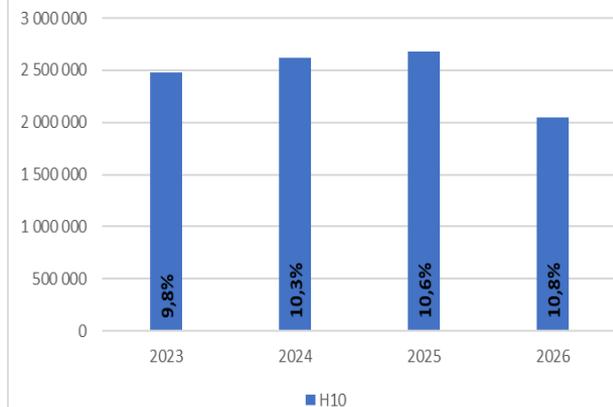
STRATEGY H5

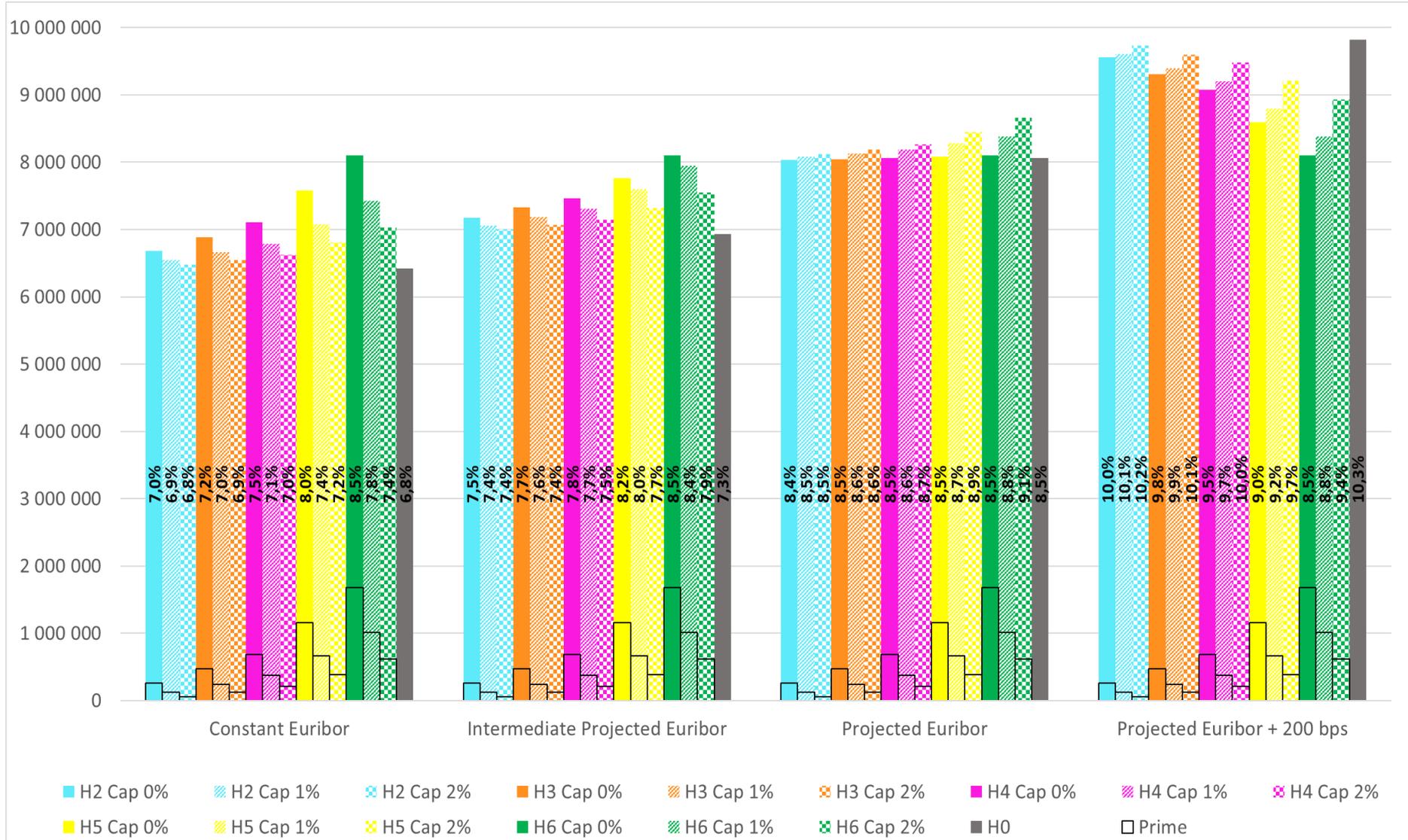


STRATEGY H6



H0 : To not Hedge





Extrait des rapports d'analyse produits durant la mission Synthesis of financial costs simulation (over the total duration of the financing, hedging cost included – APR approach)

| | STRATEGY H2 | | | STRATEGY H3 | | | STRATEGY H4 | | |
|--------------------------------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|
| | H2 Cap 0% | H2 Cap 1% | H2 Cap 2% | H3 Cap 0% | H3 Cap 1% | H3 Cap 2% | H4 Cap 0% | H4 Cap 1% | H4 Cap 2% |
| Constant Euribor | 6 680 838 | 6 542 768 | 6 477 995 | 6 887 493 | 6 661 157 | 6 545 453 | 7 104 440 | 6 791 846 | 6 624 884 |
| Intermediate Projected Euribor | 7 173 092 | 7 060 495 | 6 995 723 | 7 325 252 | 7 178 885 | 7 063 180 | 7 461 118 | 7 309 573 | 7 142 612 |
| Projected Euribor | 8 032 184 | 8 083 696 | 8 121 693 | 8 040 328 | 8 129 965 | 8 189 150 | 8 059 324 | 8 190 480 | 8 268 581 |
| Projected Euribor + 200 bps | 9 554 406 | 9 605 919 | 9 730 730 | 9 309 772 | 9 399 409 | 9 599 677 | 9 073 213 | 9 204 369 | 9 481 157 |

| | STRATEGY H5 | | | STRATEGY H6 | | | H0 : To not Hedge |
|--------------------------------|-------------|-----------|-----------|-------------|-----------|-----------|-------------------|
| | H5 Cap 0% | H5 Cap 1% | H5 Cap 2% | H6 Cap 0% | H6 Cap 1% | H6 Cap 2% | H0 |
| Constant Euribor | 7 578 383 | 7 081 788 | 6 802 482 | 8 098 312 | 7 428 055 | 7 029 443 | 6 417 188 |
| Intermediate Projected Euribor | 7 764 558 | 7 599 515 | 7 320 209 | 8 098 312 | 7 945 782 | 7 547 170 | 6 934 915 |
| Projected Euribor | 8 085 225 | 8 285 852 | 8 446 179 | 8 098 312 | 8 378 749 | 8 665 520 | 8 060 885 |
| Projected Euribor + 200 bps | 8 592 169 | 8 792 796 | 9 210 712 | 8 098 312 | 8 378 749 | 8 930 831 | 9 821 128 |

Amortization Table

| FIXING DATE | START DATE | END DATE | PAIEMENT DATE | Facilities | | Additionnal debt | | TOTAL DEBT | Total existing coverages |
|-------------|------------|------------|---------------|------------|------------|------------------|------------|------------|--------------------------|
| | | | | Amort. | CRD | Amort. | CRD | | |
| 19/05/2022 | 23/05/2022 | 21/11/2022 | 21/11/2022 | 0 | 25 000 000 | 0 | 0 | 25 000 000 | 20 000 000 |
| 17/11/2022 | 21/11/2022 | 22/05/2023 | 22/05/2023 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 18/05/2023 | 22/05/2023 | 21/11/2023 | 21/11/2023 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 17/11/2023 | 21/11/2023 | 21/05/2024 | 21/05/2024 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 17/05/2024 | 21/05/2024 | 21/11/2024 | 21/11/2024 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 19/11/2024 | 21/11/2024 | 21/05/2025 | 21/05/2025 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 19/05/2025 | 21/05/2025 | 21/11/2025 | 21/11/2025 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 19/11/2025 | 21/11/2025 | 21/05/2026 | 21/05/2026 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 19/05/2026 | 21/05/2026 | 23/11/2026 | 23/11/2026 | 0 | 25 000 000 | 0 | 40 000 000 | 65 000 000 | 0 |
| 19/11/2026 | 23/11/2026 | 23/11/2026 | 23/11/2026 | 25 000 000 | 0 | 40 000 000 | 0 | 0 | 0 |

Amortization Table

| FIXING DATE | START DATE | END DATE | PAIEMENT DATE | H1 | H2 | H3 | H4 | H5 | H6 |
|-------------|------------|------------|---------------|------------|------------|------------|------------|------------|------------|
| 19/05/2022 | 23/05/2022 | 21/11/2022 | 21/11/2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17/11/2022 | 21/11/2022 | 22/05/2023 | 22/05/2023 | 65 000 000 | 25 000 000 | 25 000 000 | 25 000 000 | 25 000 000 | 25 000 000 |
| 18/05/2023 | 22/05/2023 | 21/11/2023 | 21/11/2023 | 65 000 000 | 25 000 000 | 25 000 000 | 25 000 000 | 25 000 000 | 25 000 000 |
| 17/11/2023 | 21/11/2023 | 21/05/2024 | 21/05/2024 | 65 000 000 | 0 | 25 000 000 | 25 000 000 | 25 000 000 | 25 000 000 |
| 17/05/2024 | 21/05/2024 | 21/11/2024 | 21/11/2024 | 65 000 000 | 0 | 0 | 25 000 000 | 25 000 000 | 25 000 000 |
| 19/11/2024 | 21/11/2024 | 21/05/2025 | 21/05/2025 | 65 000 000 | 0 | 0 | 0 | 25 000 000 | 25 000 000 |
| 19/05/2025 | 21/05/2025 | 21/11/2025 | 21/11/2025 | 65 000 000 | 0 | 0 | 0 | 25 000 000 | 25 000 000 |
| 19/11/2025 | 21/11/2025 | 21/05/2026 | 21/05/2026 | 65 000 000 | 0 | 0 | 0 | 0 | 25 000 000 |
| 19/05/2026 | 21/05/2026 | 23/11/2026 | 23/11/2026 | 65 000 000 | 0 | 0 | 0 | 0 | 25 000 000 |
| 19/11/2026 | 23/11/2026 | 23/11/2026 | 23/11/2026 | 0 | 0 | 0 | 0 | 0 | 0 |

Next steps

-
- Finalize a choice of strategy
 - Initiate discussions with banks to ensure they are prepared to address the type of strategy being considered and finalize regulatory documentation.
 - Ask them for indicative quotations
 - Organize the transaction

Appendices

-
- Constraints related to negative rates
 - Financing terms
 - Profiles at maturity of different types of hedge

Valuation of existing hedges (27/06/2022)

| Allocation/Link ID | Strategy ID | Trade ID | Counterparty | Trade | Effective | Maturity | Trade Type | Strike | Index | Initial Notional | Outstanding Notional |
|--------------------------|-------------|----------|-----------------------|-----------|-----------|-----------|------------|---------|-----------|-------------------|----------------------|
| Derivatives - Cap | | | | | | | | | | | |
| CRDN01-D | CRDN01-D | 1 | Casa Rural De Navarra | 10-Jan-20 | 21-May-20 | 21-Nov-22 | BUY Cap | 0,0000% | Euribor6m | EUR 20 000 000,00 | EUR 20 000 000,00 |
| | | | | | | | | | | | 20 000 000,00 |
| TOTAL | | | | | | | | | | | 20 000 000,00 |

| Valuation | | | | | Comment | FLOORÉ ? OUI / NON |
|--------------|-----------------|------------|---------------|-------------------|----------------------------|-----------------------|
| EUR | | | | | | |
| Fair Value * | Intrinsic Value | Time Value | Fair Value ** | Accrued Interests | | |
| 0,00% | - | - | - | - | Upfront premium of 23 500€ | |
| | - | - | - | - | | |
| | - | - | - | - | | |

Negative Interest rates issue

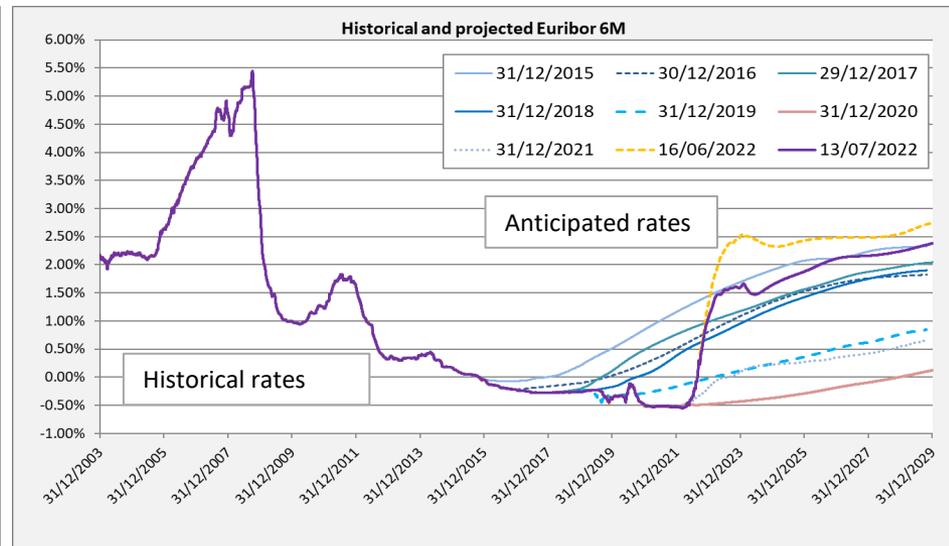
Short and medium term euro rates are at historic lows due to continued weak growth and "quantitative" actions of many central banks, including the ECB, to try to boost inflation: negative money rates, massive bond buybacks to lower supply and demand rates and liquidity injections to encourage lending.

As a result:

- Euribor 6 months rate is expected to be positive starting end of 2022,
- Swap rates are positives starting from 1 year maturity,

Faced with these negative rates, which normally have to be passed on to the borrowers' loans, which should receive interest on the amounts borrowed, **banks have set up a floor on the remuneration of their financing.**

As a consequence, these **floors offset the effectiveness of swaps (and tunnels/collars)** that are not expected to replicate this situation with **negative variable rates.**



Ineffectiveness of simple swaps (and tunnels/collars) in case of a floor in the financing

A video detailing this concern is visible on the blog of KERIUS Finance [by clicking here](#).

The financing contract provides that the Libor cannot be negative, therefore the bank will not pay interest to the borrower.

An Interest Rate swap which allows to fix the rate of a debt is a contract by which the company undertakes to:

- Receive a floating rate on the amount of the hedged debt (to cancel the floating rate of the financing contract)
- Pay a fixed rate on the same amount.

A conventional swap, which does not replicate this floor, that is to say whose variable "leg" does not also include a floor, has two disadvantages when the index (Libor/Euribor) is negative :

- No cap on the overall financing rate: the negative Libor rate is added to the fixed rate to be paid by the company.
- Potential problem with hedge accounting: if hedges are no longer considered as effective by the Auditors as a result of this issue, all mark-to-market swap fluctuations will be recorded In financial result (i.e. not deferred in time).

A similar problem arises with the collar: the floor of the collar doubles the floor of the financing. In the event of negative rates, it induces a loss which increases the financial expenses beyond the threshold rate (cap).

Technical solutions:

- Include in the swap a floor replicating that of the financing, but this has a cost. See simulations.
- Opt for a hedging with a **Cap**, which cannot generate negative valuation in the event of negative rates.

Facilities

CLIFFORD
CHANCE

CLIFFORD CHANCE, S.L.P.U.
ABOGADOS

3P BIO PHARMACEUTICAL HOLDING, S.L.U.
3P BIOPHARMACEUTICALS, S.L.
as Borrowers and Guarantors

IDINVEST DEBT S.À.R.L.
as Original Lender

with

IDINVEST PARTNERS SA
as Arranger

IDINVEST PARTNERS SA
as Agent

AND

IDINVEST PARTNERS SA
as Security Agent

"**Total Commitments**" means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments, being EUR 30,000,000 at the date of this Agreement, *plus* the Total Facility D Commitments if Facility D is made available by the Lenders.

"**Total Facility A Commitments**" means the aggregate of the Facility A Commitments, being EUR 7,000,000 at the date of this Agreement.

"**Total Facility B Commitments**" means the aggregate of the Facility B Commitments, being EUR 13,000,000 at the date of this Agreement.

"**Total Facility C Commitments**" means the aggregate of the Facility C Commitments, being EUR 10,000,000 at the date of this Agreement.

"**Total Facility D Commitments**" means the aggregate of the Facility D Commitments once (and only if) Facility D is made available by the Lenders, and up to EUR 10,000,000.

"**Termination Date**" means 21 November 2026 in relation each and all Facilities.

EUR 30,000,000
SENIOR FACILITIES AGREEMENT

Reimbursement

**SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION**

6. REPAYMENT

6.1 Repayment of Loans

- (a) The Obligors under shall repay the aggregate Facility A Loans, Facility B Loans and Facility C Loans (and, if made available, Facility D Loans) in full on the Termination Date.
- (b) The Borrowers may not reborrow any part of a Facility which is repaid.

"Termination Date" means 21 November 2026 in relation each and all Facilities.

Hedging Requirement

"**Hedge Counterparty**" means the Acceptable Bank acting as counterparty of the Hedging Agreement.

"**Hedging Agreement**" means any master agreement, confirmation, schedule or other agreement in agreed form entered into or to be entered into by certain Borrower and a Hedge Counterparty for the purpose of hedging the types of liabilities and/or risks in relation to the Facilities.

Interest

10. INTEREST

10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) EURIBOR.

10.2 Payment of interest

A Borrower to which a Loan has been made shall pay accrued interest on the Loan on the last day of each Interest Period (and, if for any reason the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of the Interest Period).

If the Compliance Certificate received by the Agent which relates to the relevant Annual Financial Statements shows that a higher Cash Margin should have applied during a certain period, then the Parent shall (or shall ensure the relevant Borrower shall) promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Cash Margin applied during such period.

"Cash Margin" means, subject to the Cash/PIK Margin Adjustment Mechanism set out in Clause 10.3 (*PIK Interest*):

- (a) in relation to any Facility A Loan 6.75 per cent. per annum;
- (b) in relation to any Facility B Loan 6.75 per cent. per annum;
- (c) in relation to any Facility C Loan 6.75 per cent. per annum;
- (d) in relation to any Facility D Loan, the percentage per annum set forth in the Facility D Request; and
- (e) in relation to any Unpaid Sum relating or referable to a Facility, the rate per annum specified above for that Facility,

but if Adjusted Leverage in respect of the most recently completed Relevant Period (as from the Relevant Period ending on 30 June 2020, included) is within a range set out below, and subject again to the Cash/PIK Margin Adjustment Mechanism, then the Cash Margin for each Loan under each Facility will be the percentage per annum set out below in the column opposite that range:

| Adjusted Leverage | % p.a. |
|--|--------|
| Greater than or equal to 4.50x | 6.75 |
| Less than 4.50x but greater than or equal to 4.00x | 6.50 |
| Less than 4.00x | 6.25 |

11. INTEREST PERIODS

11.1 Selection of Interest Periods and Terms

- (a) Each Interest Period for any Loan shall be 6 Months.
- (b) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.
- (c) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

11.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11.3 Consolidation and division of Loans

- (a) Subject to paragraph (b) below, if two or more Interest Periods:
 - (i) relate to Facility C Loans made to the same Borrower; and
 - (ii) end on the same date,

those Facility C Loans will, unless that Borrower (or the Parent on its behalf) specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Facility A Loan on the last day of the Interest Period.

- (b) Subject to Clause 4.3 (*Maximum number of Utilisations*), if a Borrower (or the Parent on its behalf) requests in a Selection Notice that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so

divided having an aggregate amount equal to the amount of the Loan immediately before its division.

Interest

10.3 PIK Interest

- (a) Not later than ten (10) Business Days before the last day of any Interest Period, each Borrower shall be entitled to notify in writing to the Agent (the "**PIK Interest Notice**") its election to convert into a payment-in-kind interest part of the Margin (up to 2.50 per cent. per annum) payable in respect of the Loans made available to such Borrower during the immediately following Interest Period ("**PIK Margin**").
- (b) A PIK Interest Notice shall be irrevocable. The Borrowers shall not be entitled to serve any PIK Interest Notice until 30 June 2020.
- (c) If a PIK Margin applies in accordance with this Clause, the applicable Margin to the relevant Loans shall be the aggregate of the PIK Margin and the Cash Margin, both as adjusted in accordance with the Cash/PIK Margin Adjustment Mechanism set out in the following paragraph.
- (d) If a PIK Margin applies in accordance with this Clause, the Cash Margin (and, potentially, the PIK Margin) shall be adjusted as follows (the "**Cash/PIK Margin Adjustment Mechanism**"):
 - (i) The Cash Margin shall be equal to difference between:

- (A) the following percentages per annum, taking into account for these purposes the Adjusted Leverage as per the latest Compliance Certificate provided before the date of the relevant PIK Interest Notice:

| Adjusted Leverage | % p.a. |
|--|--------|
| Greater than or equal to 4.50x | 7.00 |
| Less than 4.50x but greater than or equal to 4.00x | 6.75 |
| Less than 4.00x | 6.50 |

- (B) *minus* the PIK Margin elected under the applicable PIK Interest Notice.

(ii) However:

- (A) if in accordance with any subsequent Compliance Certificate the Adjusted Leverage has increased or decreased and therefore, falls within a different range (as set out in the chart above) and a different percentage per annum would be applicable, then the Margin would be increased or decreased (as applicable) 0.25% p.a. in the following manner:
 - (1) firstly, by applying the increase or decrease to the PIK Margin; and
 - (2) in case of reduction, if the then applicable PIK Margin prior to the reduction under paragraph (1) above is less than 0.25% p.a., secondly by applying the additional decrease to the Cash Margin in an amount equal to the difference between 0.25% p.a. and the percentage corresponding to the reduction that has been firstly applied to the PIK Margin (which would have been reduced to zero (0)),

provided that, under no circumstances the resulting Margin may exceed 7.00% p.a. or be lower than 6.50% p.a. (or 6.25% p.a. if as a result of any such reductions no PIK Margin would be payable any longer)
- (B) any such increase or decrease shall take effect on the date (the "**reset date**") which is 5 Business Days after receipt by the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 21.2 (*Provision and contents of Compliance Certificate*) or, if not provided, 5 Business Days after the date it should have been provided;
- (C) if, following receipt by the Agent of the Compliance Certificate related to the relevant Annual Financial Statements, that Compliance Certificate does not confirm the basis for a reduction, then Clause 10.2 (*Payment of interest*) shall apply and the Margin for that Loan shall be determined using the table and rules above and the revised ratio of Adjusted Leverage calculated using the figures in that Compliance Certificate; and
- (D) while an Event of Default is continuing, the Margin for each Loan shall be 7.00% p.a. (without prejudice to part of the Margin being PIK Margin in accordance with this Clause); and
- (E) for this purposes, Adjusted Leverage and Relevant Period shall be determined in accordance with Clause 22.1 (*Financial definitions*).
- (e) PIK Interest shall be automatically capitalised and shall be added to the outstanding principal amount of the Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of the Interest Period).
- (f) After capitalisation, PIK Interest shall:
 - (i) be treated as part of the principal amount of the Loan;
 - (ii) accrue interest in accordance with this Clause 10; and
 - (iii) be subject to the repayment and prepayment provisions of this Agreement.

Cross default

Various types of hedges

Interest rate swap (example: fixed interest swap vs Euribor 3 months):

Definition: exchange of a stream of fixed interest payments against a stream of floating interest payments (denominated in a particular currency). The objective is to fix a charge of interests linked to a debt facility.

Advantages:

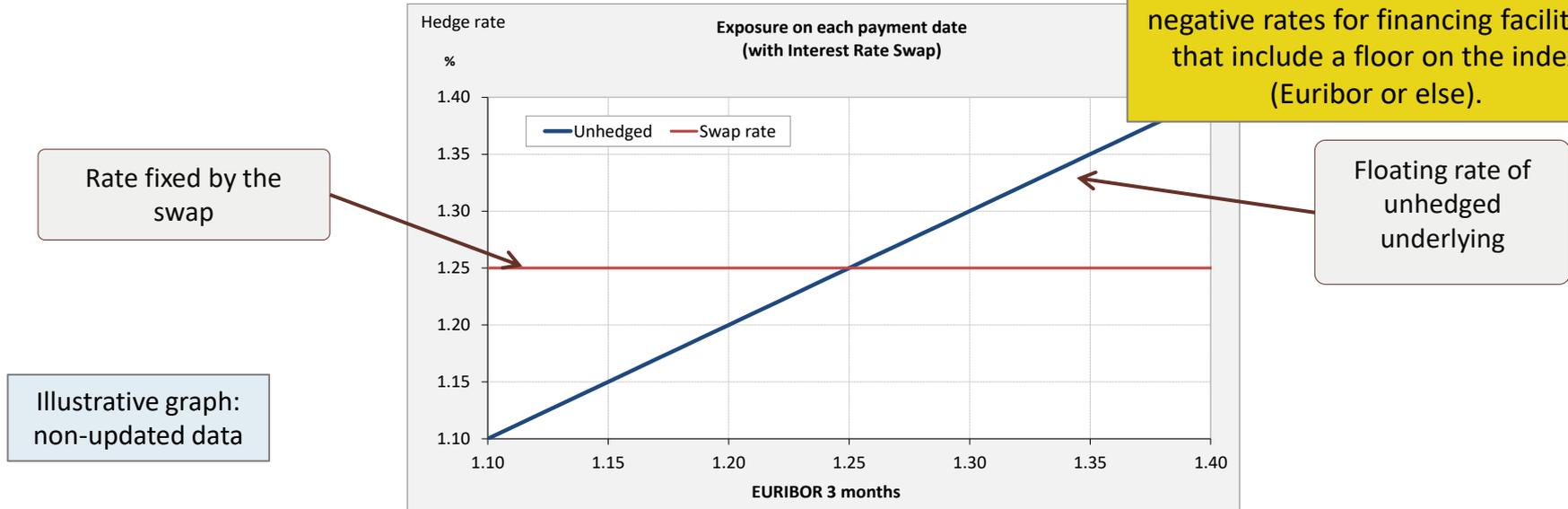
- No premium to pay at inception (the value of the swap is nil on the trade date)
- Simplicity to trade
- Financial charge is known in advance

Swaps must be kept for the part of the exposure that cannot be reduced (risk of unlimited loss).

Disadvantages:

- Cost of opportunity if the rates move in a favorable direction after inception of the hedge;
 - Potential unlimited loss (mark to market)
- Simple but risky product in case of unanticipated reduction of the underlying exposure (debt repayment for example) after inception of the hedge in case of negative mark to market valuation.

Product that does not guarantee a financing rate in a context of negative rates for financing facilities that include a floor on the index (Euribor or else).



Various types of hedges

Interest rate Cap: Hedge in which the buyer of the cap receives payments from the bank at the end of each period (fixing date) if the market rate (Euribor or Libor for instance) exceeds the exercise rate of the cap (i.e. strike).

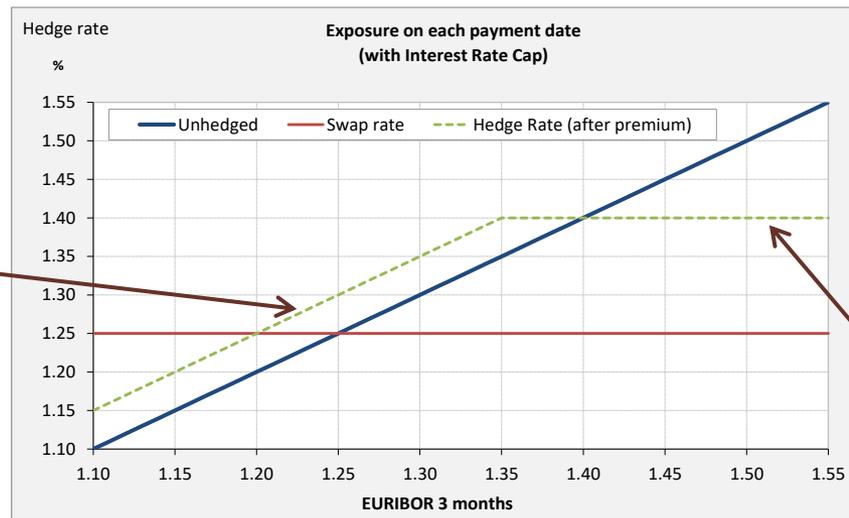
=> The “strike” is the protection rate of the cap.

Advantages:

- Fully flexible to modify or cancel the hedge in case of modification of the exposure;
- Opportunity to benefit from favorable fluctuations of market rates;
- Risk of loss limited to the premium paid initially, in case of hedge modification before expiry

Disadvantages:

- Premium to pay at inception. The premium can be paid upfront to the bank or spread over the life of the hedge if the bank authorized this credit. The premium is then called “running premium” or “running margin”.



The cap option captures favorable variations of the underlying

Illustrative graph: non-updated data

Maximum hedge rate provided by the cap (protection = strike)

Various types of hedges

Collars (combinations of options purchased and sold):

Simultaneous purchase of an interest rate cap and sale of an interest rate floor. The buyer's effective interest rate paid fluctuates between the two agreed exercise rates (strikes) of the options, depending on the underlying index. A collar profile is a mix of option profile and swap profile.

Advantages:

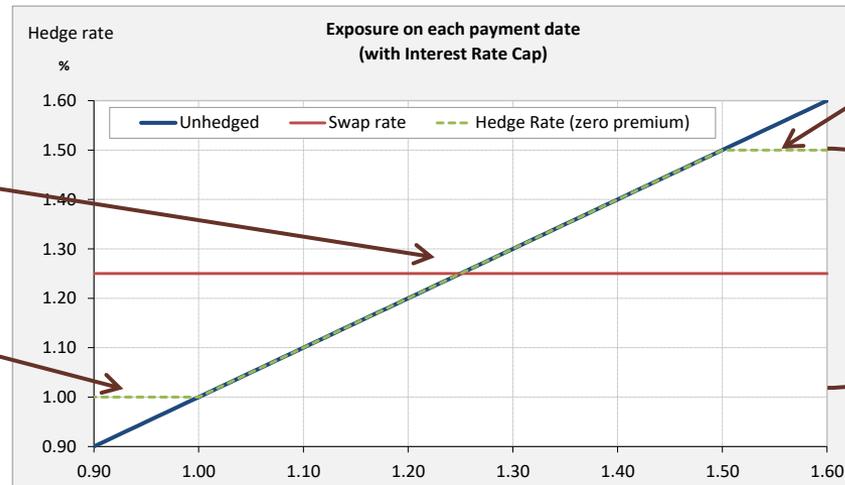
- Flexibility as long as the market rate fluctuates between the exercise rates (strikes)
- Protection if the market rate rises above the exercise rate (strike) at maturity of each period
- Opportunity to offset the cost of the cap with the option sold (floor)

Collars must be kept for the part of the exposure that cannot be reduced.

Disadvantages:

- Cost of opportunity if the rates move in a favorable direction after inception of the hedge

- Potential unlimited gain or loss (mark to market) in case of unanticipated reduction of the underlying exposure (debt repayment for example) after inception of the hedge or reduction/cancellation of the hedge.



Zero premium collar

Minimum rate paid(floor)

Maximum rate paid(cap)

Floating index between the two agreed exercise rates

Illustrative graph: non-updated data

Ineffective product in current market conditions (negative rates) because the floor is too close from the cap. And the cap is no more guaranteed if the financing contract is floored.

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