



Final Report

# Hedging Interest Rate Risk

GVG Glasfaser

24 March 2026

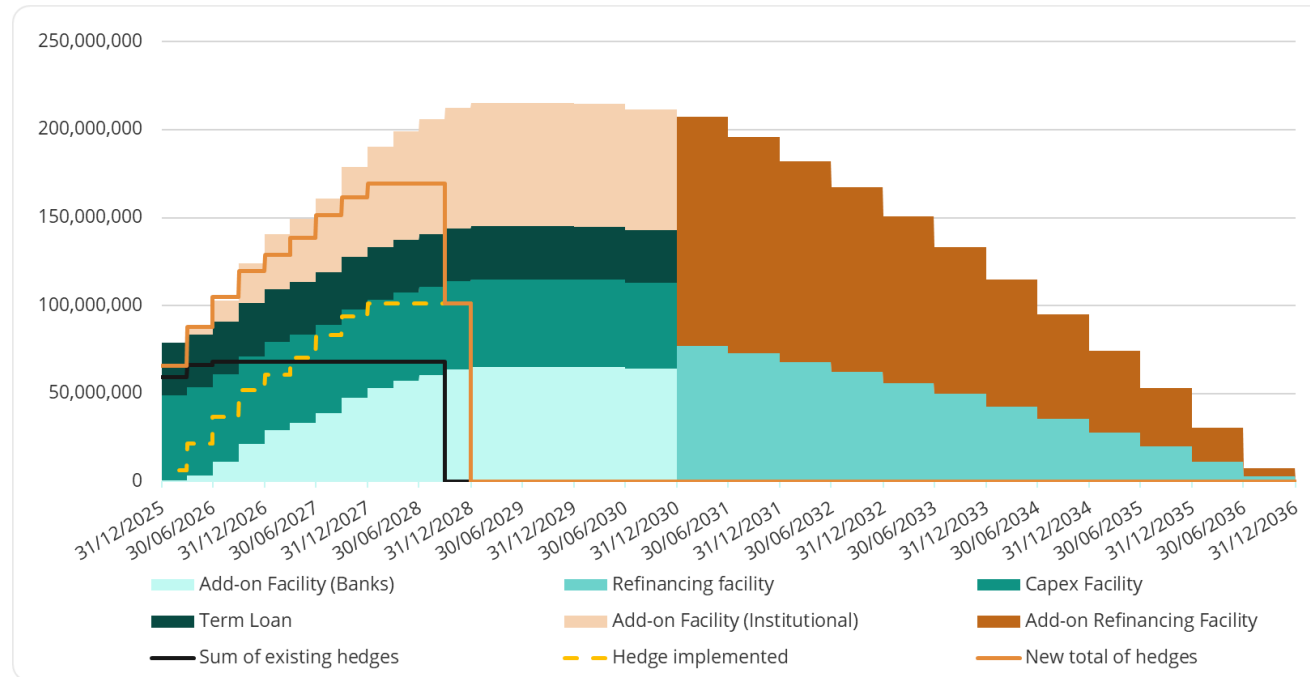


KERIUS Finance SAS  
Conseiller en Investissements Financiers  
Membre de l'ANACOFI CIF- Association agréée par l'AMF - ORIAS N° 13000716

# EXECUTIVE NOTE GVG Glasfaser



- **Hedging strategy implemented:** Cap 2,5% on 34 months
- **Hedging bank:** Hambourg Commercial Bank
- **Premium of the hedge:** 450'000 €
- **Savings achieved on the bank margin with the support of Kerius Finance:** 323'610 €
- **Fees Kerius Finance :** 20 K€



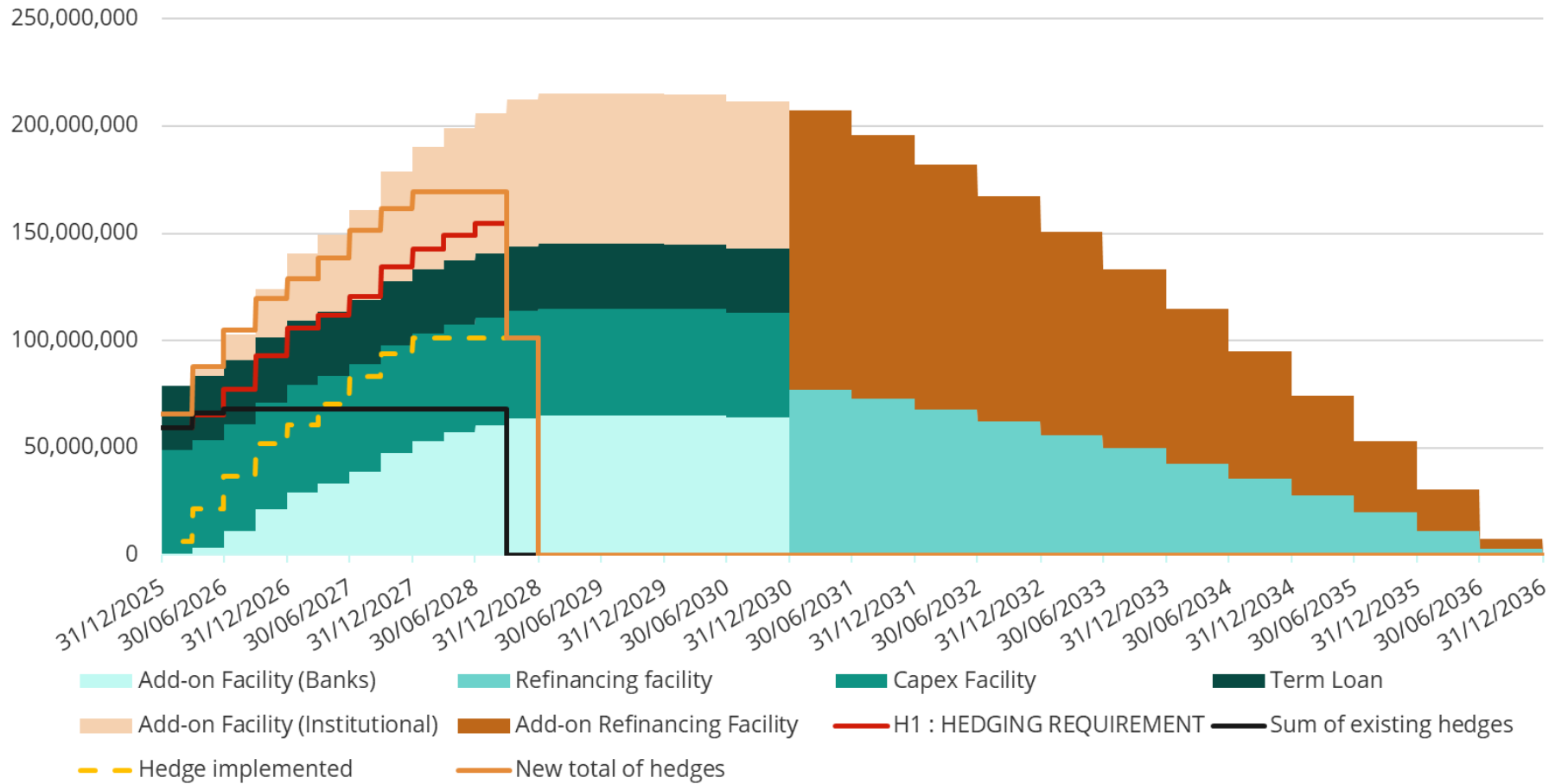
The various reports produced during the assignment, as well as the valuation reports, are available upon request.

## Summary of hedging decisions

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- New hedge set up on a 34-months horizon to mitigate the sensitivity of the group to interest rates variations, including the impact of negatives rates with the Cash Flow Hedge objective (future cash flow hedging).
- A cap with a protection rate (strike) at 2.5% has been set up to limit the financing rate on the hedged part. Those products take into account the 0% floor on the debt.

## Map after hedge inception



**Hedges set up:**  
Purchased Cap 2.5% for 34 months

**Banking split :**  
Hamburg Commercial Bank 100%

Hedging requirement lower than base case, following a downward revision in the latest period.

## Details of hedges set up

### Cap with premium:

**Bank** : Hamburg Commercial Bank

**Strike price**: 2.5% (strike)

**Trade Date**: 04/03/2026

**Start Date**: 04/03/2026

**End Date**: 29/12/2028

**Index** : Euribor 3 Mois

**Base** : Actual/360

**Notional principal** : €6,375,000 linear quarter  
amortization, as set out in the table.

**Upfront premium** paid on 06/03/2026 : **€450'000**

## NEW HEDGE IMPLEMENTED

Hambourg Commercial Bank		
START DATE	END DATE	Hedge implemented
04/03/2026	31/03/2026	6,375,000
31/03/2026	30/06/2026	21,375,000
30/06/2026	30/09/2026	36,750,000
30/09/2026	31/12/2026	51,750,000
31/12/2026	31/03/2027	60,750,000
31/03/2027	30/06/2027	70,500,000
30/06/2027	30/09/2027	83,250,000
30/09/2027	31/12/2027	93,750,000
31/12/2027	31/03/2028	101,250,000
31/03/2028	30/06/2028	101,250,000
30/06/2028	30/09/2028	101,250,000
30/09/2028	29/12/2028	101,250,000

# Debt & Hedging Requirement Mapping

## Financing (1/2) :

### Lenders : Pool

- **Term Loan:** €30'000'000, maturing 31/12/2030, special amortization, floor 0% on Euribor 3 months + 3,75% margin.
- **Capex Facility:** €50'000'000, maturing 31/12/2030, bullet amortization, floor 0% on Euribor 3 months + 3,75% margin.
- **Refinancing Facility :** €77'085'867, to be drawn on 31/12/2030, maturing on 31/12/2036 quarterly amortization, floor 0% on Euribor 3 months + 2.50% margin.

## Hedging requirement (1/2) :

The Company shall enter into Interest Rate Hedging with an aggregate notional amount of **no less than 75%** and no more than 110% of the aggregate amount:

(a) expected to be outstanding under the Term Loan Facility and the Capex Facility A, **within 30 Business Days** after Financial Close and under the Capex Facility B and Capex Facility C within 30 Business Days after the Amendment and Restatement Effective Date; and

## Existing hedges :

**CAP 0% ING :** Start date 30/09/2024, end date 30/09/2028, specific amortization, notional amount of €29,750,000. Running premium of 2.1370%.

**CAP 0% NORD LB :** Start date 30/09/2024, end date 30/09/2028, specific amortization, notional amount of €29,750,000. Running premium of 2.1580%.

In the case of hedging a loan that has not yet been drawn at the hedge inception date: check that the contract allows it or request authorization from the arranging bank, as it is generally prohibited to hedge more than 100% of the drawn debt.

# Debt & Hedging Requirement Mapping

## Financing (2/2) :

### Lenders : Pool

- **Add-on Refinancing Facility** : €130'082'401 to be drawn on 31/12/2030, maturing on 31/12/2036 quarterly amortization, floor 0% on Euribor 3 months + 2.50% margin.
- **Add-on Facility (Banks)** : €65'000'000 to be drawn quarterly from 31/03/2026 to 31/12/2028, maturing on 31/12/2030 special amortization, floor 0% on Euribor 3 months + 3,75% margin.
- **Add-on Facility (Institutional)** : €70'000'000 to be drawn quarterly from 31/03/2026 to 31/12/2028, maturing on 31/12/2030 special amortization, floor 0% on Euribor 3 months + 4,50% margin.

## Hedging requirement (2/2) :

(b) expected to be outstanding under the Term Loan Facility, the Capex Facility and the Accordion Capex Facility D, within 30 Business Days after the date of the first Utilisation under the Accordion Capex Facility D, until the date which is **three years** after the Amendment and Restatement Effective Date (as per the Base Case Model). It being understood, that the Original Lenders will have the chance to provide an offer to the Company for such Interest Rate Hedging regarding the relevant Term Facility and a right to match in relation to offers received from prospective hedge counterparties which are not Original Lenders. → **06/02/2026**

**Hedging counterparty** : ING Bank ; Norddeutsche Landesbank

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In the case of hedging a loan that has not yet been drawn at the hedge inception date: check that the contract allows it or request authorization from the arranging bank, as it is generally prohibited to hedge more than 100% of the drawn debt.

## Amortization table

START DATE	END DATE	Term Loan		Capex Facility		Refinancing facility		Add-on Facility (Banks)		Add-on Facility (Institutional)		Add-on Refinancing Facility	
		Amort.	CRD	Amort.	CRD	Amort.	CRD	Amort.	CRD	Amort.	CRD	Amort.	CRD
31.12.25	31.03.26	0	30,000,000	0	49,004,168	0	0	0	0	0	0	0	0
31.03.26	30.06.26	0	30,000,000	-995,832	50,000,000	0	0	-3,390,244	3,390,244	-3,651,032	3,651,032	0	0
30.06.26	30.09.26	0	30,000,000	0	50,000,000	0	0	-7,604,714	10,994,957	0	11,840,723	0	0
30.09.26	31.12.26	0	30,000,000	0	50,000,000	0	0	-10,233,542	21,228,499	-11,020,737	22,861,460	0	0
31.12.26	31.03.27	0	30,000,000	0	50,000,000	0	0	-8,053,897	29,282,396	-8,673,428	31,534,888	0	0
31.03.27	30.06.27	0	30,000,000	0	50,000,000	0	0	-4,079,929	33,362,326	-4,393,770	35,928,658	0	0
30.06.27	30.09.27	0	30,000,000	0	50,000,000	0	0	-5,577,270	38,939,596	-6,006,291	41,934,949	0	0
30.09.27	31.12.27	0	30,000,000	0	50,000,000	0	0	-8,700,601	47,640,197	-9,369,878	51,304,828	0	0
31.12.27	31.03.28	0	30,000,000	0	50,000,000	0	0	-5,504,326	53,144,523	-5,927,735	57,232,563	0	0
31.03.28	30.06.28	0	30,000,000	0	50,000,000	0	0	-4,135,615	57,280,138	-4,453,739	61,686,302	0	0
30.06.28	29.09.28	0	30,000,000	0	50,000,000	0	0	-3,397,254	60,677,391	-3,658,581	65,344,883	0	0
29.09.28	29.12.28	0	30,000,000	0	50,000,000	0	0	-2,990,300	63,667,691	-3,220,323	68,565,206	0	0
29.12.28	29.03.29	0	30,000,000	0	50,000,000	0	0	-1,332,309	65,000,000	-1,434,794	70,000,000	0	0
29.03.29	29.06.29	0	30,000,000	0	50,000,000	0	0	0	65,000,000	0	70,000,000	0	0
29.06.29	28.09.29	0	30,000,000	0	50,000,000	0	0	0	65,000,000	0	70,000,000	0	0
28.09.29	31.12.29	0	30,000,000	0	50,000,000	0	0	0	65,000,000	0	70,000,000	0	0
31.12.29	29.03.30	47,426	29,952,574	79,043	49,920,957	0	0	102,755	64,897,245	110,660	69,889,340	0	0
29.03.30	28.06.30	0	29,952,574	0	49,920,957	0	0	0	64,897,245	0	69,889,340	0	0
28.06.30	30.09.30	432,807	29,519,768	721,345	49,199,613	0	0	937,748	63,959,497	1,009,882	68,879,458	0	0
30.09.30	31.12.30	0	29,519,768	0	49,199,613	0	0	0	63,959,497	0	68,879,458	0	0
31.12.30	31.03.31	29,519,768	0	49,199,613	0	-77,085,867	77,085,867	63,959,497	0	68,879,458	0	-130,082,401	130,082,401

## Amortization table

START DATE	END DATE	TOTAL DEBT	Existing Hedge : NORD LB	Existing Hedge : ING	Sum of existing hedges	TOTAL DEBT %	H1 : HEDGING REQUIREMENT	Minimum to be hedged	Hedge implemented	New total of hedges
31.12.25	31.03.26	79,004,168	29,750,000	29,750,000	59,500,000	75%	59,253,126	0	6,375,000	65,875,000
31.03.26	30.06.26	87,041,275	33,150,000	33,150,000	66,300,000	75%	65,280,956	0	21,375,000	87,675,000
30.06.26	30.09.26	102,835,681	34,000,000	34,000,000	68,000,000	75%	77,126,761	9,126,761	36,750,000	104,750,000
30.09.26	31.12.26	124,089,959	34,000,000	34,000,000	68,000,000	75%	93,067,470	25,067,470	51,750,000	119,750,000
31.12.26	31.03.27	140,817,285	34,000,000	34,000,000	68,000,000	75%	105,612,964	37,612,964	60,750,000	128,750,000
31.03.27	30.06.27	149,290,984	34,000,000	34,000,000	68,000,000	75%	111,968,238	43,968,238	70,500,000	138,500,000
30.06.27	30.09.27	160,874,545	34,000,000	34,000,000	68,000,000	75%	120,655,909	52,655,909	83,250,000	151,250,000
30.09.27	31.12.27	178,945,025	34,000,000	34,000,000	68,000,000	75%	134,208,769	66,208,769	93,750,000	161,750,000
31.12.27	31.03.28	190,377,086	34,000,000	34,000,000	68,000,000	75%	142,782,814	74,782,814	101,250,000	169,250,000
31.03.28	30.06.28	198,966,440	34,000,000	34,000,000	68,000,000	75%	149,224,830	81,224,830	101,250,000	169,250,000
30.06.28	29.09.28	206,022,274	34,000,000	34,000,000	68,000,000	75%	154,516,705	86,516,705	101,250,000	169,250,000
29.09.28	29.12.28	212,232,897	0	0	0	48%	101,250,000	101,250,000	101,250,000	101,250,000
29.12.28	29.03.29	215,000,000	0	0	0		0	0	0	0
29.03.29	29.06.29	215,000,000	0	0	0		0	0	0	0
29.06.29	28.09.29	215,000,000	0	0	0		0	0	0	0
28.09.29	31.12.29	215,000,000	0	0	0		0	0	0	0
31.12.29	29.03.30	214,660,117	0	0	0		0	0	0	0
29.03.30	28.06.30	214,660,117	0	0	0		0	0	0	0
28.06.30	30.09.30	211,558,335	0	0	0		0	0	0	0
30.09.30	31.12.30	211,558,335	0	0	0		0	0	0	0
31.12.30	31.03.31	207,168,268	0	0	0		0	0	0	0

## ROI analysis

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	21,079
<b>Total savings</b>	<b>323,610</b>
Market price without bank margin	352,025
Price with standard bank margin *	773,610
<b>Standard bank margin (20 basis points) *</b>	<b>421,585</b>
Final price	450,000
<b>Final margin</b>	<b>97,975</b>

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 20 basis points is used for this comparison.

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

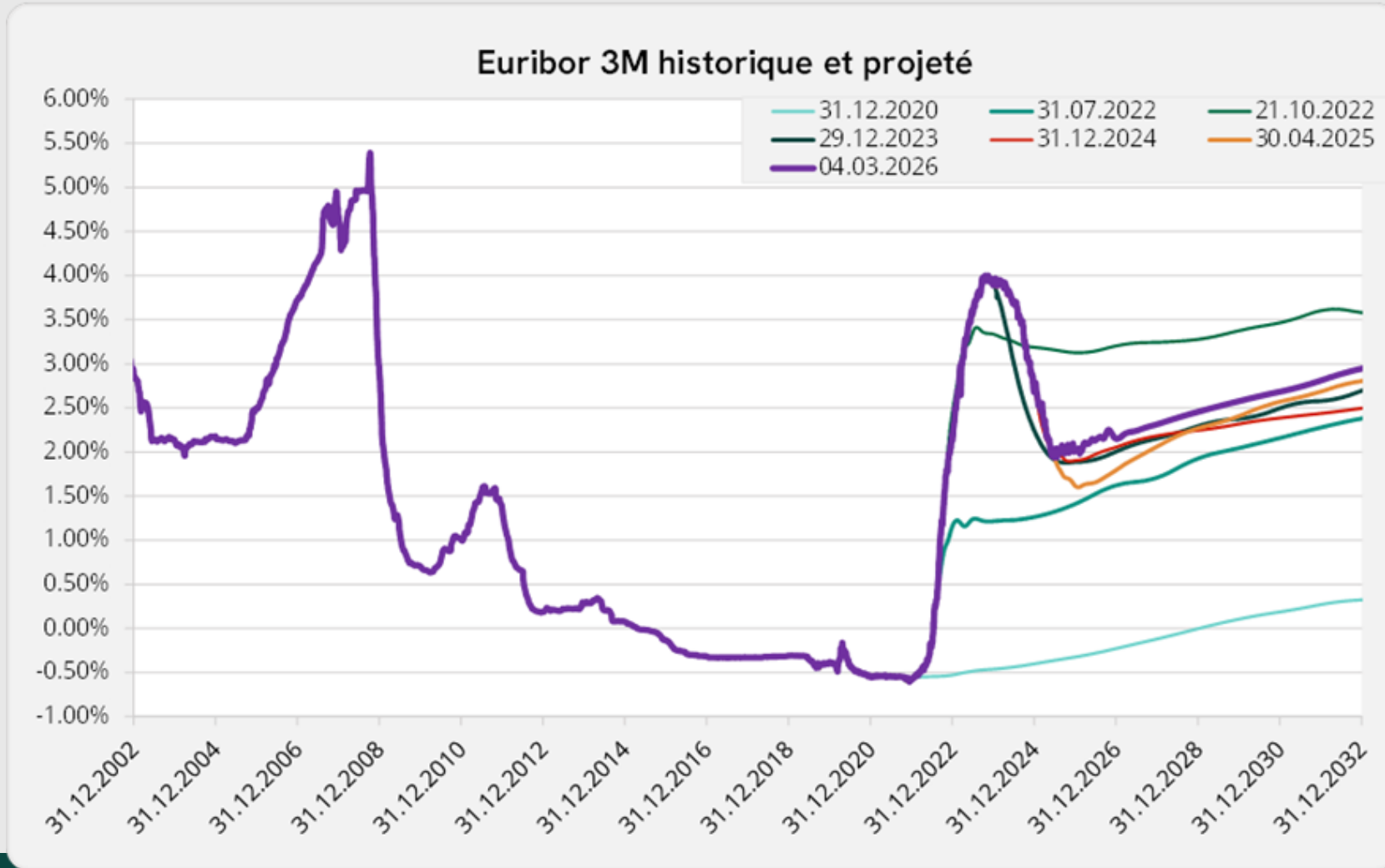
- Choosing the optimal product: similar or identical products are often "priced" differently
- Preliminary negotiations before quotes tender (explanation of KERIUS method and target margin to be selected)
- Final negotiation at the end of the process

## Appendices

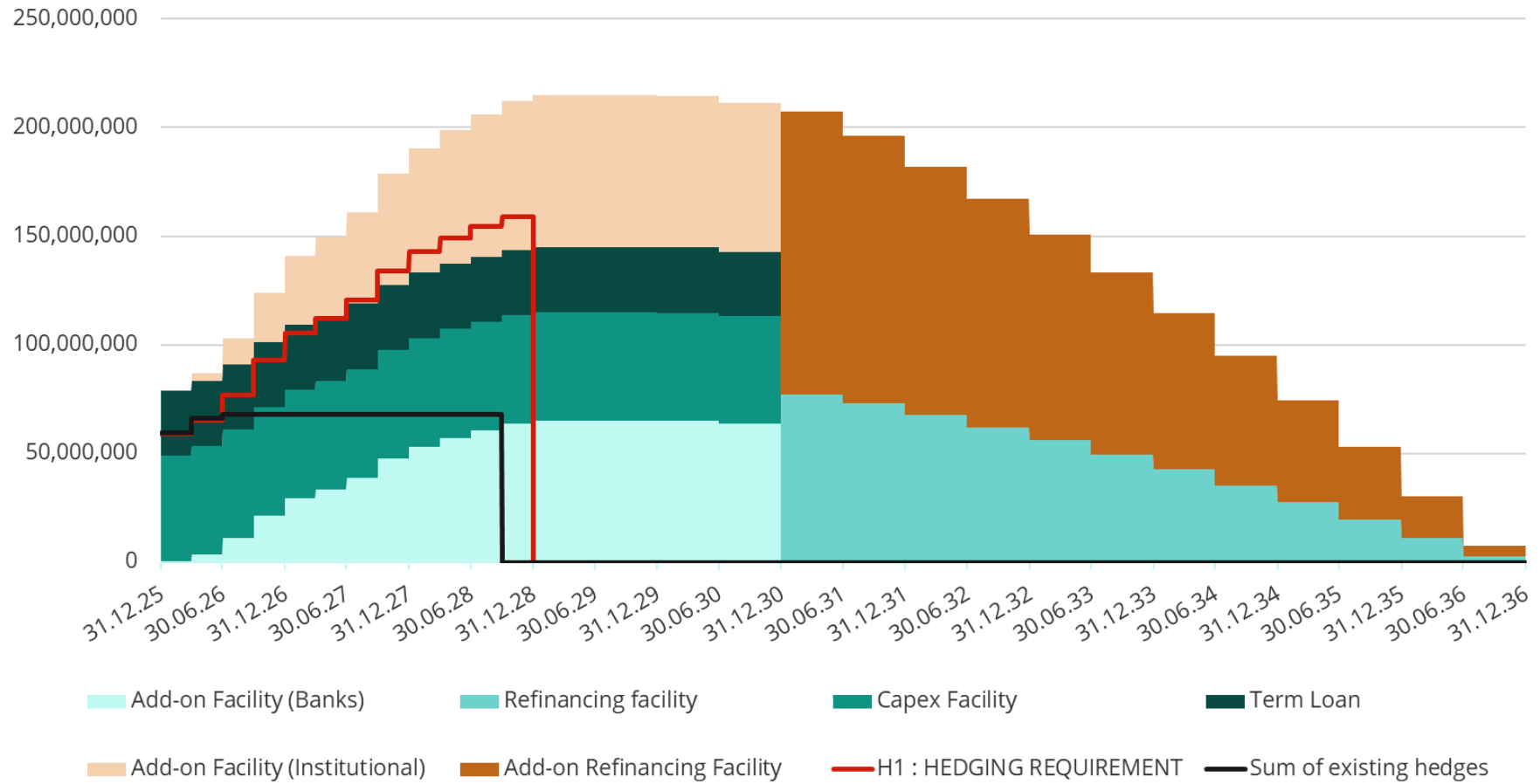
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- Market Data : Historic and projected Euribor
- Recall: Situation before new hedges and Financial expenses simulation
- Recall : Profiles at maturity of different types of hedge

# Market data (04/03/2026)



# Debt & Hedging Requirement Mapping



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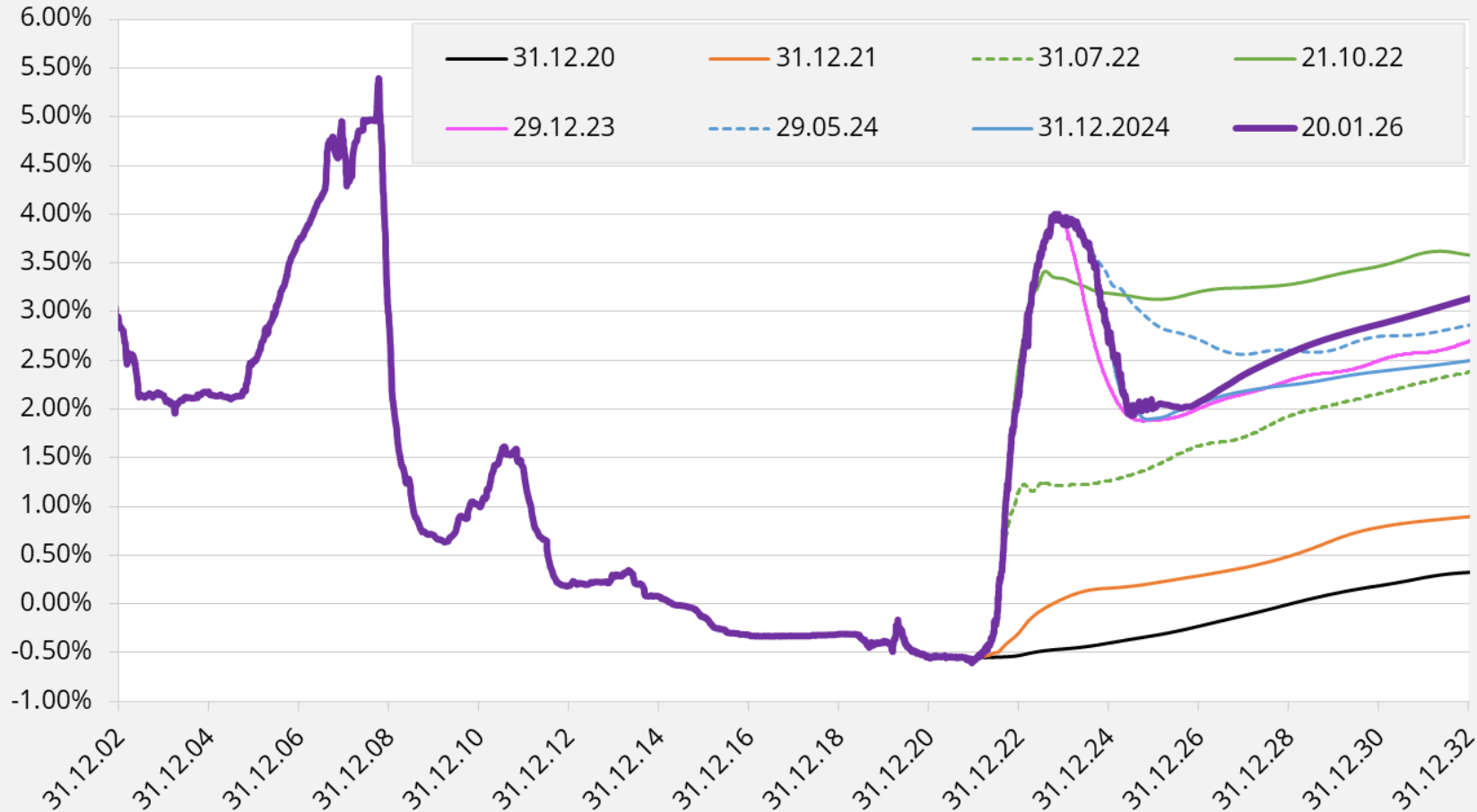
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## Market data

### Euribor 3M - Historical & Projected

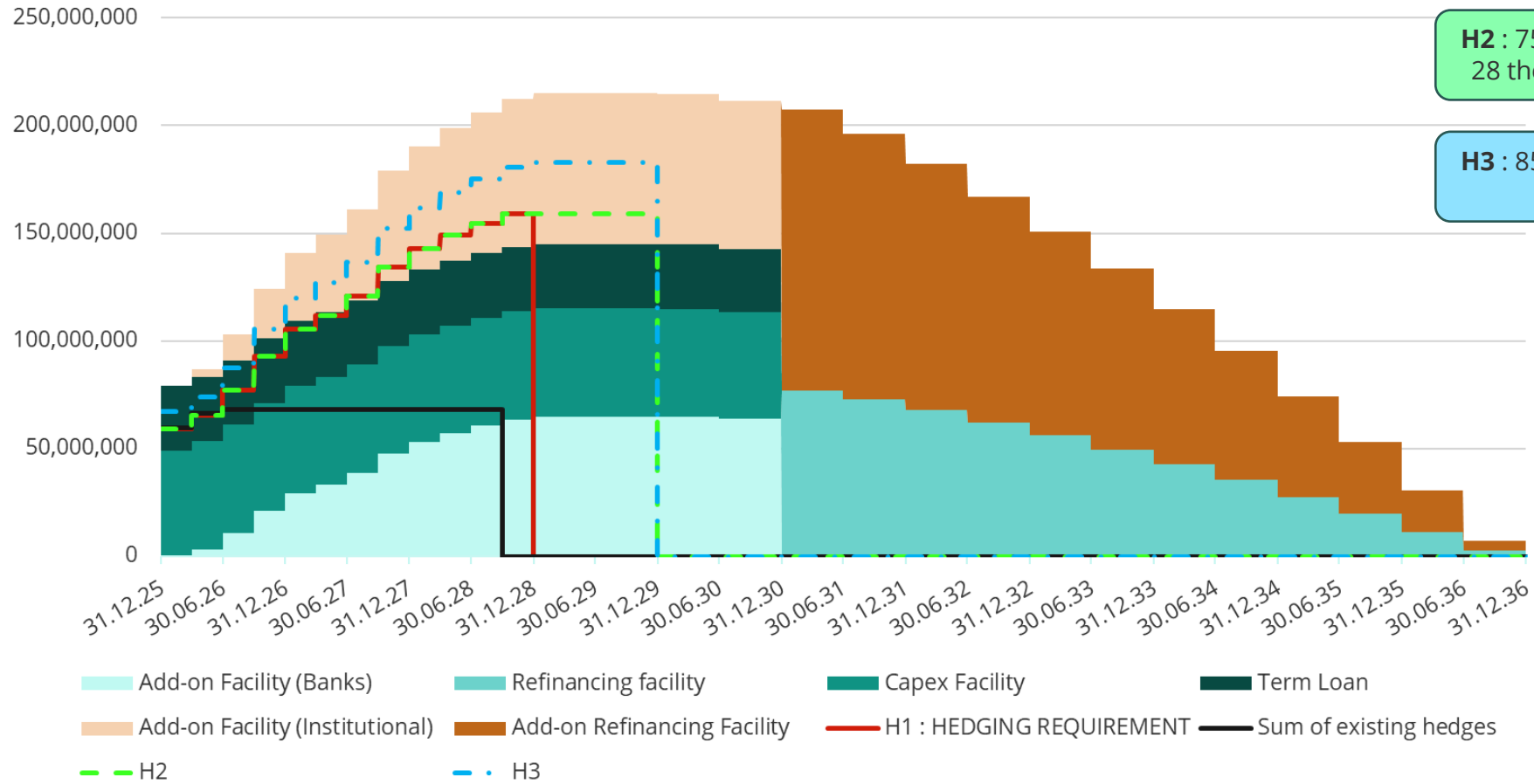


The markets are currently very volatile and can cause the price of hedges to vary significantly.

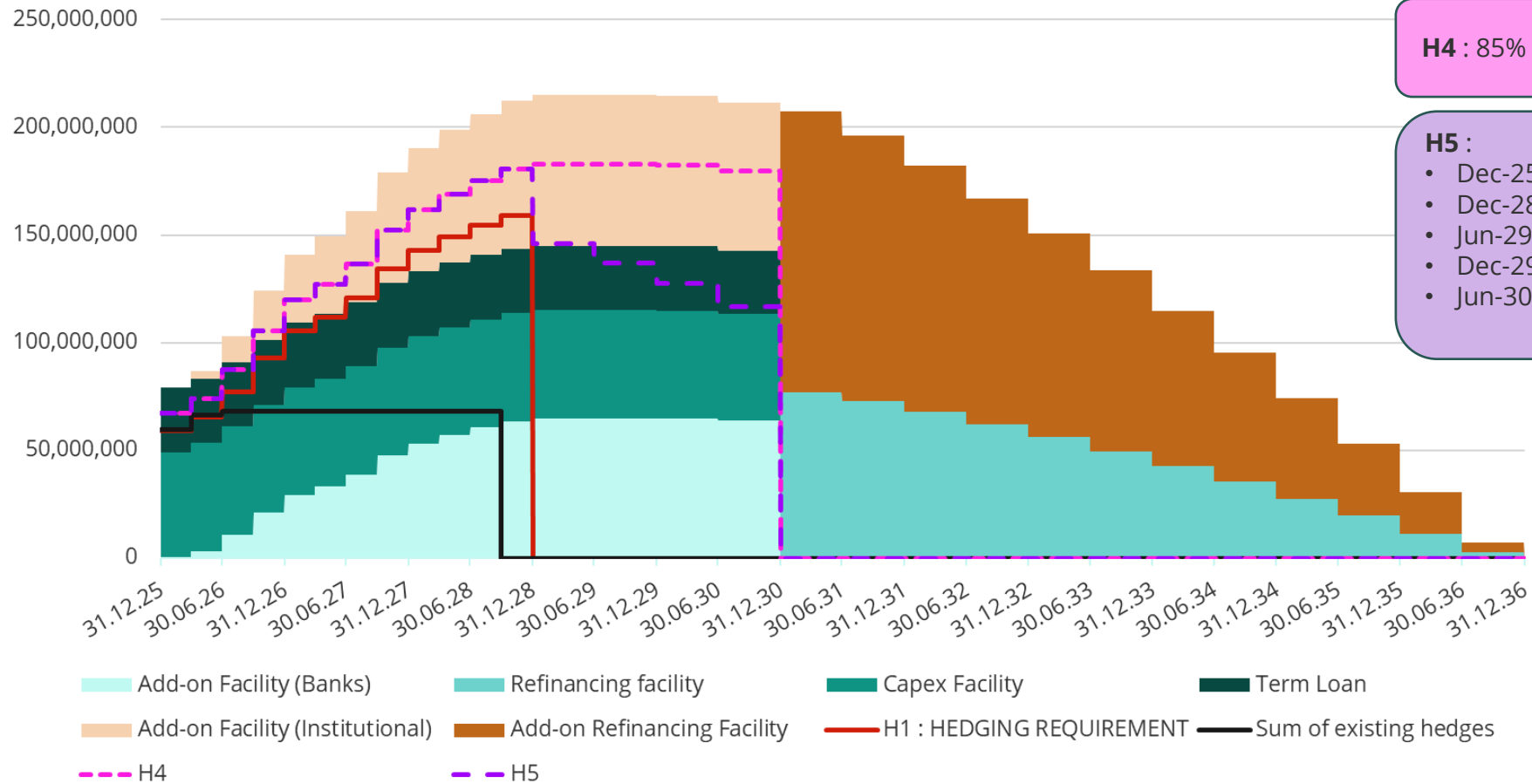
The price of hedges moves daily by +/-10 or 15 basis points

Since Covid, banks' legal departments have been saturated and implementation times have been significantly extended. Several procedures can only be launched after the customer has chosen the bank. This is why it is necessary to allow a period of between 2 and 4 weeks between the call for tenders and the instauration of the hedge.

# New hedges: Various notionals and maturities possible



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**H4** : 85% from Dec-25 to Dec-30

**H5** :

- Dec-25 to Dec-28 : 85%
- Dec-28 to Jun-29 : 80%
- Jun-29 to Dec-29 : 75%
- Dec-29 to Jun-30 : 70%
- Jun-30 to Dec-30 : 65%

## Not recommended products

Hedging	H1 bis	H2 bis
Value of 1 bp in EUR	16,186	32,324
Swap without floor	2.33%	2.48%
Swap with floor	<b>2.34%</b>	<b>2.50%</b>

There are many interest rate hedging products. There are certain products that we do not recommend or no longer recommend for various reasons, relating to a problem of efficiency or accounting (sometimes the two are linked) or comparative profitability. Product sheets are available in the appendix of this report to clarify the mechanisms and their intrinsic advantages/disadvantages.

**Here is a (non-exhaustive) list of products we do not recommend and the reasons why:**

### ▪ Interest rate swap (simple and floored) :

- Simple: toxic in a context of negative rates and therefore can be de-qualified and considered as a speculative product by the company's auditors even in a period of positive rates, which implies recording changes in the product's net asset value in financial income at each closing.
- Floored: increased bank margin for a product equivalent to Cap 0%, but sold at a higher price most of the time for reasons specific to the banks.

### ▪ Collar (purchase of cap / sale of floor):

- Does not guarantee a cap rate in the event of negative rates because the financing already includes a floor/floor at 0%, which induces an increase in the overall financing rate in the event of a fall in Euribor rates in the negative zone. As such, the product can be de-qualified and considered as a speculative product by the company's auditors even in a period of positive rates (in the same way as the simple swap).

### ▪ Knock-out Cap :

- Does not guarantee a cap rate, therefore it is not a hedging product and must be considered as speculative by the auditor.

### ▪ Knock-in Cap:

- Increased bank margin and interesting product on very large amounts only to absorb additional bank costs.

### ▪ Cap Spread (e.g.: buy 1% cap / sell 3% cap) :

- Does not guarantee a cap rate and is never a hedging product in the event of a highly unfavorable rate scenario, so can be considered as speculative by auditors.

## Recommended products

Estimated bank margin in bps included in the prices : **7 bps**

\*bis : to be added on top of existing hedges

H1 bis = H1 - existing hedges

**H2** : 75% from Dec-25 to Dec-28 then 160M€ until Dec-29  
**H3** : 85% from Dec-25 to Dec-29  
**H4** : 85% from Dec-25 to Dec-30

**H5** :

- Dec-25 to Dec-28 : 85%
- Dec-28 to Jun-29 : 80%
- Jun-29 to Dec-29 : 75%
- Dec-29 to Jun-30 : 70%
- Jun-30 to Dec-30 : 65%

Hedging	H1 bis*	H2 bis	H3 bis	H4 bis	H5 bis
Maturity	<b>2.5 years</b>	<b>3.5 years</b>	<b>4 years</b>	<b>5 years</b>	<b>5 years</b>
Index	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M
Starting Notionnal	9,126,761	9,126,761	7,653,542	7,653,542	7,653,542
Start Date	30.06.26	30.06.26	31.12.25	31.12.25	31.12.25
End Date	31.12.28	31.12.29	31.12.29	31.12.30	31.12.30
<b>Value of 1 bp in EUR</b>	<b>16,186</b>	<b>32,324</b>	<b>39,331</b>	<b>57,696</b>	<b>47,554</b>

Running premium					
<b>Cap 0% annualized</b>	<b>2.41%</b>	<b>2.57%</b>	<b>2.55%</b>	<b>2.65%</b>	<b>2.62%</b>
Max Financing rate	2.41%	2.57%	2.55%	2.65%	2.62%

<b>Cap 2% annualized</b>	<b>0.57%</b>	<b>0.74%</b>	<b>0.72%</b>	<b>0.83%</b>	<b>0.79%</b>
Max Financing rate	2.57%	2.74%	2.72%	2.83%	2.79%

<b>Cap 2.5% annualized</b>	<b>0.32%</b>	<b>0.46%</b>	<b>0.44%</b>	<b>0.54%</b>	<b>0.51%</b>
Max Financing rate	2.82%	2.96%	2.94%	3.04%	3.01%

<b>80% Cap 0% - 20% cap 2.5%</b>	<b>1.99%</b>	<b>2.14%</b>	<b>2.13%</b>	<b>2.22%</b>	<b>2.19%</b>
Max Financing rate	2.49%	2.64%	2.63%	2.72%	2.69%

<b>60% Cap 0% - 40% cap 2.5%</b>	<b>1.57%</b>	<b>1.72%</b>	<b>1.71%</b>	<b>1.80%</b>	<b>1.77%</b>
Max Financing rate	2.57%	2.72%	2.71%	2.80%	2.77%

Premium in Euros					
Cap 0%	3,713,000	7,811,600	9,463,500	14,215,700	11,610,300
Cap 2%	875,600	2,256,800	2,672,800	4,454,400	3,515,300
Cap 2.5%	490,500	1,397,200	1,647,600	2,888,700	2,248,300
80% Cap 0% - 20% cap 2.5%	3,068,500	6,528,700	7,900,400	11,950,300	9,737,900
60% Cap 0% - 40% cap 2.5%	2,424,000	5,245,800	6,337,200	9,684,900	7,865,500

## Indicatives quotes

**See comparison of hedging profiles in the appendix.**

Indicative quotes without bank margin or with estimated bank margin. A non-negotiated bank margin is generally between 0.10% and 0.20%.

The markets are currently very volatile and can cause these prices to vary significantly.

**Collars : Please note that we do not recommend this product since the risk of loss is unlimited since the financing is already floored. In fact, the Tunnel floor doubles that of financing. This generates a loss in the event of a drop in rates or a return to negative rates. In addition, this product does not fall within the scope of hedge accounting since it is considered speculative.**

### **Indications for comparing quotes with each other:**

The swap rate represents the financing rate of the hedged part of the debt (excluding the specific problem of the floor in the event of negative rates).

- The annualized cap premium represents the cost to pay over time to benefit from the cap (strike). The overall financing rate is then capped at strike + annualized premium. The cap allows you to benefit from Euribor rates lower than the strike, as long as the strike is higher than the floor included in the hedged financing.
- In the event of resale of the cap before maturity, the unpaid running premium remains 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 (for example if rates have risen).

## Example of annualized premium payments: H5 bis Cap 2,5%

Fixing	Start	End	Payment	Notionnal	Premium to be paid	Remaining to be paid in case of unwinding
29.12.25	31.12.25	31.03.26	31.03.26	7,653,542	9,048	-2,239,252
27.03.26	31.03.26	30.06.26	30.06.26	7,685,084	9,186	-2,230,066
26.06.26	30.06.26	30.09.26	30.09.26	19,410,329	23,456	-2,206,610
28.09.26	30.09.26	31.12.26	31.12.26	37,476,465	45,288	-2,161,323
29.12.26	31.12.26	31.03.27	31.03.27	51,694,692	61,111	-2,100,212
25.03.27	31.03.27	30.06.27	30.06.27	58,897,337	70,399	-2,029,812
28.06.27	30.06.27	30.09.27	30.09.27	68,743,364	83,071	-1,946,741
28.09.27	30.09.27	31.12.27	31.12.27	84,103,271	101,633	-1,845,108
29.12.27	31.12.27	31.03.28	31.03.28	93,820,523	112,143	-1,732,965
29.03.28	31.03.28	30.06.28	30.06.28	101,121,474	120,870	-1,612,096
28.06.28	30.06.28	29.09.28	29.09.28	107,118,933	128,038	-1,484,057
27.09.28	29.09.28	29.12.28	29.12.28	180,397,963	215,628	-1,268,429
27.12.28	29.12.28	29.03.29	29.03.29	146,200,000	172,831	-1,095,598
27.03.29	29.03.29	29.06.29	29.06.29	146,200,000	176,672	-918,926
27.06.29	29.06.29	28.09.29	28.09.29	137,062,500	163,830	-755,096
26.09.29	28.09.29	31.12.29	31.12.29	137,062,500	169,231	-585,866
27.12.29	31.12.29	29.03.30	29.03.30	127,722,770	147,633	-438,233
27.03.30	29.03.30	28.06.30	28.06.30	127,722,770	152,666	-285,567
26.06.30	28.06.30	30.09.30	30.09.30	116,885,980	144,319	-141,248
26.09.30	30.09.30	31.12.30	31.12.30	116,885,980	141,248	0

Running Premium

0.51%

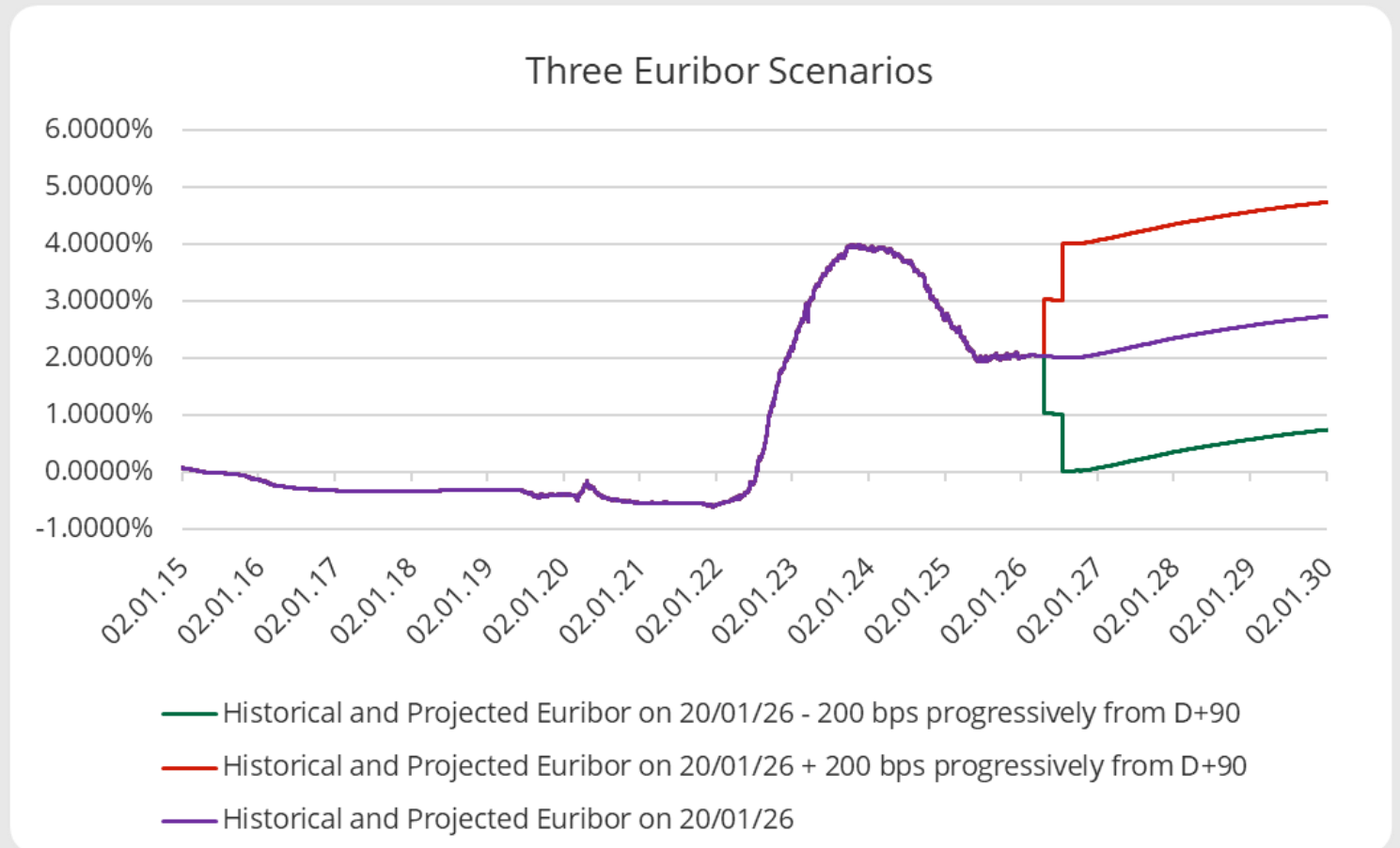
Total to be paid

2,248,300

## Simulation of financial expenses with three Euribor evolution scenarios

All financial expenses simulations start in **2026**.

This include the Term Loan margin **3.75%** (Y), Capex Facility margin **3.75%** (Y), Refinancing Facility margin **2.50%** (Y), Add-On Facility (Banks) margin **3.75%** (Y), Add-on Facility (Institutional) margin **4.50%** (Y), Add-on Refinancing facility margin **2.50%**(Y), Euribor 3m variations' impact, the impact of the existing hedge and the cost of setting up the new hedge.



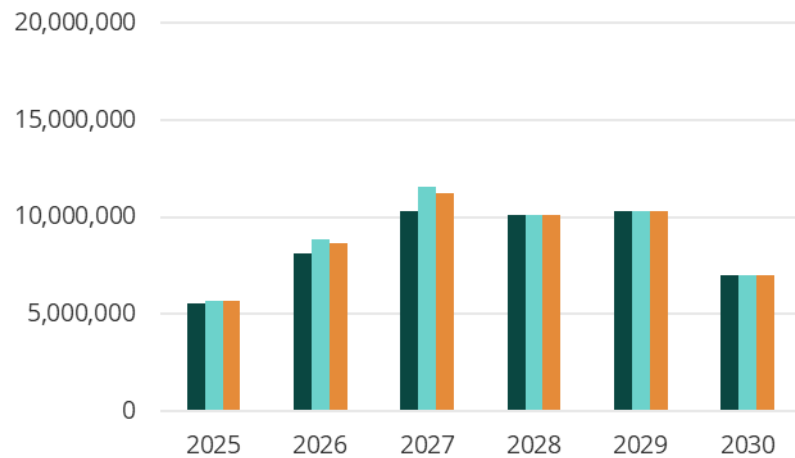
# Financial expenses simulation in expected Euribor -2% Scenario

Cap 2.5%

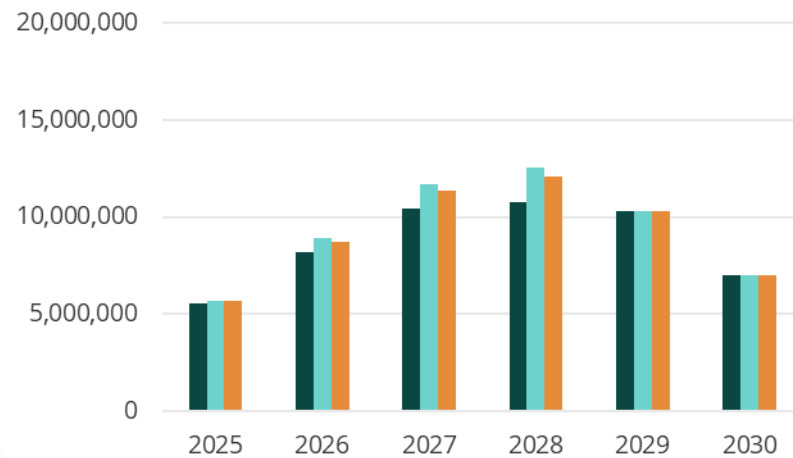
80% Cap 0% - 20% Cap 2.5%

60% Cap 0% - 40% Cap 2.5%

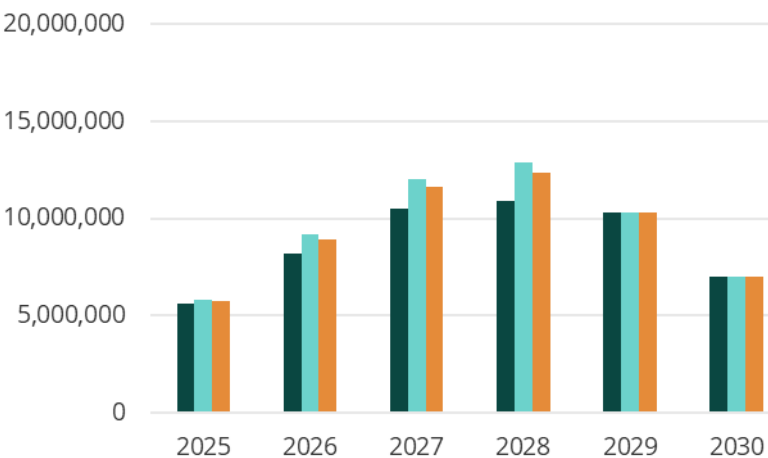
### STRATEGY H1



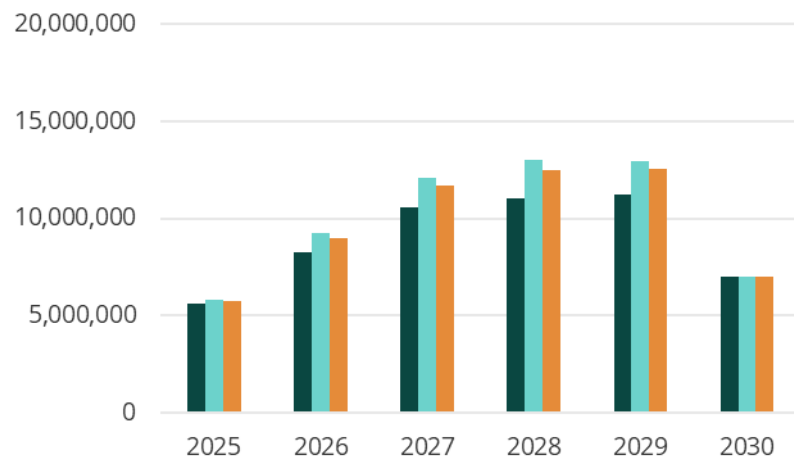
### STRATEGY H2



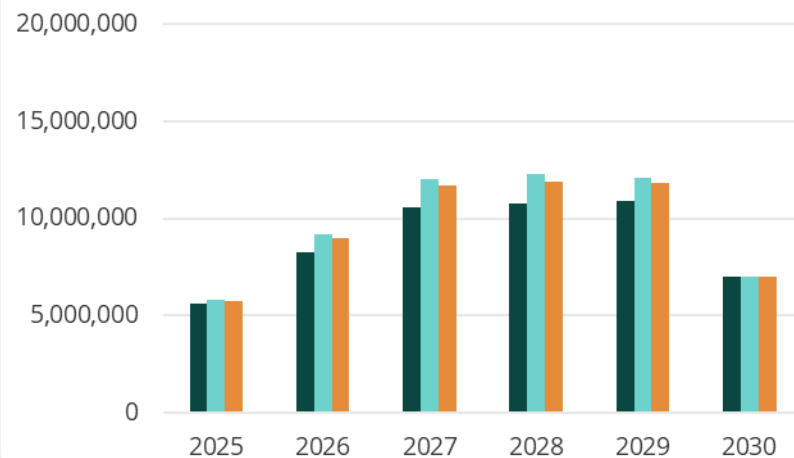
### STRATEGY H3



### STRATEGY H4



### STRATEGY H5



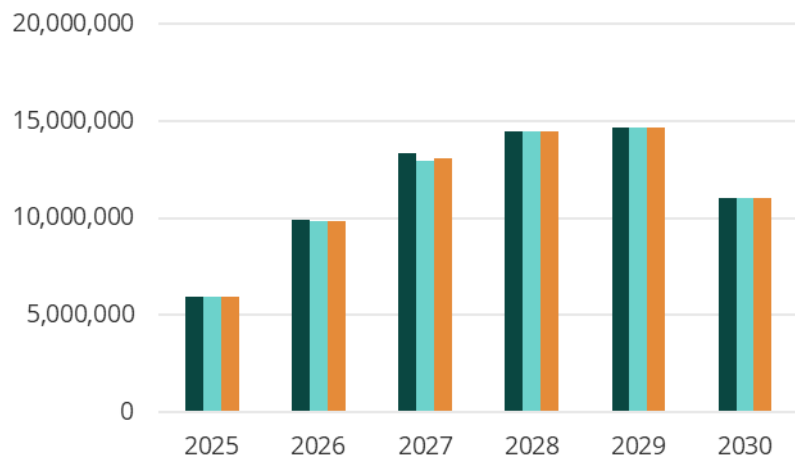
# Financial expenses simulation in expected Euribor Scenario

Cap 2.5%

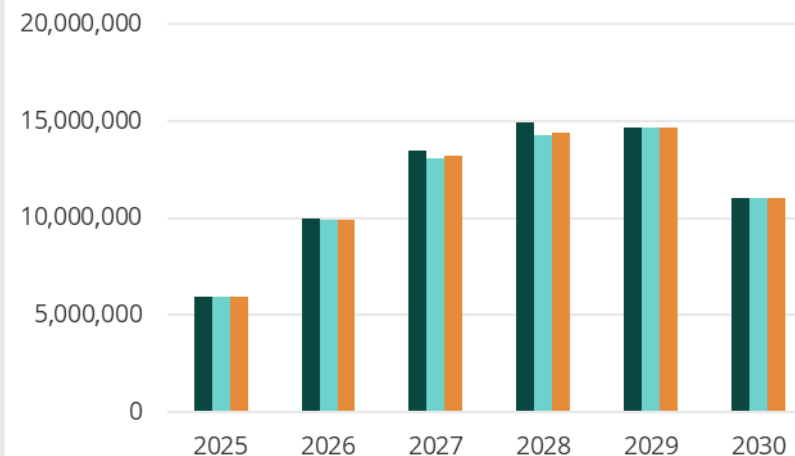
80% Cap 0% - 20% Cap 2.5%

60% Cap 0% - 40% Cap 2.5%

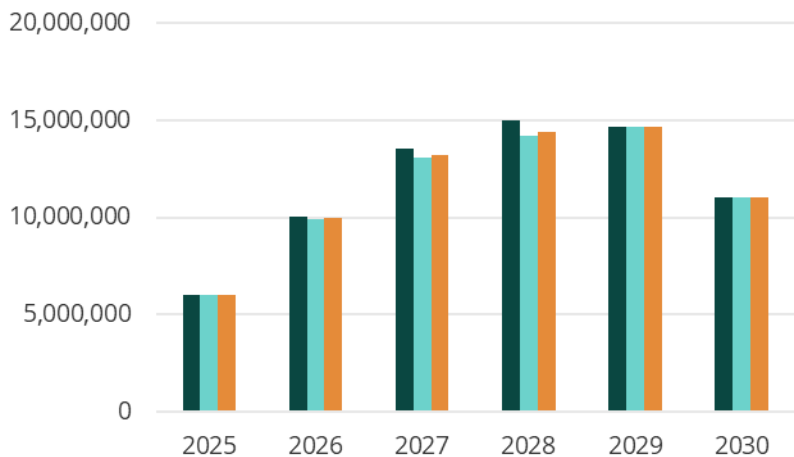
### STRATEGY H1



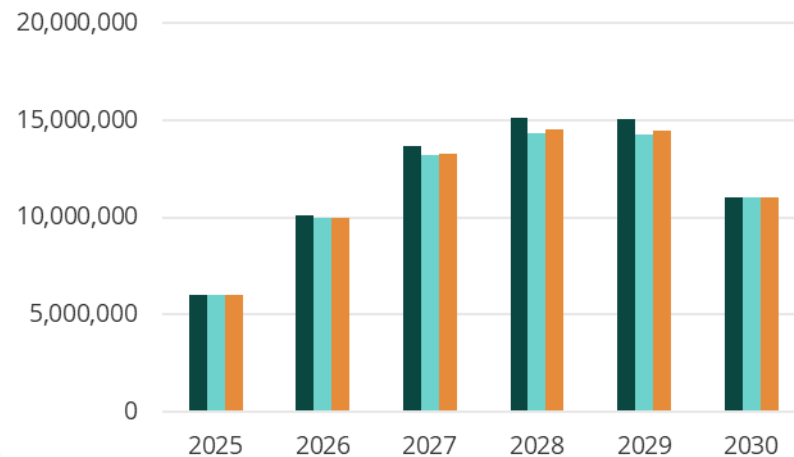
### STRATEGY H2



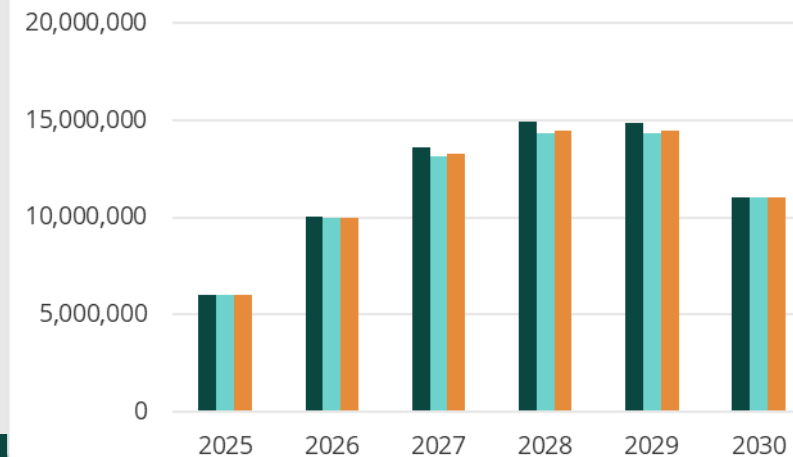
### STRATEGY H3



### STRATEGY H4



### STRATEGY H5



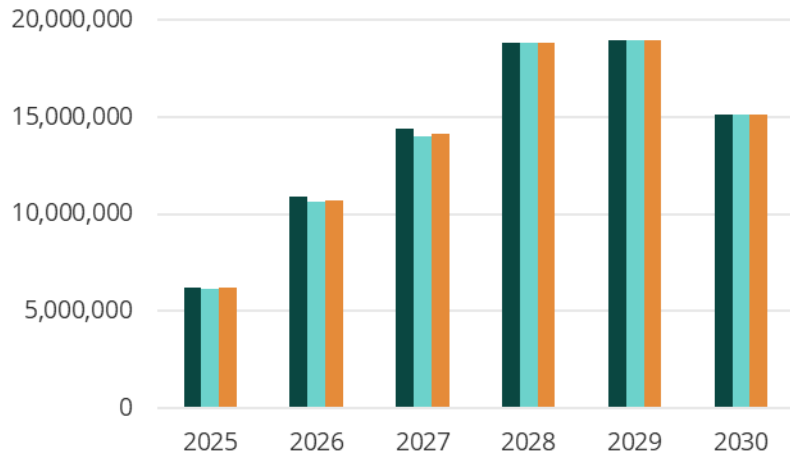
# Financial expenses simulation in expected Euribor + 2% Scenario

Cap 2.5%

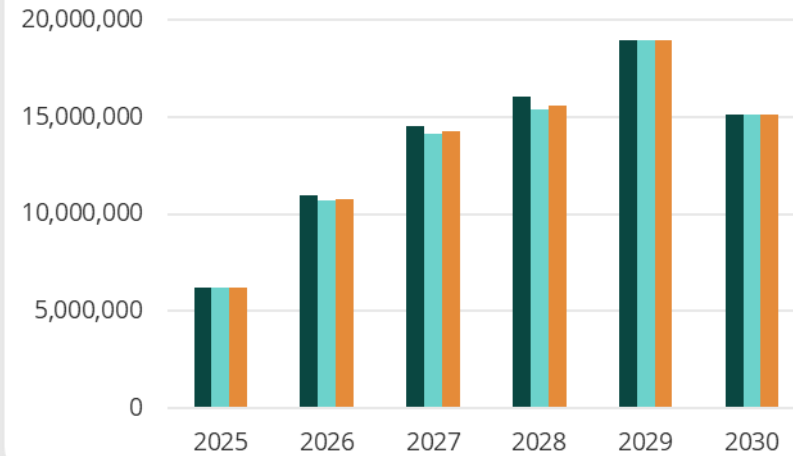
80% Cap 0% - 20% Cap 2.5%

60% Cap 0% - 40% Cap 2.5%

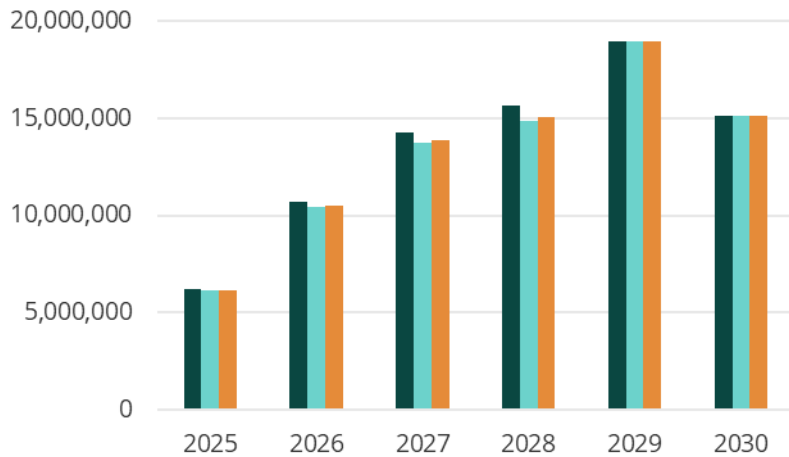
### STRATEGY H1



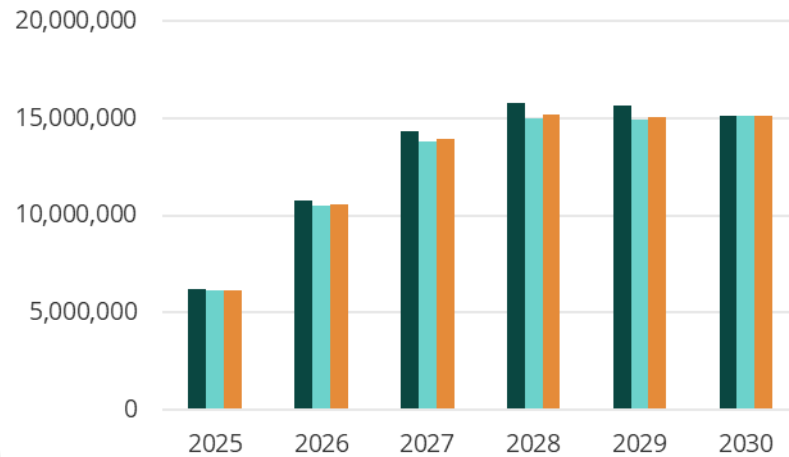
### STRATEGY H2



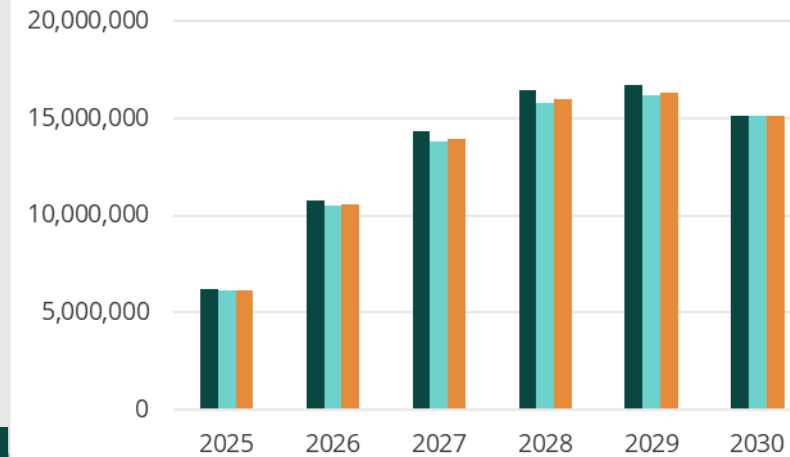
### STRATEGY H3



### STRATEGY H4

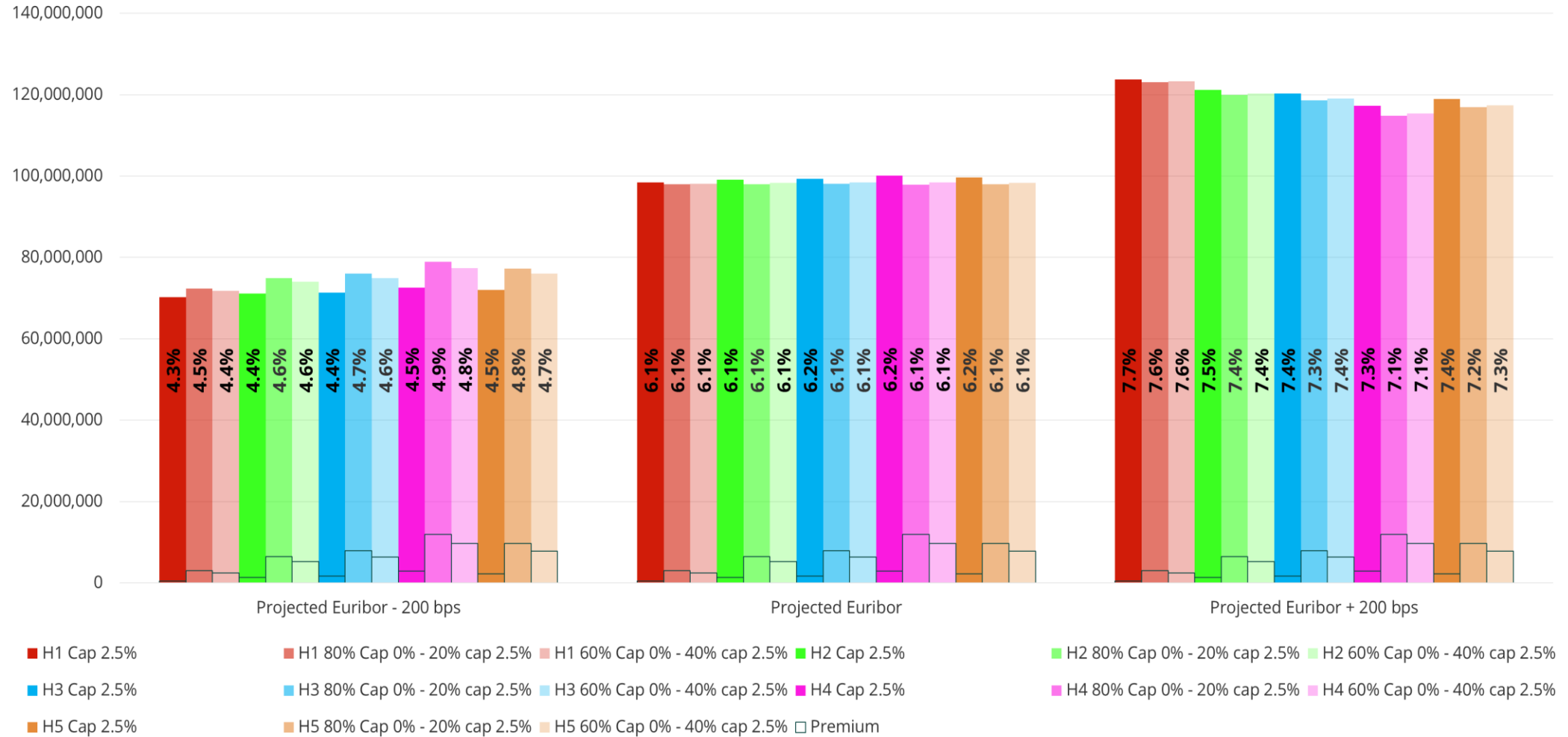


### STRATEGY H5



# Synthesis of financial costs simulation

(over the total duration of the financing, hedging cost included – APR approach)



## Synthesis of financial costs simulation

(over the total duration of the financing, hedging cost included – APR approach)

	STRATEGY H1			STRATEGY H2		
	H1 Cap 2.5%	H1 80% Cap 0% - 20% cap 2.5%	H1 60% Cap 0% - 40% cap 2.5%	H2 Cap 2.5%	H2 80% Cap 0% - 20% cap 2.5%	H2 60% Cap 0% - 40% cap 2.5%
Projected Euribor - 200 bps	70,228,667	72,337,386	71,810,206	71,135,367	74,969,903	74,011,269
Projected Euribor	98,479,915	98,024,610	98,138,436	99,158,913	98,029,419	98,311,792
Projected Euribor + 200 bps	123,780,889	123,121,778	123,286,556	121,232,178	119,898,879	120,232,204

	STRATEGY H3			STRATEGY H4			STRATEGY H5		
	H3 Cap 2.5%	H3 80% Cap 0% - 20% cap 2.5%	H3 60% Cap 0% - 40% cap 2.5%	H4 Cap 2.5%	H4 80% Cap 0% - 20% cap 2.5%	H4 60% Cap 0% - 40% cap 2.5%	H5 Cap 2.5%	H5 80% Cap 0% - 20% cap 2.5%	H5 60% Cap 0% - 40% cap 2.5%
Projected Euribor - 200 bps	71,385,767	76,038,997	74,875,689	72,626,867	78,927,481	77,352,327	71,986,467	77,309,442	75,978,698
Projected Euribor	99,374,420	98,053,184	98,383,493	100,081,888	97,896,578	98,442,905	99,677,351	97,948,395	98,380,634
Projected Euribor + 200 bps	120,242,231	118,643,203	119,042,960	117,276,745	114,813,642	115,429,418	118,900,562	116,893,814	117,395,501

## Synthesis of financial costs simulation (From 2026 to 2030)

(over the total duration of the financing, hedging cost included – APR approach)

	STRATEGY H1			STRATEGY H2		
	H1 Cap 2.5%	H1 80% Cap 0% - 20% cap 2.5%	H1 60% Cap 0% - 40% cap 2.5%	H2 Cap 2.5%	H2 80% Cap 0% - 20% cap 2.5%	H2 60% Cap 0% - 40% cap 2.5%
Projected Euribor - 200 bps	<b>44,401,689</b>	46,510,409	45,983,229	45,308,389	49,142,925	48,184,291
Projected Euribor	58,337,272	57,881,967	57,995,793	59,016,270	57,886,776	58,169,150
Projected Euribor + 200 bps	<b>69,322,582</b>	68,663,471	68,828,248	66,773,871	65,440,571	65,773,896

	STRATEGY H3			STRATEGY H4			STRATEGY H5		
	H3 Cap 2.5%	H3 80% Cap 0% - 20% cap 2.5%	H3 60% Cap 0% - 40% cap 2.5%	H4 Cap 2.5%	H4 80% Cap 0% - 20% cap 2.5%	H4 60% Cap 0% - 40% cap 2.5%	H5 Cap 2.5%	H5 80% Cap 0% - 20% cap 2.5%	H5 60% Cap 0% - 40% cap 2.5%
Projected Euribor - 200 bps	45,558,789	50,212,019	49,048,712	46,799,889	<b>53,100,503</b>	51,525,350	46,159,489	51,482,464	50,151,720
Projected Euribor	59,231,778	57,910,541	58,240,850	59,939,246	57,753,935	58,300,263	59,534,708	57,805,753	58,237,992
Projected Euribor + 200 bps	65,783,923	64,184,895	64,584,652	62,818,437	<b>60,355,334</b>	60,971,110	64,442,255	62,435,507	62,937,194

## Amortization table

DATE FIXING	START DATE	END DATE	DATE PAIEMENT	Term Loan		Capex Facility		Refinancing facility		Add-on Facility (Banks)		Add-on Facility (Institutional)		Add-on Refinancing Facility	
				Amort.	CRD	Amort.	CRD	Amort.	CRD	Amort.	CRD	Amort.	CRD	Amort.	CRD
29.12.25	31.12.25	31.03.26	31.03.26	0	30,000,000	0	49,004,168	0	0	0	0	0	0	0	0
27.03.26	31.03.26	30.06.26	30.06.26	0	30,000,000	-995,832	50,000,000	0	0	-3,390,244	3,390,244	-3,651,032	3,651,032	0	0
26.06.26	30.06.26	30.09.26	30.09.26	0	30,000,000	0	50,000,000	0	0	-7,604,714	10,994,957	0	11,840,723	0	0
28.09.26	30.09.26	31.12.26	31.12.26	0	30,000,000	0	50,000,000	0	0	-10,233,542	21,228,499	-11,020,737	22,861,460	0	0
29.12.26	31.12.26	31.03.27	31.03.27	0	30,000,000	0	50,000,000	0	0	-8,053,897	29,282,396	-8,673,428	31,534,888	0	0
25.03.27	31.03.27	30.06.27	30.06.27	0	30,000,000	0	50,000,000	0	0	-4,079,929	33,362,326	-4,393,770	35,928,658	0	0
28.06.27	30.06.27	30.09.27	30.09.27	0	30,000,000	0	50,000,000	0	0	-5,577,270	38,939,596	-6,006,291	41,934,949	0	0
28.09.27	30.09.27	31.12.27	31.12.27	0	30,000,000	0	50,000,000	0	0	-8,700,601	47,640,197	-9,369,878	51,304,828	0	0
29.12.27	31.12.27	31.03.28	31.03.28	0	30,000,000	0	50,000,000	0	0	-5,504,326	53,144,523	-5,927,735	57,232,563	0	0
29.03.28	31.03.28	30.06.28	30.06.28	0	30,000,000	0	50,000,000	0	0	-4,135,615	57,280,138	-4,453,739	61,686,302	0	0
28.06.28	30.06.28	29.09.28	29.09.28	0	30,000,000	0	50,000,000	0	0	-3,397,254	60,677,391	-3,658,581	65,344,883	0	0
27.09.28	29.09.28	29.12.28	29.12.28	0	30,000,000	0	50,000,000	0	0	-2,990,300	63,667,691	-3,220,323	68,565,206	0	0
27.12.28	29.12.28	29.03.29	29.03.29	0	30,000,000	0	50,000,000	0	0	-1,332,309	65,000,000	-1,434,794	70,000,000	0	0
27.03.29	29.03.29	29.06.29	29.06.29	0	30,000,000	0	50,000,000	0	0	0	65,000,000	0	70,000,000	0	0
27.06.29	29.06.29	28.09.29	28.09.29	0	30,000,000	0	50,000,000	0	0	0	65,000,000	0	70,000,000	0	0
26.09.29	28.09.29	31.12.29	31.12.29	0	30,000,000	0	50,000,000	0	0	0	65,000,000	0	70,000,000	0	0
27.12.29	31.12.29	29.03.30	29.03.30	47,426	29,952,574	79,043	49,920,957	0	0	102,755	64,897,245	110,660	69,889,340	0	0
27.03.30	29.03.30	28.06.30	28.06.30	0	29,952,574	0	49,920,957	0	0	0	64,897,245	0	69,889,340	0	0
26.06.30	28.06.30	30.09.30	30.09.30	432,807	29,519,768	721,345	49,199,613	0	0	937,748	63,959,497	1,009,882	68,879,458	0	0
26.09.30	30.09.30	31.12.30	31.12.30	0	29,519,768	0	49,199,613	0	0	0	63,959,497	0	68,879,458	0	0
27.12.30	31.12.30	31.03.31	31.03.31	29,519,768	0	49,199,613	0	-77,085,867	77,085,867	63,959,497	0	68,879,458	0	-130,082,401	130,082,401

## Amortization table

DATE FIXING	START DATE	END DATE	DATE PAIEMENT	TOTAL DEBT	Existing Hedge : NORD LB	Existing Hedge : ING	Sum of existing hedges	TOTAL DEBT %	H1 : HEDGING REQUIREMENT	Minimum to be hedged	H1bis= H1 - Existing Hedges	H2bis= H2 - Existing Hedges	H3bis= H3 - Existing Hedges	H4bis= H4 - Existing Hedges	H5bis= H5 - Existing Hedges
29.12.25	31.12.25	31.03.26	31.03.26	79,004,168	29,750,000	29,750,000	59,500,000	75%	59,253,126	0	0	0	7,653,542	7,653,542	7,653,542
27.03.26	31.03.26	30.06.26	30.06.26	87,041,275	33,150,000	33,150,000	66,300,000	75%	65,280,956	0	0	0	7,685,084	7,685,084	7,685,084
26.06.26	30.06.26	30.09.26	30.09.26	102,835,681	34,000,000	34,000,000	68,000,000	75%	77,126,761	9,126,761	9,126,761	9,126,761	19,410,329	19,410,329	19,410,329
28.09.26	30.09.26	31.12.26	31.12.26	124,089,959	34,000,000	34,000,000	68,000,000	75%	93,067,470	25,067,470	25,067,470	25,067,470	37,476,465	37,476,465	37,476,465
29.12.26	31.12.26	31.03.27	31.03.27	140,817,285	34,000,000	34,000,000	68,000,000	75%	105,612,964	37,612,964	37,612,964	37,612,964	51,694,692	51,694,692	51,694,692
25.03.27	31.03.27	30.06.27	30.06.27	149,290,984	34,000,000	34,000,000	68,000,000	75%	111,968,238	43,968,238	43,968,238	43,968,238	58,897,337	58,897,337	58,897,337
28.06.27	30.06.27	30.09.27	30.09.27	160,874,545	34,000,000	34,000,000	68,000,000	75%	120,655,909	52,655,909	52,655,909	52,655,909	68,743,364	68,743,364	68,743,364
28.09.27	30.09.27	31.12.27	31.12.27	178,945,025	34,000,000	34,000,000	68,000,000	75%	134,208,769	66,208,769	66,208,769	66,208,769	84,103,271	84,103,271	84,103,271
29.12.27	31.12.27	31.03.28	31.03.28	190,377,086	34,000,000	34,000,000	68,000,000	75%	142,782,814	74,782,814	74,782,814	74,782,814	93,820,523	93,820,523	93,820,523
29.03.28	31.03.28	30.06.28	30.06.28	198,966,440	34,000,000	34,000,000	68,000,000	75%	149,224,830	81,224,830	81,224,830	81,224,830	101,121,474	101,121,474	101,121,474
28.06.28	30.06.28	29.09.28	29.09.28	206,022,274	34,000,000	34,000,000	68,000,000	75%	154,516,705	86,516,705	86,516,705	86,516,705	107,118,933	107,118,933	107,118,933
27.09.28	29.09.28	29.12.28	29.12.28	212,232,897	0	0	0	75%	159,174,673	159,174,673	159,174,673	159,174,673	180,397,963	180,397,963	180,397,963
27.12.28	29.12.28	29.03.29	29.03.29	215,000,000	0	0	0		0	0	0	159,174,673	182,750,000	182,750,000	146,200,000
27.03.29	29.03.29	29.06.29	29.06.29	215,000,000	0	0	0		0	0	0	159,174,673	182,750,000	182,750,000	146,200,000
27.06.29	29.06.29	28.09.29	28.09.29	215,000,000	0	0	0		0	0	0	159,174,673	182,750,000	182,750,000	137,062,500
26.09.29	28.09.29	31.12.29	31.12.29	215,000,000	0	0	0		0	0	0	159,174,673	182,750,000	182,750,000	137,062,500
27.12.29	31.12.29	29.03.30	29.03.30	214,660,117	0	0	0		0	0	0	0	0	182,461,099	127,722,770
27.03.30	29.03.30	28.06.30	28.06.30	214,660,117	0	0	0		0	0	0	0	0	182,461,099	127,722,770
26.06.30	28.06.30	30.09.30	30.09.30	211,558,335	0	0	0		0	0	0	0	0	179,824,585	116,885,980
26.09.30	30.09.30	31.12.30	31.12.30	211,558,335	0	0	0		0	0	0	0	0	179,824,585	116,885,980
27.12.30	31.12.30	31.03.31	31.03.31	207,168,268	0	0	0		0	0	0	0	0	0	0

# 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.

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).

Potential problem for applying hedge accounting:

The hedges are no longer considered effective by the CACs due to this non-capping of the financing rate.

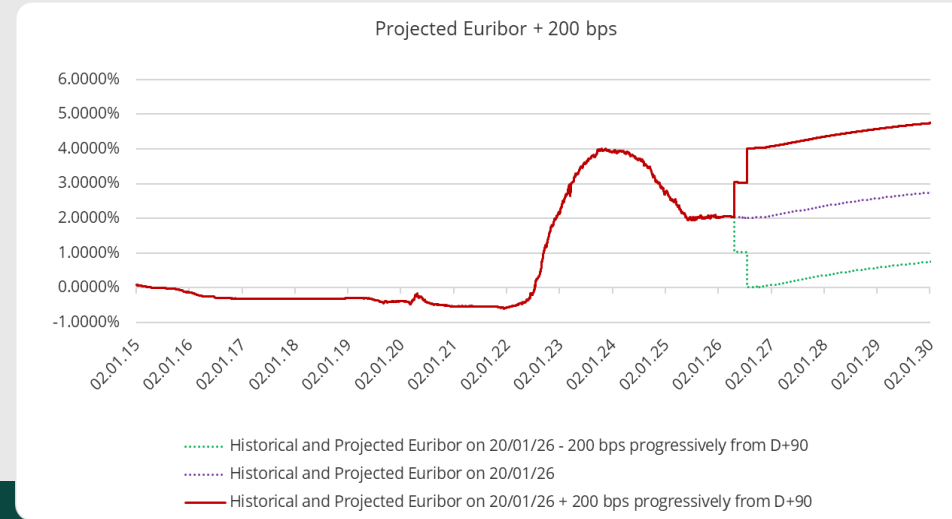
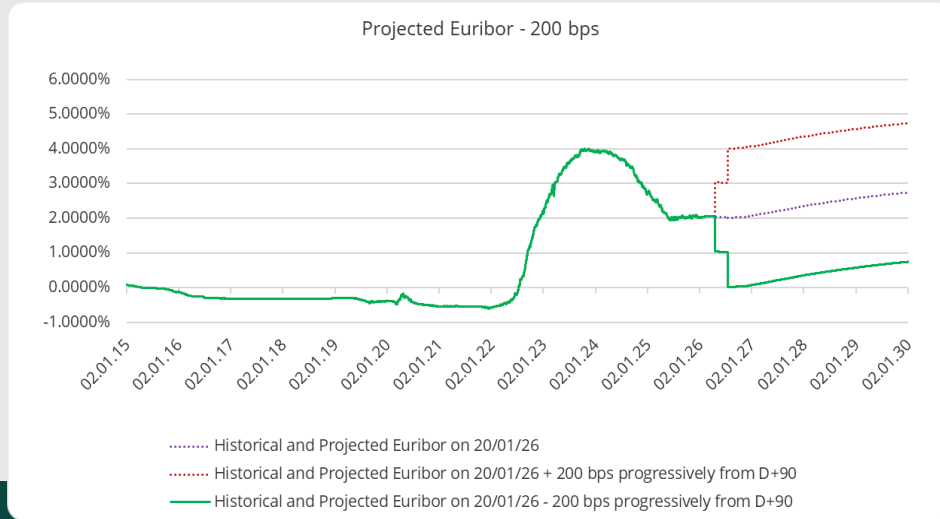
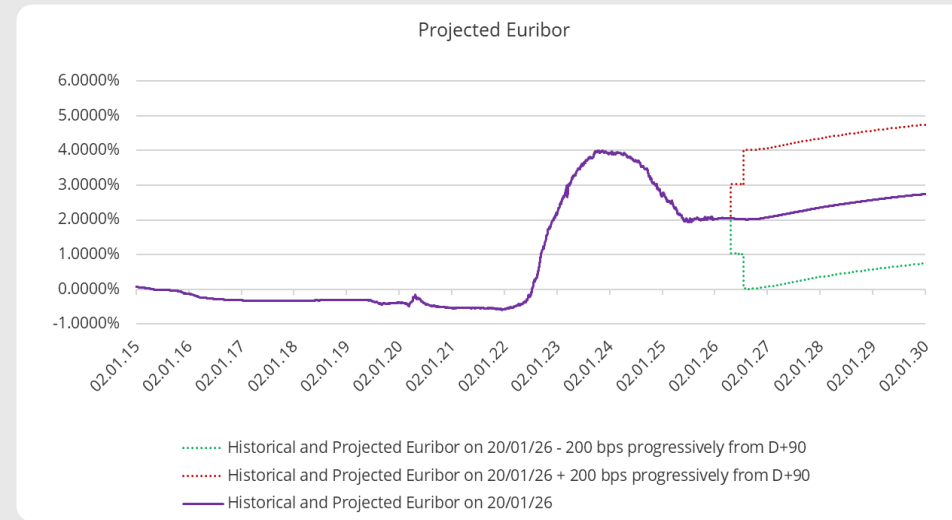
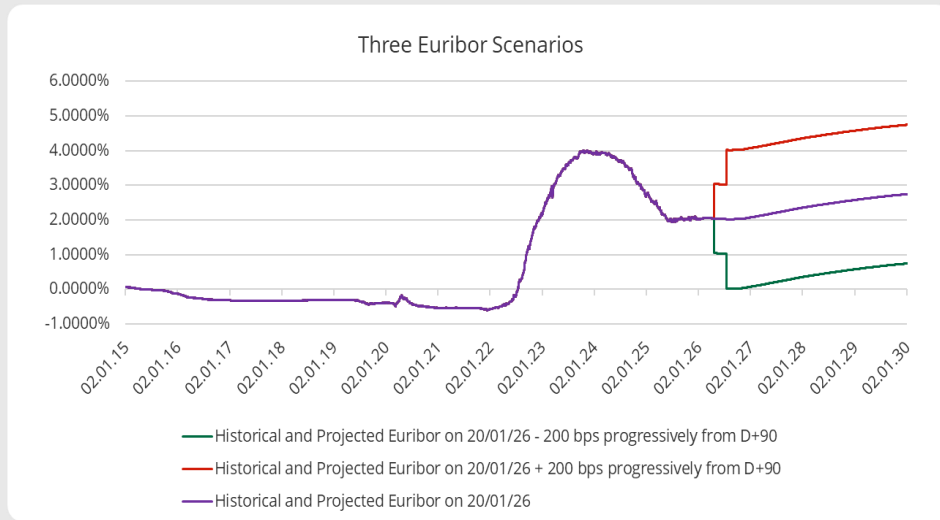
As such, all valuation variations (mark to market) of the swaps will be recorded in financial income (in other words, not deferred over time)

## **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.

# Euribor curves used for simulations of financial costs



# Product sheets

## Rate swap (fixed versus variable rate payer):

Firm commitment to pay a flow at a fixed rate at a fixed frequency and for a specified duration, in exchange for a flow received corresponding to the variable rate. The periodicity of the variable rate index determines the number of payments per year. The net of the two flows can be positive or negative in each period.

### Benefits:

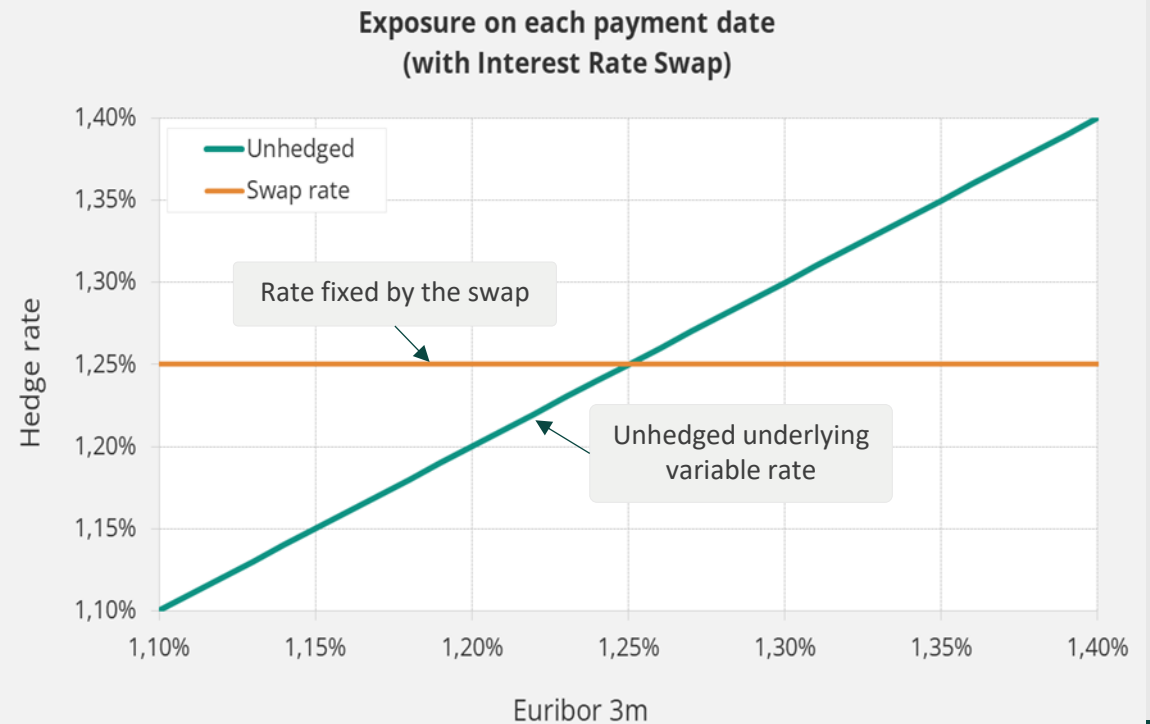
- Zero cost (no premium to pay)
- Financial charges are known in advance

### Disadvantages:

- No opportunity to benefit from favorable rate movements;
- Risk of unlimited loss in the event of early termination.
- Simple but risky product in the event of reduction of the underlying exposure (debt reduction for example) or unwinding of the hedge in a negative valuation scenario (mark to market).

To be reserved for the incompressible part of the exposure (risk of negative valuation). **Illustrative graph:** not updated data

Product which no longer guarantees a financing rate in a context of negative rates for financing whose index (Euribor or other) is "floored".



# Product sheets

## Buying rate cap:

Right to receive a flow if the underlying rate index (hedged) is higher than the strike price of the cap (strike). The flow received will then correspond to the difference between the variable rate and the fixed rate, multiplied by the notional. In the context of financing, this flow has the effect of canceling what should have been paid on the underlying beyond the strike price of the cap.

## Benefits:

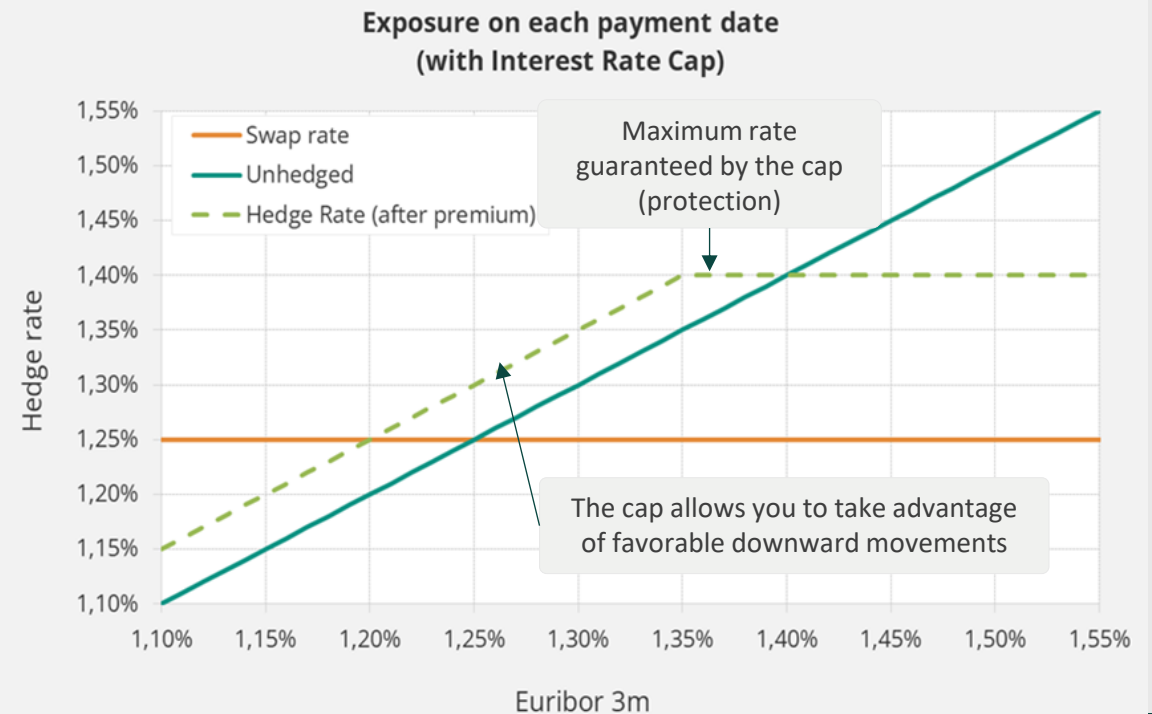
- Opportunity to take advantage of a low rate if it remains below the cap exercise price;
- Total flexibility to resell the hedge in the event of a change in the underlying;
- No risk of loss beyond the premium paid.

## Disadvantages:

- Premium to be paid: depends on the characteristics of the option (amount, duration, more or less favorable exercise price, etc.)

Illustrative graph: not updated data

Recommended product in the current context.  
This product takes into account the floors on financing



# Product sheets

## Tunnels/Collars of options:

Firm commitment to pay a flow at a fixed rate at a fixed frequency and for a specified duration, in exchange for a flow received corresponding to the variable rate.

The periodicity of the variable rate index determines the number of payments per year.

The net of the two flows can be positive or negative in each period.

## Benefits:

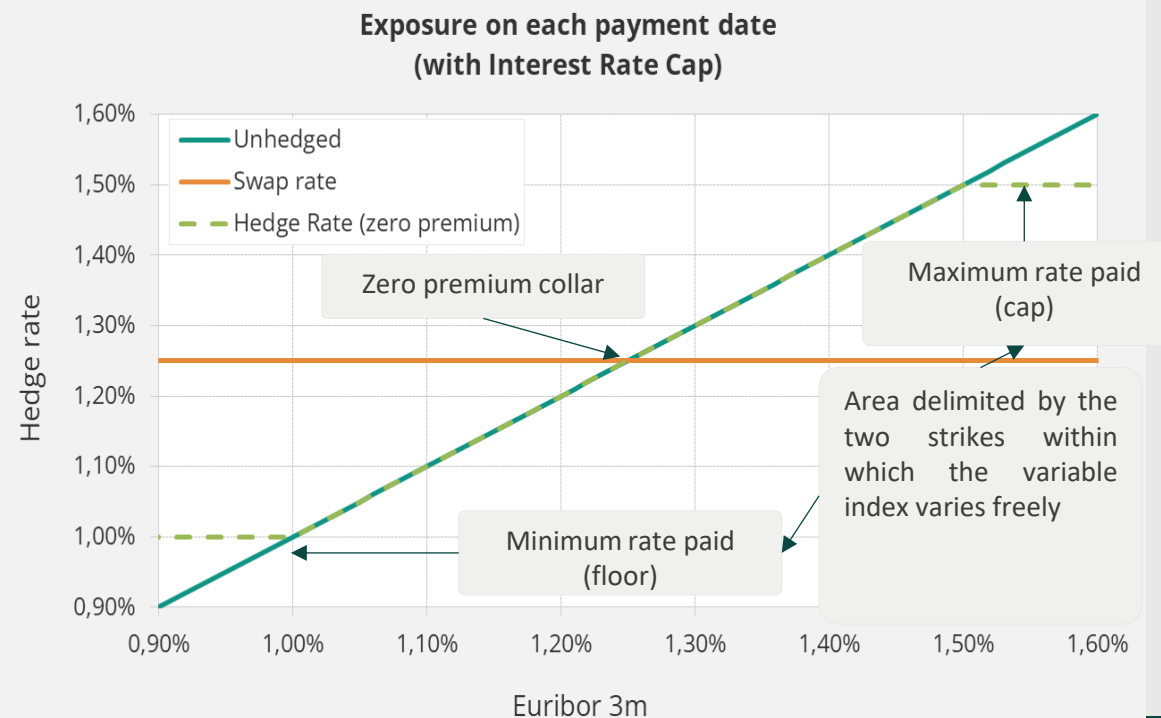
- Protection beyond the course of exercise of the cap;
- Opportunity to benefit from a drop in the index to the floor level;
- Financing the option purchased by the option sold.

## Disadvantages:

- Risk of loss in the event of early unwinding and a drop in rates (as with a swap).

To be reserved for the incompressible part of the exposure (risk of negative valuation). **Illustrative graph:** not updated data

Product which no longer guarantees a financing rate in a context of negative rates for financing whose index (Euribor or other) is "floored".



# Product sheets

## Cap with deactivating barrier:

Right to receive a flow if the underlying rate index (hedged) is higher than the strike price of the cap (strike). The flow received will then correspond to the difference between the variable rate and the fixed rate, multiplied by the notional. In the context of financing, this flow has the effect of canceling what should have been paid on the underlying beyond the strike price of the cap. If the underlying rate crosses a so-called deactivating barrier, the product deactivates and no flow is then exchanged.

## Benefits:

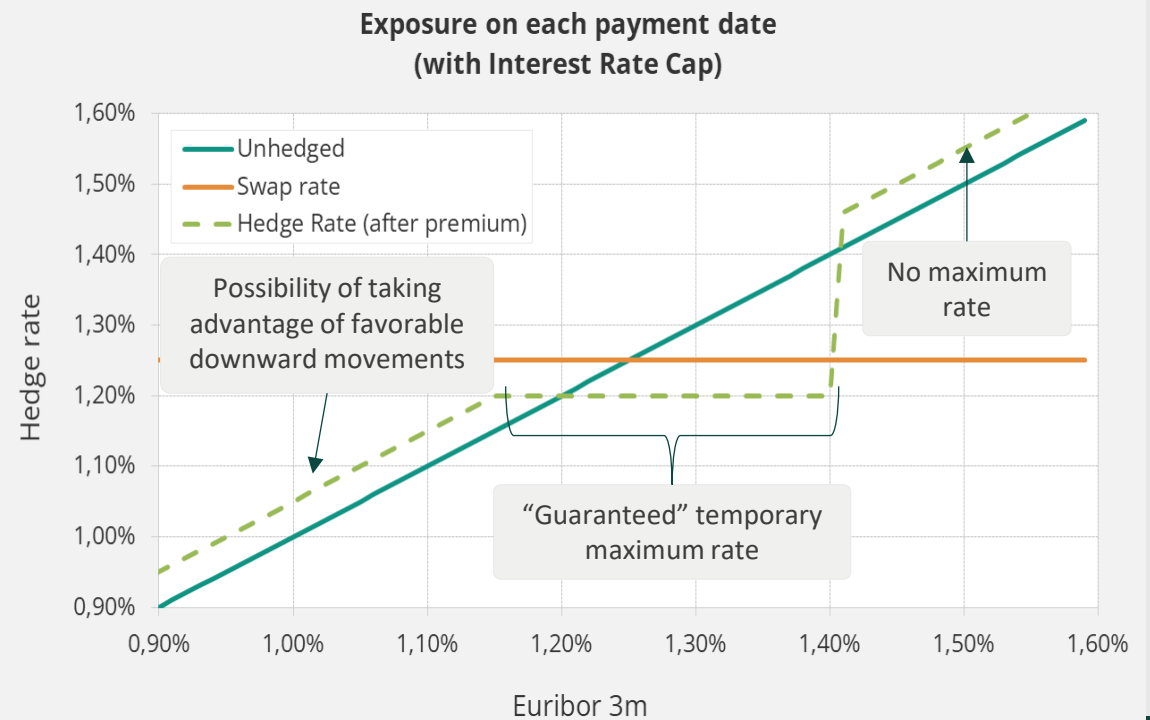
- Protection au-delà du cours d'exercice du cap
- Opportunité de profiter d'une baisse de l'indice de référence
- Stratégie moins couteuse qu'un cap classique

## Disadvantages:

- Risk of loss in the event of early unwinding and a drop in rates (as with a swap).

Illustrative graph: not updated data

Product that does not provide any guaranteed ceiling rate. This is not a hedging product.



# Product sheets

## Cap with activating barrier:

Right to receive a flow if the underlying (hedged) rate index is higher than the so-called knock-in barrier. The flow received will then correspond to the difference between the variable rate and the fixed rate, multiplied by the notional. In the context of financing, this flow has the effect of canceling what should have been paid on the underlying beyond the price of the activating barrier. As long as the underlying rate remains below the knocking barrier, no flows are exchanged.

## Benefits:

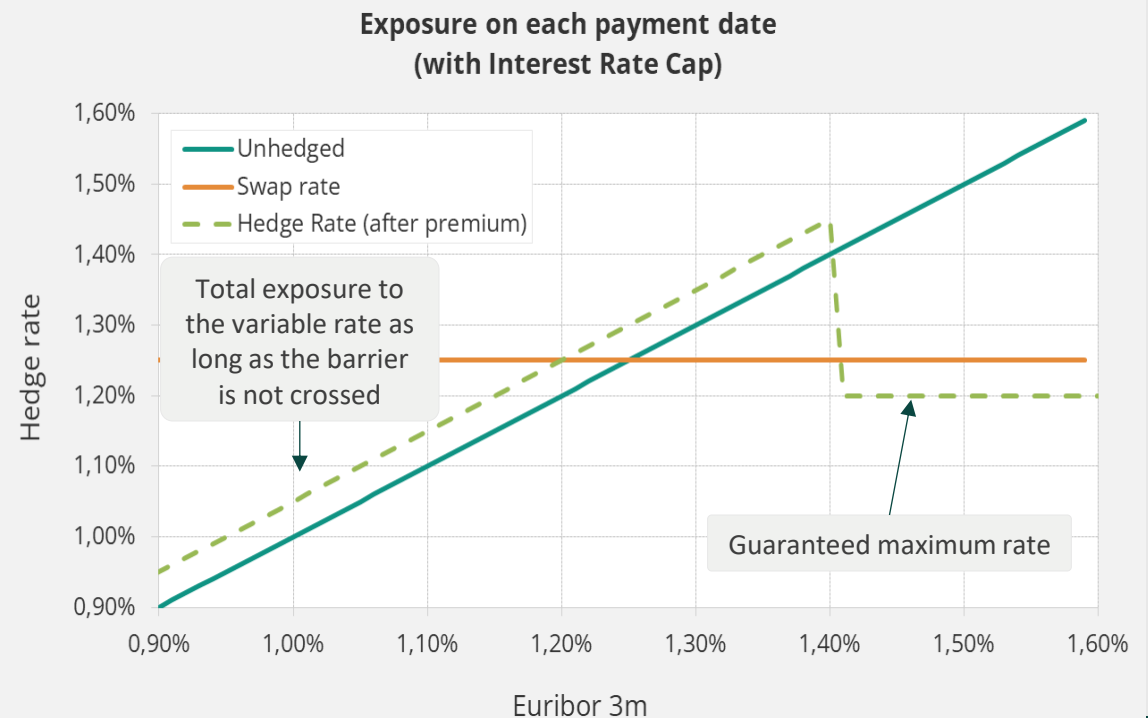
- Protection beyond the activation barrier at the strike of the cap;
- Opportunity to benefit from a drop in the benchmark index
- Less expensive strategy than a classic cap.

## Disadvantages:

- Greater exposure to the upward risk of the variable rate than a traditional cap

Illustrative graph: not updated data

We do not recommend this product because most often bank margins degrade its performance.



# Product sheets

## Cap Spread:

Right to receive a flow if the underlying rate index (hedged) is higher than the strike price of the cap (strike). The flow received will then correspond to the difference between the variable rate and the fixed rate, multiplied by the notional. In the context of financing, this flow has the effect of canceling what should have been paid on the underlying beyond the strike price of the cap. If the underlying rate crosses the strike price of the cap sold, the exposure to the underlying rate is almost total (restated for the difference between the 2 strike prices).

## Benefits:

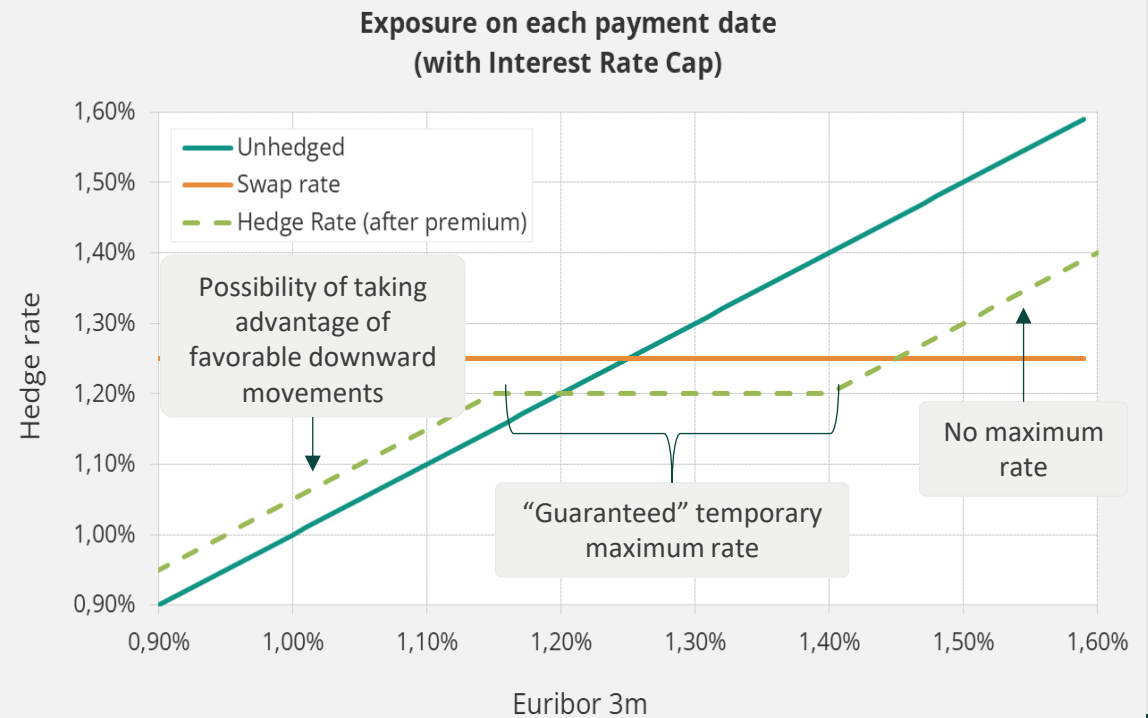
- Protection beyond the exercise price of the cap purchased;
- Opportunity to benefit from a drop in the benchmark index
- Less expensive strategy than a classic cap (partial financing of the option purchased by the option sold).

## Disadvantages:

- Greater exposure to the upward risk of the variable rate than a traditional cap

Illustrative graph: not updated data

We do not recommend this product because it does not provide a guaranteed maximum rate. This is not a hedging product.



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