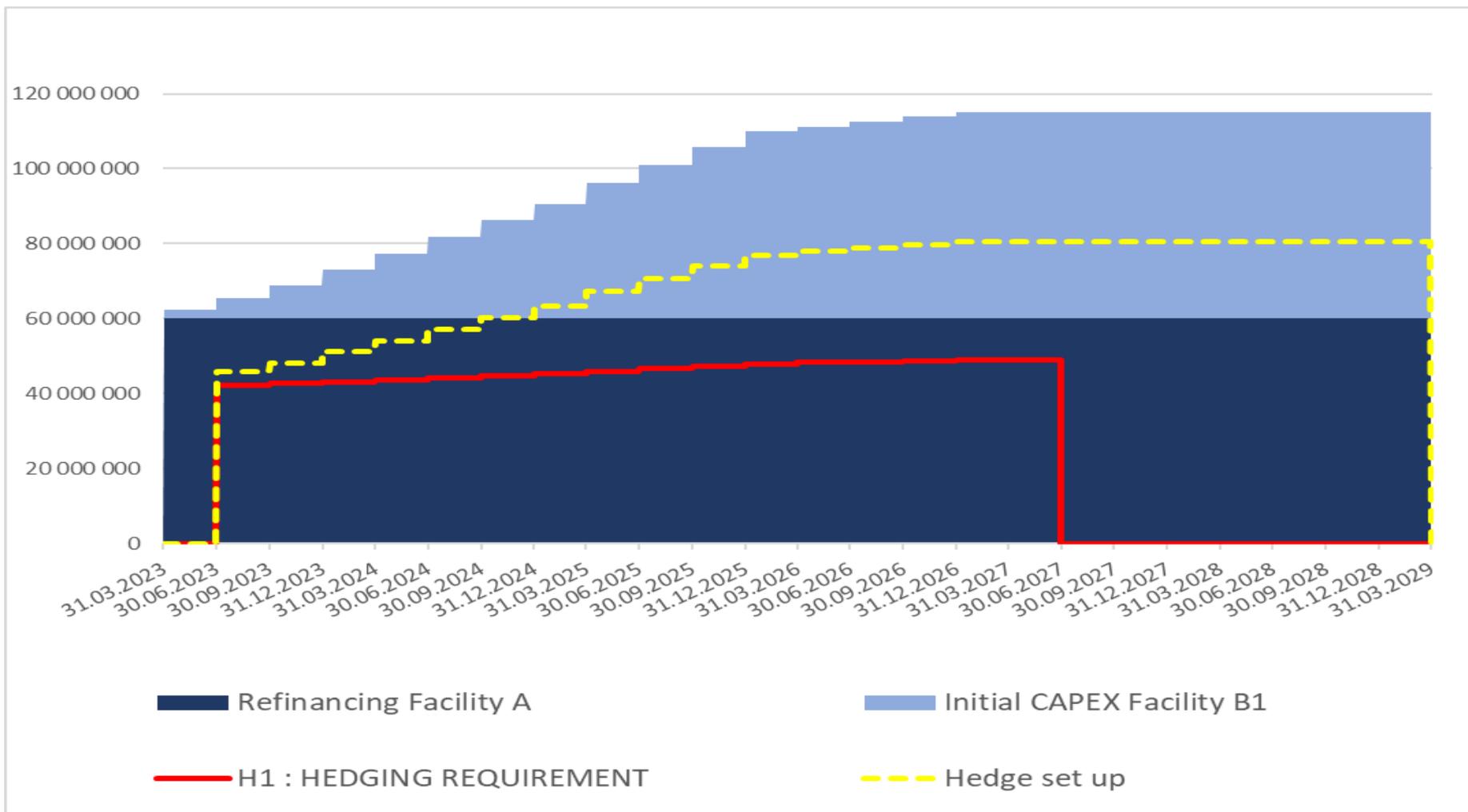




Hedging Interest Rate Risk Final Report

25 May 2023

- ❑ New hedge set up on a 5,75-year horizon to mitigate the sensitivity of the group to interest rates variations, including the impact of negatives rates, with a Cash Flow Hedge objective (hedging of future flows).
- ❑ A cap with a protection rate (strike) of 3% until the 31/03/2027 and then 4% has been set up to limit the financing rate on the hedged part, with a hedge ratio of 70%. This product takes into account the 0% floor on the debt.



- Hedges set up: Purchased Evolving Cap 3% and 4% for 5,75 years.
- Banking split : SEB 100%

Product	: Evolving Cap with Running Premium
Strike price	: 3% until the 31/03/2027, then 4%
Trade Date	: 22/05/2023
Start Date	: 30/06/2023
End date	: 31/03/2029
Index	: Euribor 3 Months
Base	: ACTUAL/360

SEB Hedge

Notional Principal : € 45,863,426.00 amortization as set out in the table,

Annual Premium to pay on a quarterly basis until 31/03/2029 : **0.6458%**, corresponding to an upfront premium of **€ 2,667,759.70**.

Fixing	Start	End	Payment	Notional	Premium to be paid	Remaining to be paid in case of settlement
28.06.2023	30.06.2023	29.09.2023	29.09.2023	45 863 426	74 869,24	-2 592 890
27.09.2023	29.09.2023	29.12.2023	29.12.2023	48 162 821	78 622,86	-2 514 268
27.12.2023	29.12.2023	28.03.2024	28.03.2024	51 085 567	82 477,65	-2 431 790
26.03.2024	28.03.2024	28.06.2024	28.06.2024	54 147 682	89 364,13	-2 342 426
26.06.2024	28.06.2024	30.09.2024	30.09.2024	57 239 427	96 520,30	-2 245 906
26.09.2024	30.09.2024	31.12.2024	31.12.2024	60 333 932	99 573,78	-2 146 332
27.12.2024	31.12.2024	31.03.2025	31.03.2025	63 292 293	102 185,41	-2 044 146
27.03.2025	31.03.2025	30.06.2025	30.06.2025	67 376 488	109 988,00	-1 934 158
26.06.2025	30.06.2025	30.09.2025	30.09.2025	70 706 962	116 693,20	-1 817 465
26.09.2025	30.09.2025	31.12.2025	31.12.2025	73 973 372	122 084,01	-1 695 381
29.12.2025	31.12.2025	31.03.2026	31.03.2026	76 934 010	124 209,96	-1 571 171
27.03.2026	31.03.2026	30.06.2026	30.06.2026	77 873 982	127 124,52	-1 444 047
26.06.2026	30.06.2026	30.09.2026	30.09.2026	78 775 464	130 009,28	-1 314 037
28.09.2026	30.09.2026	31.12.2026	31.12.2026	79 676 995	131 497,14	-1 182 540
29.12.2026	31.12.2026	31.03.2027	31.03.2027	80 488 991	129 949,48	-1 052 591
29.03.2027	31.03.2027	30.06.2027	30.06.2027	80 488 991	131 393,36	-921 197
28.06.2027	30.06.2027	30.09.2027	30.09.2027	80 488 991	132 837,24	-788 360
28.09.2027	30.09.2027	31.12.2027	31.12.2027	80 488 991	132 837,24	-655 523
29.12.2027	31.12.2027	30.03.2028	30.03.2028	80 488 991	131 393,36	-524 130
28.03.2028	30.03.2028	30.06.2028	30.06.2028	80 488 991	131 393,36	-392 736
28.06.2028	30.06.2028	29.09.2028	29.09.2028	80 488 991	131 393,36	-261 343
27.09.2028	29.09.2028	29.12.2028	29.12.2028	80 488 991	131 393,36	-129 949
27.12.2028	29.12.2028	29.03.2029	29.09.2029	80 488 991	129 949,48	0

Running premium 0,6458%

Total to be paid 2 667 759,70

FIXING DATE	STARTING DATE	ENDING DATE	PAYMENT DATE	Refinancing Facility A		Initial CAPEX Facility B1		TOTAL DEBT	H1 : HEDGING REQUIREMENT	Treated Hedging	Strike
				Amort.	CRD	Amort.	CRD				
29.03.2023	31.03.2023	30.06.2023	30.06.2023	0	59 984 274	0	2 417 194	62 401 468	0	0	-
28.06.2023	30.06.2023	29.09.2023	29.09.2023	0	59 984 274	-3 117 712	5 534 906	65 519 180	42 296 634	45 863 426	3%
27.09.2023	29.09.2023	29.12.2023	29.12.2023	0	59 984 274	-3 284 850	8 819 756	68 804 030	42 693 434	48 162 821	3%
27.12.2023	29.12.2023	28.03.2024	28.03.2024	0	59 984 274	-4 175 352	12 995 108	72 979 382	43 111 506	51 085 567	3%
26.03.2024	28.03.2024	28.06.2024	28.06.2024	0	59 984 274	-4 374 449	17 369 557	77 353 831	43 642 915	54 147 682	3%
26.06.2024	28.06.2024	30.09.2024	30.09.2024	0	59 984 274	-4 416 779	21 786 336	81 770 610	44 199 663	57 239 427	3%
26.09.2024	30.09.2024	31.12.2024	31.12.2024	0	59 984 274	-4 420 721	26 207 057	86 191 331	44 761 798	60 333 932	3%
27.12.2024	31.12.2024	31.03.2025	31.03.2025	0	59 984 274	-4 226 230	30 433 287	90 417 561	45 324 435	63 292 293	3%
27.03.2025	31.03.2025	30.06.2025	30.06.2025	0	59 984 274	-5 834 565	36 267 852	96 252 126	45 862 319	67 376 488	3%
26.06.2025	30.06.2025	30.09.2025	30.09.2025	0	59 984 274	-4 757 820	41 025 672	101 009 946	46 604 900	70 706 962	3%
26.09.2025	30.09.2025	31.12.2025	31.12.2025	0	59 984 274	-4 666 299	45 691 971	105 676 245	47 210 441	73 973 372	3%
29.12.2025	31.12.2025	31.03.2026	31.03.2026	0	59 984 274	-4 229 483	49 921 454	109 905 728	47 804 333	76 934 010	3%
27.03.2026	31.03.2026	30.06.2026	30.06.2026	0	59 984 274	-1 342 817	51 264 271	111 248 545	48 342 631	77 873 982	3%
26.06.2026	30.06.2026	30.09.2026	30.09.2026	0	59 984 274	-1 287 832	52 552 103	112 536 377	48 513 535	78 775 464	3%
28.09.2026	30.09.2026	31.12.2026	31.12.2026	0	59 984 274	-1 287 902	53 840 005	113 824 279	48 677 441	79 676 995	3%
29.12.2026	31.12.2026	31.03.2027	31.03.2027	0	59 984 274	-1 159 994	54 999 999	114 984 273	48 841 356	80 488 991	3%
29.03.2027	31.03.2027	30.06.2027	30.06.2027	0	59 984 274	0	54 999 999	114 984 273	48 988 991	80 488 991	4%
28.06.2027	30.06.2027	30.09.2027	30.09.2027	0	59 984 274	0	54 999 999	114 984 273	0	80 488 991	4%
28.09.2027	30.09.2027	31.12.2027	31.12.2027	0	59 984 274	0	54 999 999	114 984 273	0	80 488 991	4%
29.12.2027	31.12.2027	31.03.2028	31.03.2028	0	59 984 274	0	54 999 999	114 984 273	0	80 488 991	4%
29.03.2028	31.03.2028	30.06.2028	30.06.2028	0	59 984 274	0	54 999 999	114 984 273	0	80 488 991	4%
28.06.2028	30.06.2028	29.09.2028	29.09.2028	0	59 984 274	0	54 999 999	114 984 273	0	80 488 991	4%
27.09.2028	29.09.2028	29.12.2028	29.12.2028	0	59 984 274	0	54 999 999	114 984 273	0	80 488 991	4%
27.12.2028	29.12.2028	30.03.2029	30.03.2029	0	59 984 274	0	54 999 999	114 984 273	0	80 488 991	4%
28.03.2029	30.03.2029	29.06.2029	29.06.2029	59 984 274	0	54 999 999	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	41 348
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SEB

Total savings	409 996
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Market price without bank margin	2 457 542
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Price with standard bank margin *	3 077 756
Standard bank margin (15 basis points) *	620 213

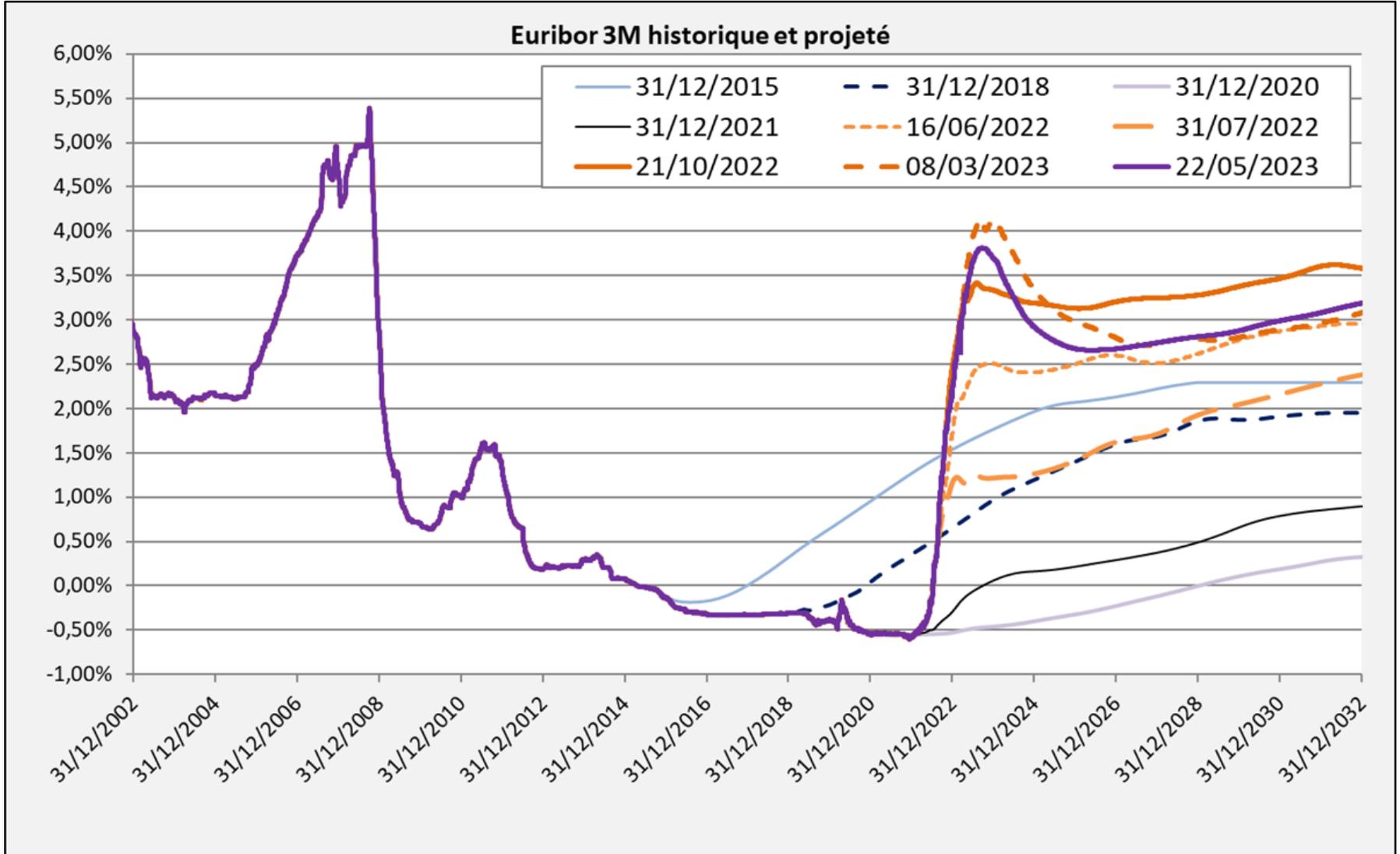
Final price	2 667 760
Final margin	210 218

* The standard margin taken by banks in this context is 15 to 20 basis points over the fixed rate or running premium compared to the rate / price without margin used above. A margin of 15 basis points is used for this comparison.

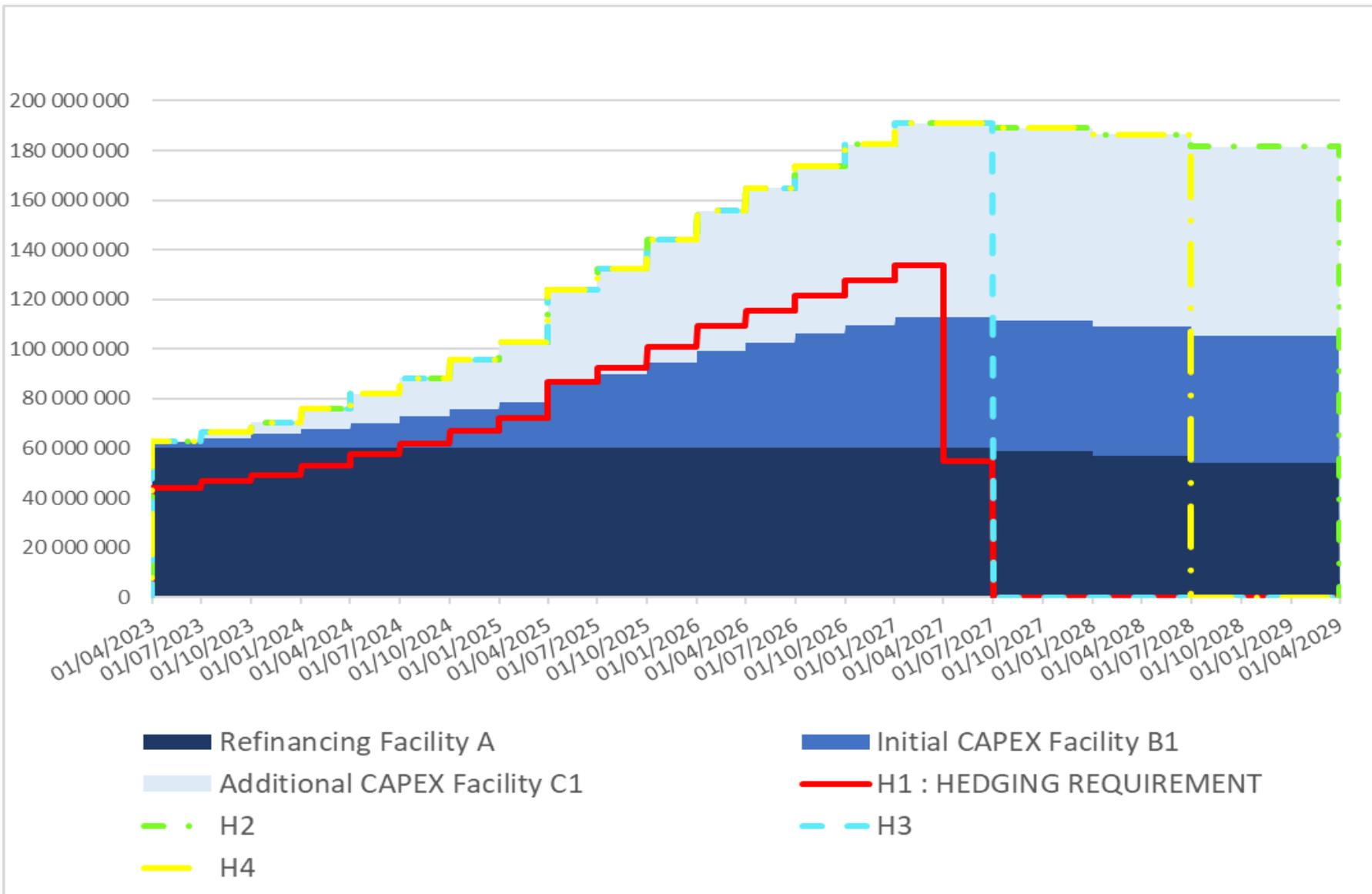
The total savings are made in three stages in a "cooperative" way with the bank:

- 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

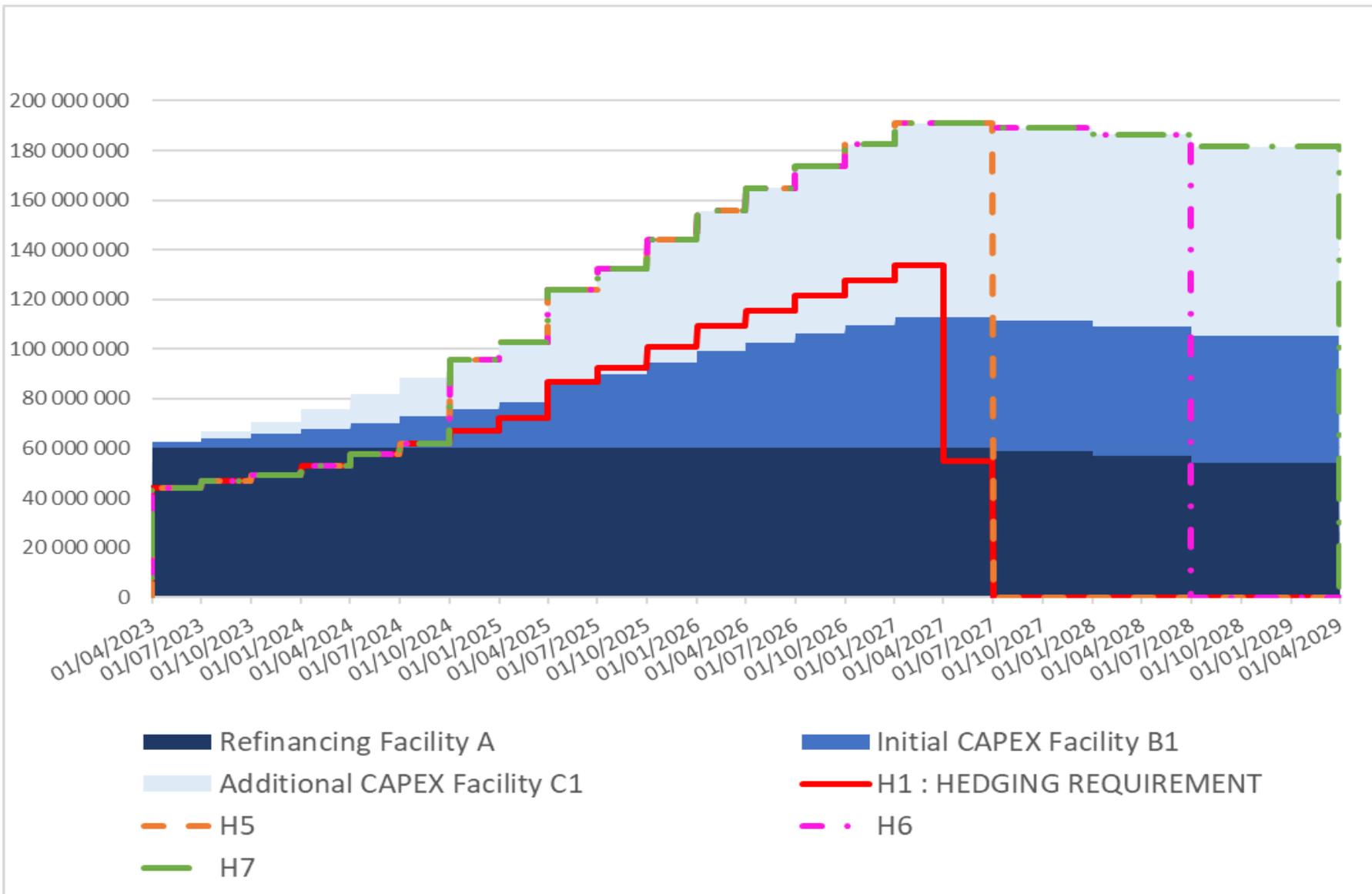
- Market Data : Historic and projected Euribor
- Recall: Situation before new hedges
- Recall : Financial expenses simulation
- Financing terms
- Recall : Profiles at maturity of different types of hedge



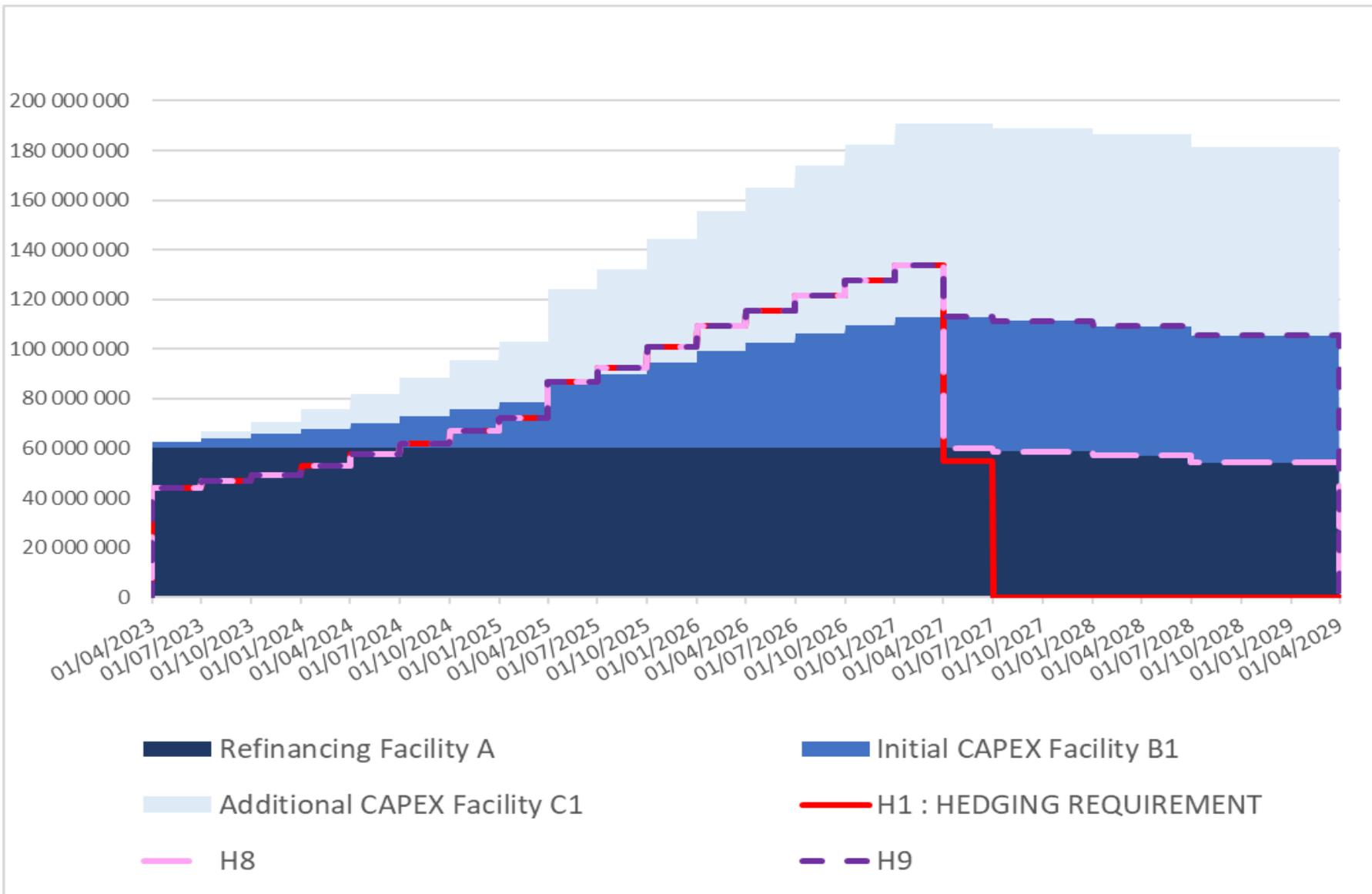
New hedges: Various amounts and maturities possible



New hedges: Various amounts and maturities possible



New hedges: Various amounts and maturities possible



Indicative cotations (products not recommended)

Hedging	H1	H2	H3	H4	H5	H6	H7	H8	H9
Value of 1bp in EUR	35 320	86 221	53 313	72 396	49 914	68 997	82 822	45 459	56 022
Swap without Floor	2,59%	2,54%	2,58%	2,55%	2,54%	2,51%	2,51%	2,56%	2,54%
Swap with Floor	2,73%	2,71%	2,73%	2,71%	2,69%	2,68%	2,69%	2,72%	2,71%
Cap 0% annualized	2,73%	2,71%	2,73%	2,71%	2,69%	2,68%	2,69%	2,72%	2,71%

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 effectiveness or accounting (sometimes the two are linked) or comparative profitability.

Product sheets are available in the appendix of this report in order to clarify the mechanisms and their intrinsic advantages/disadvantages.

- **Cap 0% :**
 - Does not allow you to benefit from a decrease in rates because this product, which is currently very expensive, completely freezes the interest rates
 - Requires more risk lines in the banks
 - This is a product that we recommended when Euribor rates were negative or close to zero
- **Interest rate swap (simple and floored):**
 - Simple: toxic in a context of negative interest rates and therefore can be de-qualified and considered as a speculative product by the company's CACs even in a period of positive interest 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 incorporates 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 CACs even in periods of positive rates (in the same way as the simple swap).
- **Knock out Cap**
 - Does not guarantee a cap rate, so as such is not a hedging product and should be considered as speculative by CACs
- **Knock in Cap**
 - Increased bank margin and interesting product on very large amounts only to absorb additional bank cost.
- **Cap Spread (ex: purchase of cap 1% / sale of cap 3%)**
 - Does not guarantee a cap rate and is never a hedging product in the event of a highly unfavorable rate scenario, and as such can be considered speculative by the CAC

Indicatives quotations (products recommended)

Hedging	H1	H2	H3	H4	H5	H6	H7	H8	H9
Duration	4,25 years	6 years	4,25 years	5,25 years	4,25 years	5,25 years	6 years	6 years	6 years
Index	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M
Starting Notional Amount	43 815 671	62 593 815	62 593 815	62 593 815	43 815 671	43 815 671	43 815 671	43 815 671	43 815 671
Start of Period	01/04/2023	01/04/2023	01/04/2023	01/04/2023	01/04/2023	01/04/2023	01/04/2023	01/04/2023	01/04/2023
End of Period	01/07/2027	01/04/2029	01/07/2027	01/07/2028	01/07/2027	01/07/2028	01/04/2029	01/04/2029	01/04/2029
Value of 1bp in EUR	35 320	86 221	53 313	72 396	49 914	68 997	82 822	45 459	56 022

Annualised Premium

Cap 1% annualised	1,84%	1,86%	1,85%	1,85%	1,81%	1,82%	1,84%	1,85%	1,85%
Max Financing Rate	2,84%	2,86%	2,85%	2,85%	2,81%	2,82%	2,84%	2,85%	2,85%

Cap 2% annualised	1,11%	1,16%	1,11%	1,14%	1,10%	1,13%	1,16%	1,14%	1,16%
Max Financing Rate	3,11%	3,16%	3,11%	3,14%	3,10%	3,13%	3,16%	3,14%	3,16%

Cap 3% annualised	0,59%	0,69%	0,60%	0,66%	0,61%	0,66%	0,70%	0,65%	0,68%
Max Financing Rate	3,59%	3,69%	3,60%	3,66%	3,61%	3,66%	3,70%	3,65%	3,68%

Premium in EUR

Cap 1%	6 042 500	14 506 700	9 099 200	12 224 300	8 359 700	11 471 100	13 772 400	7 718 300	9 429 500
Cap 2%	3 627 600	9 100 900	5 485 300	7 553 500	5 057 700	7 113 200	8 676 200	4 747 200	5 884 400
Cap 3%	1 949 200	5 390 400	2 979 600	4 345 900	2 813 100	4 169 900	5 225 700	2 694 100	3 448 700

**Estimated Bank Margin in Basis Points
(BP) included in the prices**

7

Example of annualized premium payments:

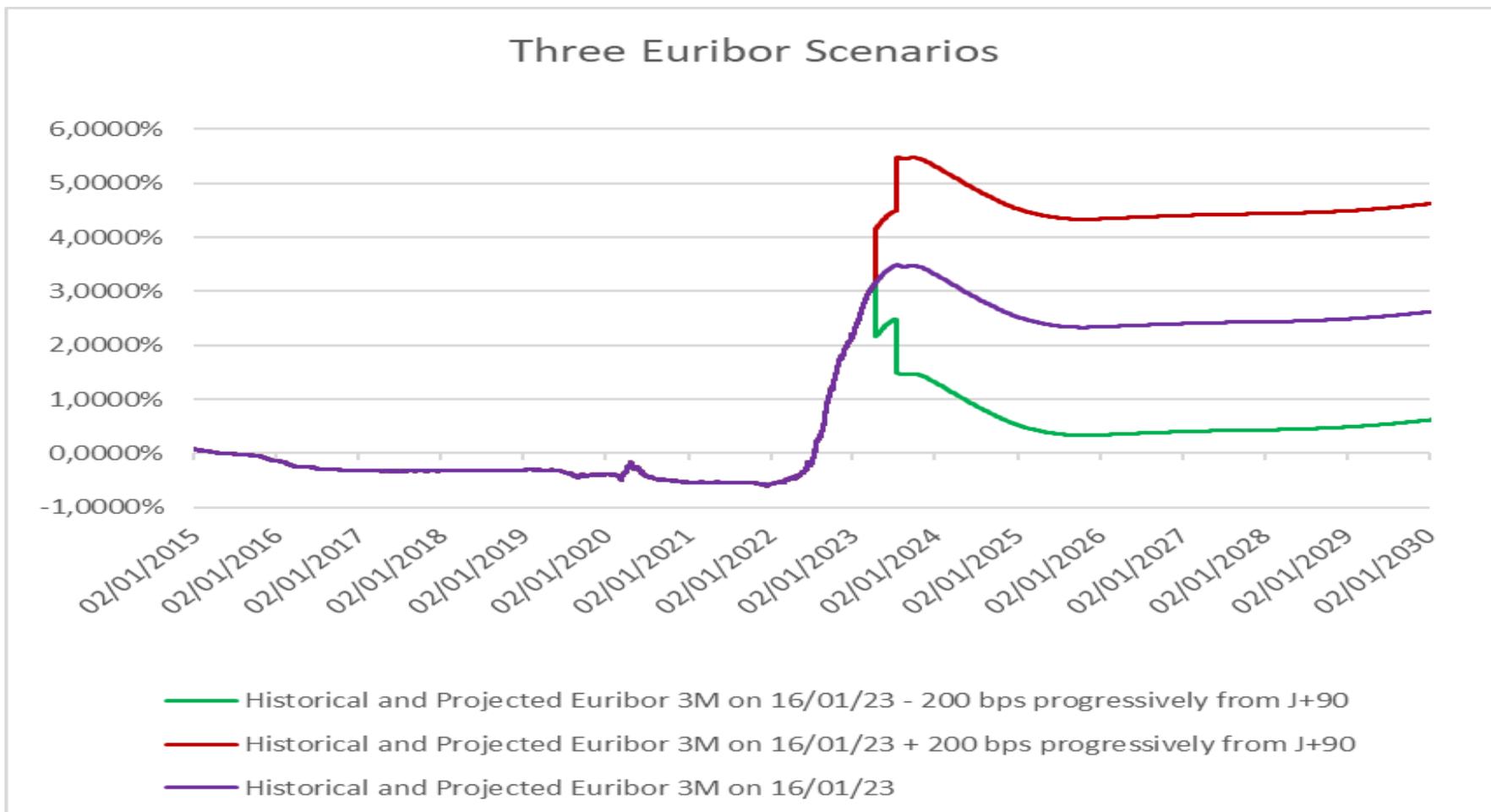
H2 Cap 2%

Fixing	Start	End	Payment	Notional	Premium to be paid	Remaining to be paid in case of settlement
30/03/2023	03/04/2023	03/07/2023	03/07/2023	62 593 815	166 978	-8 933 922
29/06/2023	03/07/2023	02/10/2023	02/10/2023	66 583 940	177 622	-8 756 300
28/09/2023	02/10/2023	01/01/2024	01/01/2024	70 524 729	188 135	-8 568 166
28/12/2023	01/01/2024	01/04/2024	01/04/2024	75 759 637	202 099	-8 366 066
28/03/2024	01/04/2024	01/07/2024	01/07/2024	82 013 707	218 783	-8 147 283
27/06/2024	01/07/2024	01/10/2024	01/10/2024	88 257 399	238 026	-7 909 257
27/09/2024	01/10/2024	01/01/2025	01/01/2025	95 482 043	257 511	-7 651 747
30/12/2024	01/01/2025	01/04/2025	01/04/2025	102 794 773	271 206	-7 380 541
28/03/2025	01/04/2025	01/07/2025	01/07/2025	124 081 548	331 005	-7 049 536
27/06/2025	01/07/2025	01/10/2025	01/10/2025	132 176 200	356 473	-6 693 063
29/09/2025	01/10/2025	01/01/2026	01/01/2026	144 133 823	388 722	-6 304 341
30/12/2025	01/01/2026	01/04/2026	01/04/2026	155 797 688	411 045	-5 893 296
30/03/2026	01/04/2026	01/07/2026	01/07/2026	164 848 768	439 757	-5 453 539
29/06/2026	01/07/2026	01/10/2026	01/10/2026	173 847 405	468 858	-4 984 680
29/09/2026	01/10/2026	01/01/2027	01/01/2027	182 570 531	492 384	-4 492 296
30/12/2026	01/01/2027	01/04/2027	01/04/2027	191 043 640	504 035	-3 988 261
30/03/2027	01/04/2027	01/07/2027	01/07/2027	191 043 640	509 635	-3 478 625
29/06/2027	01/07/2027	01/10/2027	01/10/2027	188 993 658	509 707	-2 968 918
29/09/2027	01/10/2027	03/01/2028	03/01/2028	188 993 658	520 788	-2 448 130
30/12/2027	03/01/2028	03/04/2028	03/04/2028	186 383 456	497 204	-1 950 927
30/03/2028	03/04/2028	03/07/2028	03/07/2028	186 383 456	497 204	-1 453 723
29/06/2028	03/07/2028	02/10/2028	02/10/2028	181 649 099	484 574	-969 149
28/09/2028	02/10/2028	01/01/2029	01/01/2029	181 649 099	484 574	-484 574
28/12/2028	01/01/2029	02/04/2029	02/04/2029	181 649 099	484 574	0

Running premium	1,16%
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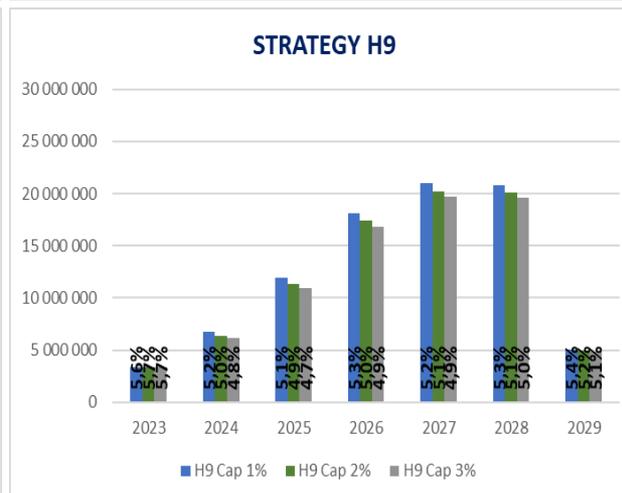
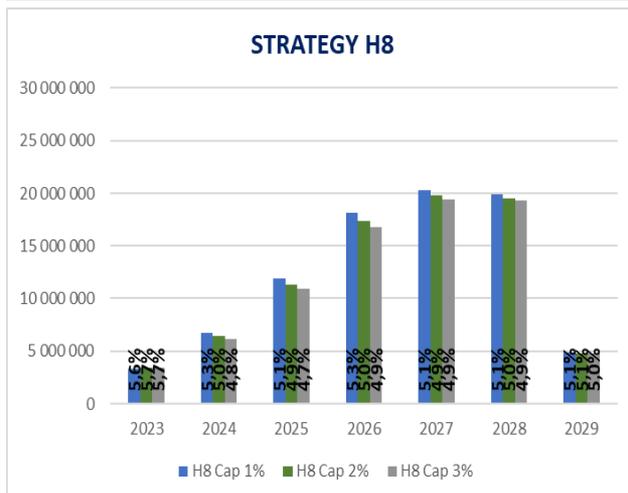
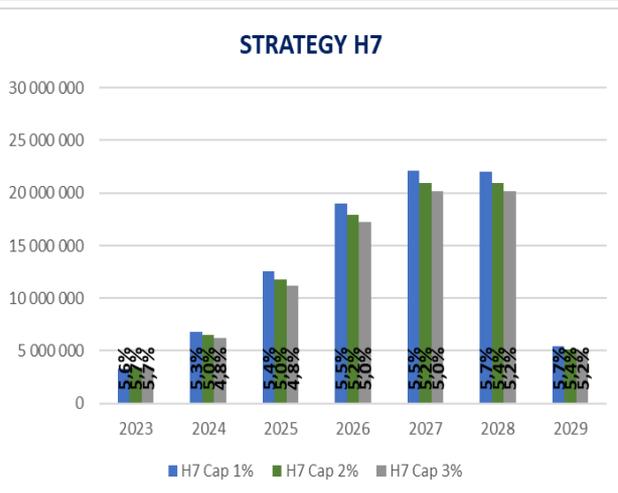
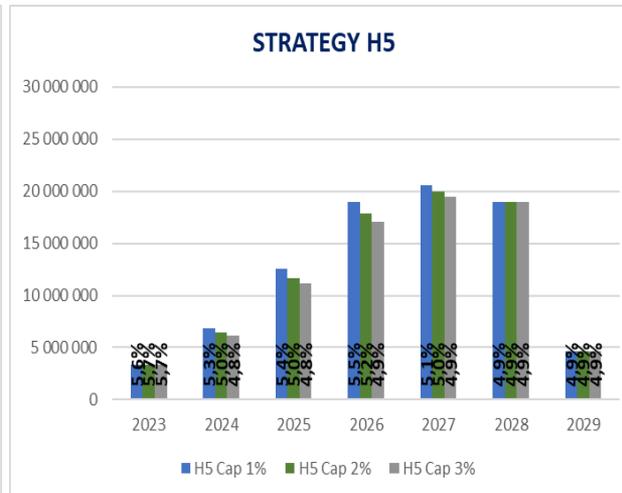
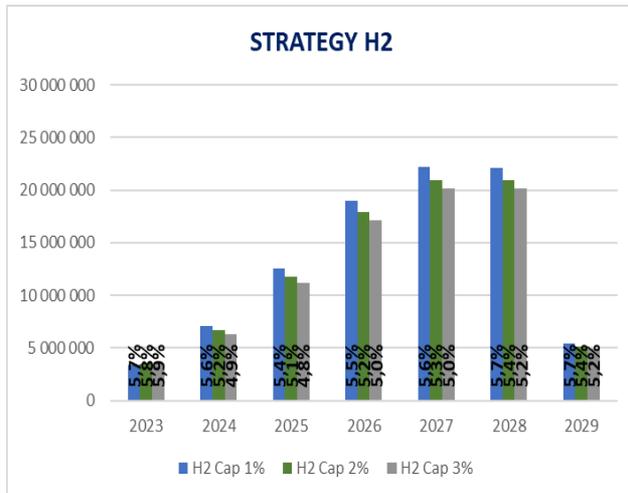
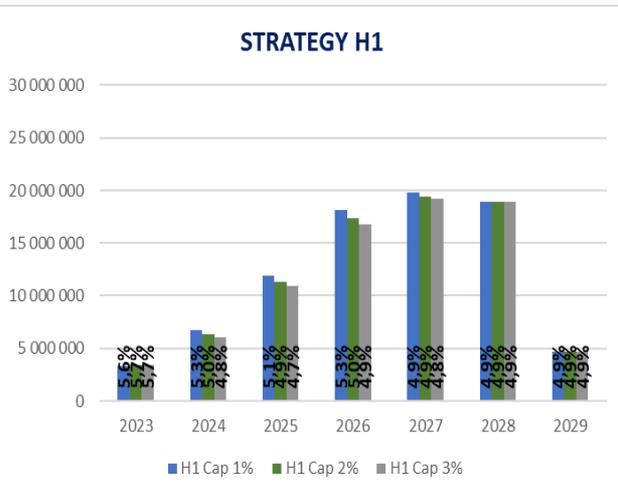
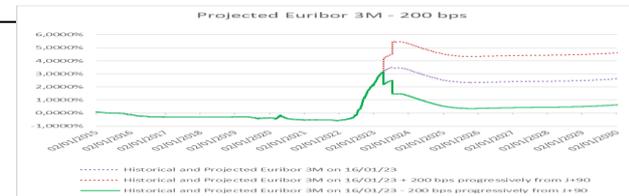
Total to be paid	9 100 900
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Simulation of financial expenses with three Euribor evolution scenarios

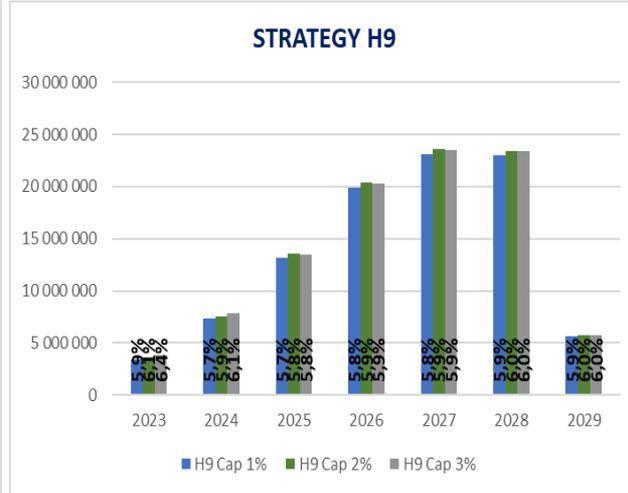
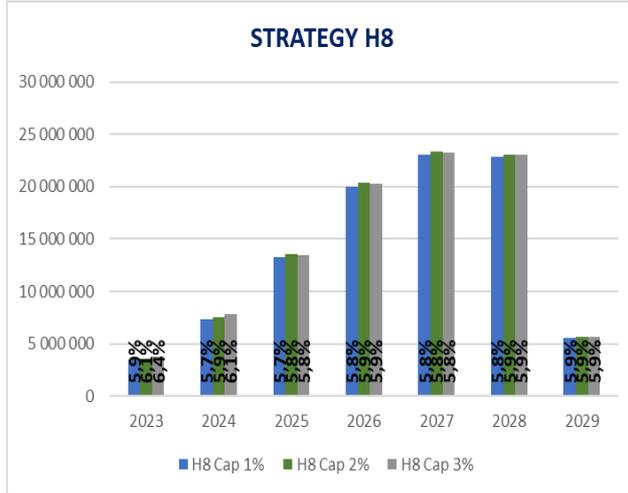
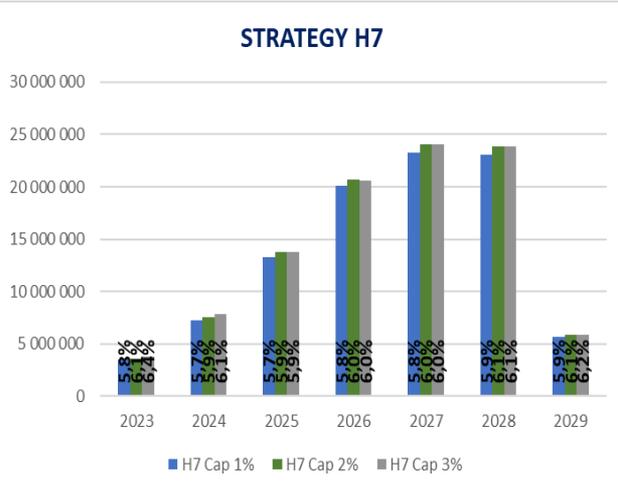
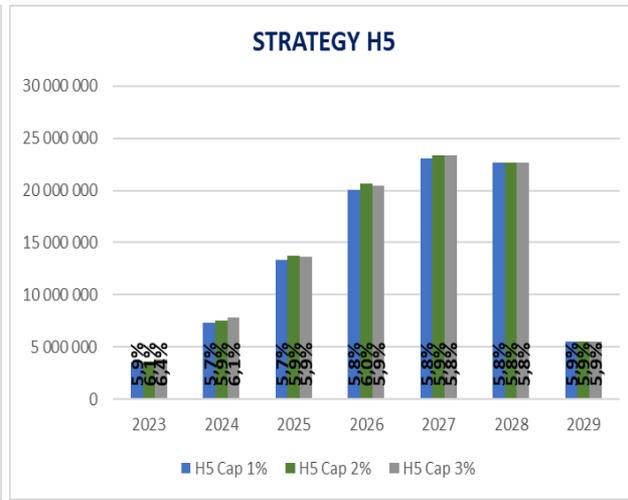
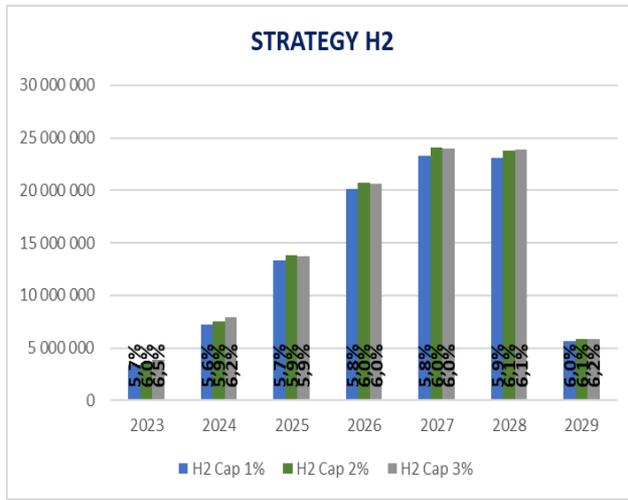
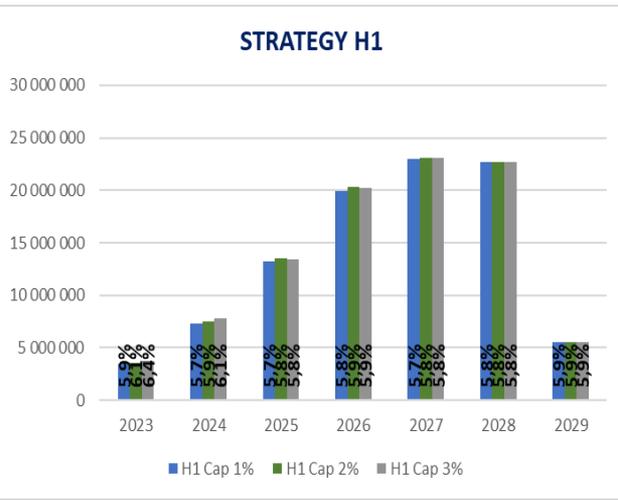
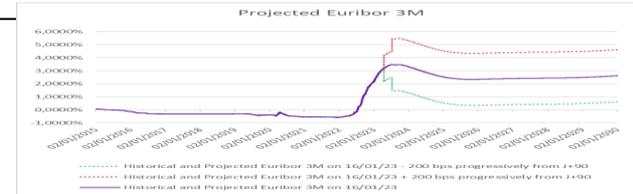


All financial expenses simulations start in 2023. This include the **evolving credit margins 3%** (Refinancing Facility A – Initial CAPEX Facility B1 – Additional CAPEX Facility C1), **KFW facility fixed rate** (Base rate (3,00%) + Spread (3,00%)), **NRW facility fixed rate** (Base rate (3,00%) + Spread (3,00%)) & **EIB facility fixed rate** (Base rate (3,00%) + Spread (2,00%)), Euribor3m variations' impact and the cost of setting up the new hedge.

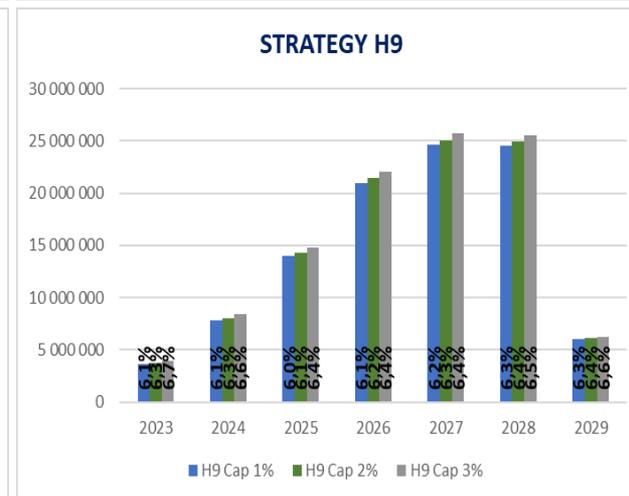
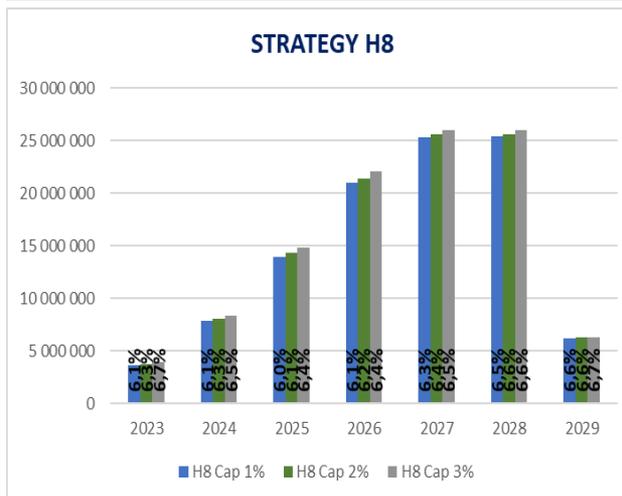
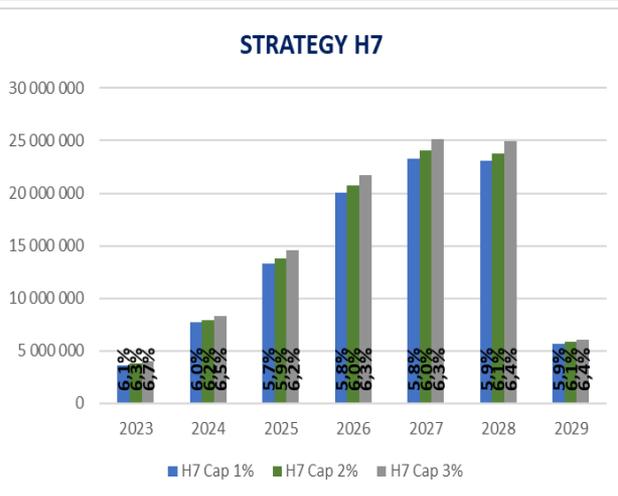
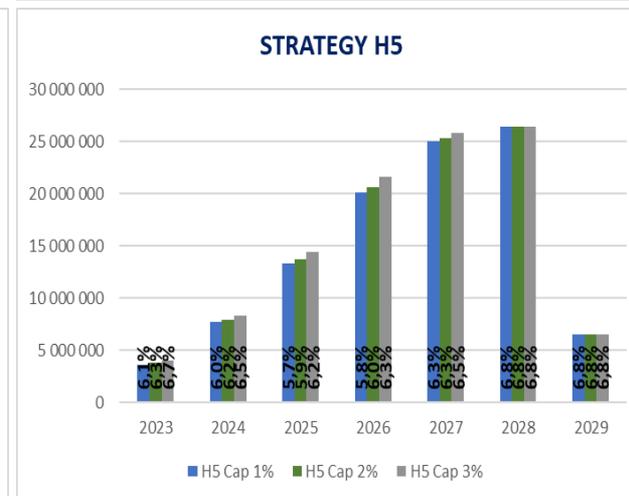
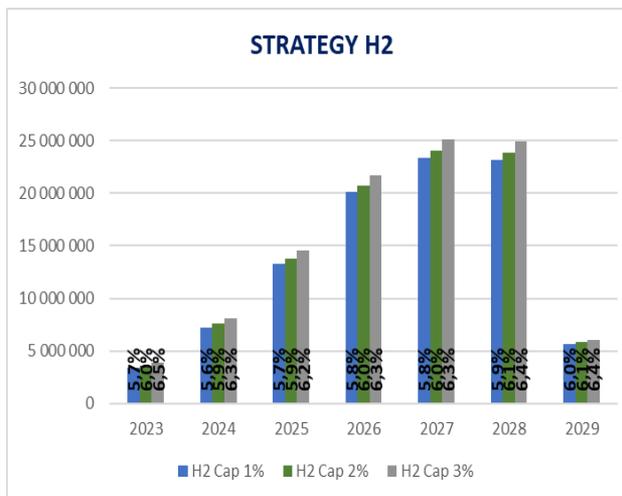
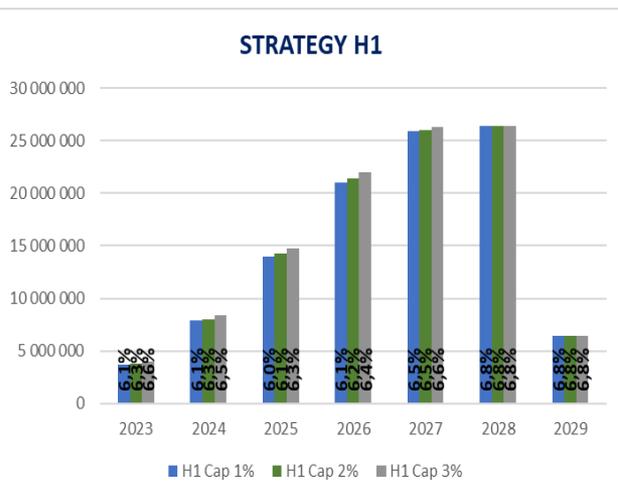
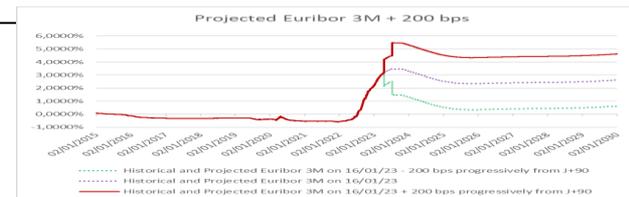
Financial expenses simulation in expected Euribor -2% Scenario



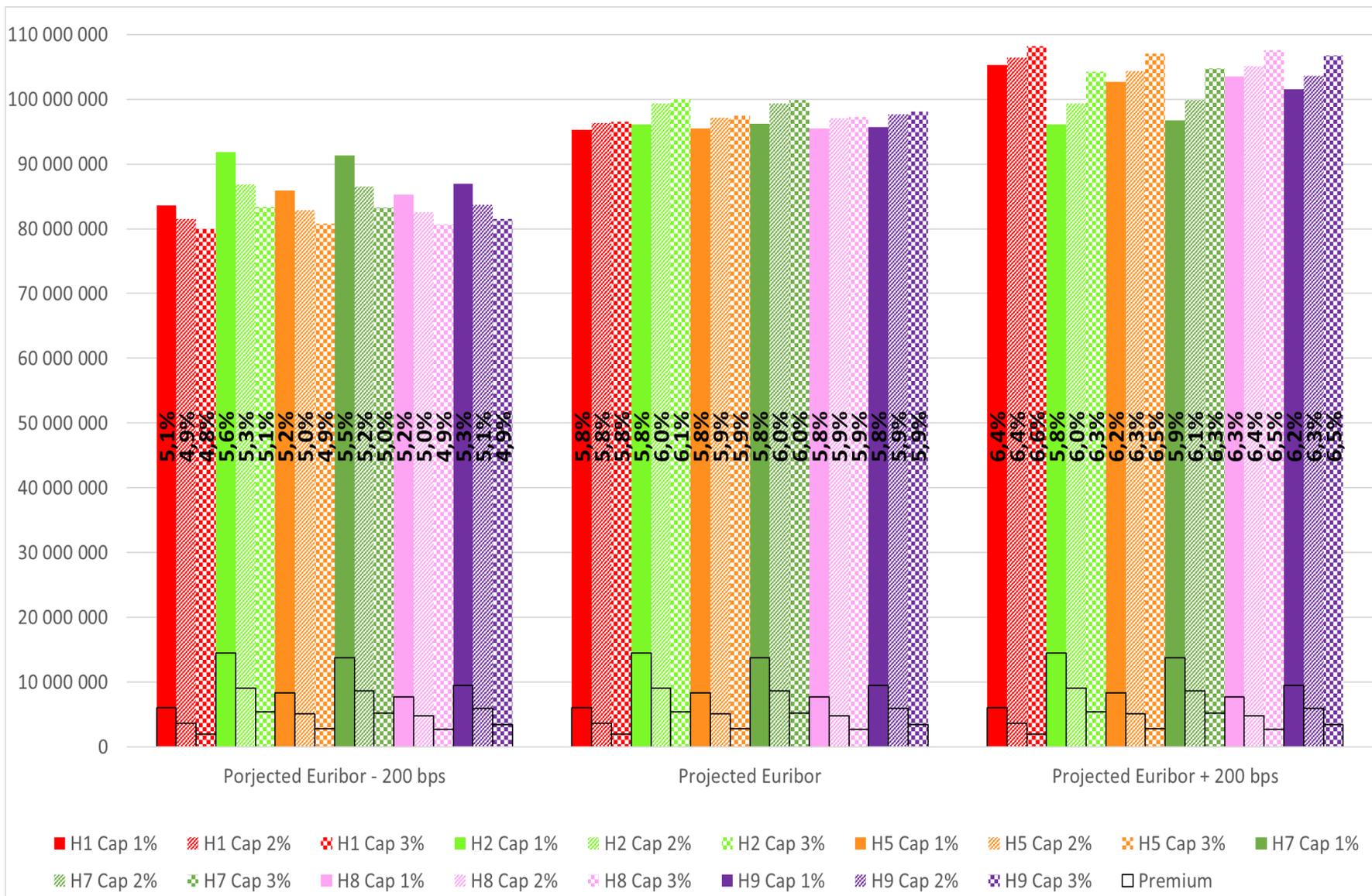
Financial expenses simulation in expected Euribor Scenario



Financial expenses simulation in expected Euribor +2% Scenario



Synthesis of financial costs simulation (over the total duration of the financing, hedging cost included – TEG approach)



Extract from the analysis reports produced during the mission
Synthesis of financial costs simulation
 (over the total duration of the financing, hedging cost included
 – TEG approach)

	STRATEGY H1			STRATEGY H2			STRATEGY H5		
	H1 Cap 1%	H1 Cap 2%	H1 Cap 3%	H2 Cap 1%	H2 Cap 2%	H2 Cap 3%	H5 Cap 1%	H5 Cap 2%	H5 Cap 3%
Projected Euribor - 200 bps	83 553 974	81 486 429	79 974 460	91 794 080	86 884 501	83 411 760	85 871 174	82 916 529	80 838 360
Projected Euribor	95 244 677	96 361 784	96 558 902	96 157 022	99 373 326	99 921 989	95 513 889	97 203 310	97 422 802
Projected Euribor + 200 bps	105 278 888	106 395 996	108 249 604	96 157 022	99 373 326	104 284 931	102 629 274	104 318 696	107 065 517

	STRATEGY H7			STRATEGY H8			STRATEGY H9		
	H7 Cap 1%	H7 Cap 2%	H7 Cap 3%	H8 Cap 1%	H8 Cap 2%	H8 Cap 3%	H9 Cap 1%	H9 Cap 2%	H9 Cap 3%
Projected Euribor - 200 bps	91 283 874	86 535 029	83 250 960	85 229 774	82 606 029	80 719 360	86 940 974	83 743 229	81 473 960
Projected Euribor	96 172 879	99 358 891	99 835 402	95 456 720	97 031 487	97 303 802	95 646 577	97 703 693	98 058 402
Projected Euribor + 200 bps	96 706 682	99 892 694	104 724 406	103 463 212	105 037 979	107 530 747	101 540 372	103 597 488	106 764 004

Amortization table (1/3)

FIXING DATE	STARTING DATE (included)	ENDING DATE (excluded)	PAYMENT DATE	Refinancing Facility A		Initial CAPEX Facility B1		Initial KFW CAPEX Facility B2		Initial NRW CAPEX Facility B3	
				Amort.	CRD	Amort.	CRD	Amort.	CRD	Amort.	CRD
29/12/2022	02/01/2023	03/04/2023	03/04/2023	0	0	0	0	0	0	0	0
30/03/2023	03/04/2023	03/07/2023	03/07/2023	-59 984 274	59 984 274	-2 609 541	2 609 541	-2 609 541	2 609 541	-2 609 541	2 609 541
29/06/2023	03/07/2023	02/10/2023	02/10/2023	0	59 984 274	-1 565 179	4 174 720	-1 565 179	4 174 720	-1 565 179	4 174 720
28/09/2023	02/10/2023	01/01/2024	01/01/2024	0	59 984 274	-1 545 826	5 720 546	-1 545 826	5 720 546	-1 545 826	5 720 546
28/12/2023	01/01/2024	01/04/2024	01/04/2024	0	59 984 274	-2 053 461	7 774 007	-2 053 461	7 774 007	-2 053 461	7 774 007
28/03/2024	01/04/2024	01/07/2024	01/07/2024	0	59 984 274	-2 453 241	10 227 248	-2 453 241	10 227 248	-2 453 241	10 227 248
27/06/2024	01/07/2024	01/10/2024	01/10/2024	0	59 984 274	-2 449 170	12 676 418	-2 449 170	12 676 418	-2 449 170	12 676 418
27/09/2024	01/10/2024	01/01/2025	01/01/2025	0	59 984 274	-2 833 961	15 510 379	-2 833 961	15 510 379	-2 833 961	15 510 379
30/12/2024	01/01/2025	01/04/2025	01/04/2025	0	59 984 274	-2 868 514	18 378 893	-2 868 514	18 378 893	-2 868 514	18 378 893
28/03/2025	01/04/2025	01/07/2025	01/07/2025	0	59 984 274	-8 350 016	26 728 909	-8 350 016	26 728 909	-8 350 016	26 728 909
27/06/2025	01/07/2025	01/10/2025	01/10/2025	0	59 984 274	-3 175 233	29 904 142	-3 175 233	29 904 142	-3 175 233	29 904 142
29/09/2025	01/10/2025	01/01/2026	01/01/2026	0	59 984 274	-4 690 534	34 594 676	-4 690 534	34 594 676	-4 690 534	34 594 676
30/12/2025	01/01/2026	01/04/2026	01/04/2026	0	59 984 274	-4 575 304	39 169 980	-4 575 304	39 169 980	-4 575 304	39 169 980
30/03/2026	01/04/2026	01/07/2026	01/07/2026	0	59 984 274	-3 550 405	42 720 385	-3 550 405	42 720 385	-3 550 405	42 720 385
29/06/2026	01/07/2026	01/10/2026	01/10/2026	0	59 984 274	-3 529 833	46 250 218	-3 529 833	46 250 218	-3 529 833	46 250 218
29/09/2026	01/10/2026	01/01/2027	01/01/2027	0	59 984 274	-3 421 760	49 671 978	-3 421 760	49 671 978	-3 421 760	49 671 978
30/12/2026	01/01/2027	01/04/2027	01/04/2027	0	59 984 274	-3 323 688	52 995 666	-3 323 688	52 995 666	-3 323 688	52 995 666
30/03/2027	01/04/2027	01/07/2027	01/07/2027	0	59 984 274	0	52 995 666	0	52 995 666	0	52 995 666
29/06/2027	01/07/2027	01/10/2027	01/10/2027	1 290 112	58 694 162	379 935	52 615 731	379 935	52 615 731	379 935	52 615 731
29/09/2027	01/10/2027	03/01/2028	03/01/2028	0	58 694 162	0	52 615 731	0	52 615 731	0	52 615 731
30/12/2027	03/01/2028	03/04/2028	03/04/2028	1 633 800	57 060 362	488 201	52 127 530	488 201	52 127 530	488 201	52 127 530
30/03/2028	03/04/2028	03/07/2028	03/07/2028	0	57 060 362	0	52 127 530	0	52 127 530	0	52 127 530
29/06/2028	03/07/2028	02/10/2028	02/10/2028	2 942 361	54 118 001	895 998	51 231 532	895 998	51 231 532	895 998	51 231 532
28/09/2028	02/10/2028	01/01/2029	01/01/2029	0	54 118 001	0	51 231 532	0	51 231 532	0	51 231 532
28/12/2028	01/01/2029	02/04/2029	02/04/2029	0	54 118 001	0	51 231 532	0	51 231 532	0	51 231 532
29/03/2029	02/04/2029	02/07/2029	02/07/2029	54 118 001	0	51 231 532	0	51 231 532	0	51 231 532	0

Amortization table (2/3)

FIXING DATE	STARTING DATE (included)	ENDING DATE (excluded)	PAYMENT DATE	Additional EIB CAPEX Facilities C3		Additional CAPEX Facilities C1		TOTAL DEBT	% TOTAL DEBT	H1 : HEDGING REQUIREMENT
				Amort.	CRD	Amort.	CRD			
29/12/2022	02/01/2023	03/04/2023	03/04/2023	0	0	0	0	0		0
30/03/2023	03/04/2023	03/07/2023	03/07/2023	0	0	0	0	67 812 897	70%	43 815 671
29/06/2023	03/07/2023	02/10/2023	02/10/2023	-3 069 552	3 069 552	-2 424 946	2 424 946	78 002 932	70%	46 608 758
28/09/2023	02/10/2023	01/01/2024	01/01/2024	-3 031 599	6 101 151	-2 394 963	4 819 909	88 066 972	70%	49 367 310
28/12/2023	01/01/2024	01/04/2024	01/04/2024	-4 027 148	10 128 299	-3 181 447	8 001 356	101 435 950	70%	53 031 746
28/03/2024	01/04/2024	01/07/2024	01/07/2024	-4 811 176	14 939 475	-3 800 829	11 802 185	117 407 678	70%	57 409 595
27/06/2024	01/07/2024	01/10/2024	01/10/2024	-4 803 193	19 742 668	-3 794 522	15 596 707	133 352 903	70%	61 780 179
27/09/2024	01/10/2024	01/01/2025	01/01/2025	-5 557 826	25 300 494	-4 390 683	19 987 390	151 803 295	70%	66 837 430
30/12/2024	01/01/2025	01/04/2025	01/04/2025	-5 625 590	30 926 084	-4 444 216	24 431 606	170 478 643	70%	71 956 341
28/03/2025	01/04/2025	01/07/2025	01/07/2025	-16 375 644	47 301 728	-12 936 759	37 368 365	224 841 094	70%	86 857 084
27/06/2025	01/07/2025	01/10/2025	01/10/2025	-6 227 113	53 528 841	-4 919 419	42 287 784	245 513 325	70%	92 523 340
29/09/2025	01/10/2025	01/01/2026	01/01/2026	-9 198 846	62 727 687	-7 267 089	49 554 873	276 050 862	70%	100 893 676
30/12/2025	01/01/2026	01/04/2026	01/04/2026	-8 972 863	71 700 550	-7 088 561	56 643 434	305 838 198	70%	109 058 382
30/03/2026	01/04/2026	01/07/2026	01/07/2026	-6 962 880	78 663 430	-5 500 675	62 144 109	328 952 968	70%	115 394 138
29/06/2026	01/07/2026	01/10/2026	01/10/2026	-6 922 537	85 585 967	-5 468 804	67 612 913	351 933 808	70%	121 693 184
29/09/2026	01/10/2026	01/01/2027	01/01/2027	-6 710 589	92 296 556	-5 301 366	72 914 279	374 211 043	70%	127 799 372
30/12/2026	01/01/2027	01/04/2027	01/04/2027	-6 518 255	98 814 811	-5 149 421	78 063 700	395 849 783	70%	133 730 548
30/03/2027	01/04/2027	01/07/2027	01/07/2027	0	98 814 811	0	78 063 700	395 849 783	70%	54 644 590
29/06/2027	01/07/2027	01/10/2027	01/10/2027	636 762	98 178 049	379 935	77 683 765	392 403 169		0
29/09/2027	01/10/2027	03/01/2028	03/01/2028	0	98 178 049	0	77 683 765	392 403 169		0
30/12/2027	03/01/2028	03/04/2028	03/04/2028	818 213	97 359 836	488 201	77 195 564	387 998 352		0
30/03/2028	03/04/2028	03/07/2028	03/07/2028	0	97 359 836	0	77 195 564	387 998 352		0
29/06/2028	03/07/2028	02/10/2028	02/10/2028	1 501 673	95 858 163	895 998	76 299 566	379 970 326		0
28/09/2028	02/10/2028	01/01/2029	01/01/2029	0	95 858 163	0	76 299 566	379 970 326		0
28/12/2028	01/01/2029	02/04/2029	02/04/2029	0	95 858 163	0	76 299 566	379 970 326		0
29/03/2029	02/04/2029	02/07/2029	02/07/2029	95 858 163	0	76 299 566	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

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

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

PROJECT White Gold- SHORT FORM COMMERCIAL TERM SHEET

[Lender to include Disclaimer if required]

1. The Parties	
Borrower	Northern Fiber Holding GmbH
Parent	Archmore Infrastructure Holdings Ltd. (Great Britain, Companies House 12249859)
Guarantors	The Borrower's direct subsidiaries Lünecom GmbH and KfW Beteiligungsgesellschaft mbH , the latter including its direct subsidiaries Sewikom GmbH and Sewikom Netzbau GmbH plus usual additional guarantor concept to be included for entities, which form part of the group following permitted acquisition and which either represent 5% or more of EBITDA or assets and Guarantors must represent not less than 85% of assets or consolidated EBITDA of the group
Obligor	Borrower and/or Guarantors
Sponsor	means Archmore International Infrastructure Fund 3 comprising Archmore International Infrastructure Fund III - Fund B (USD) SCSp and Archmore International Infrastructure Fund III - Fund C (EUR) SCSp
Lenders	[x]
Facility Agent	[x]
Security Agent	[x]

2. The Facilities	
Facilities Amount	<ul style="list-style-type: none"> • EUR [60,000,000] Refinancing Facility A • EUR [160,000,000] Initial Capex Facilities B, of which <ul style="list-style-type: none"> ◦ Up to EUR [160,000,000] Initial Capex Facilities B1 ◦ Up to EUR [160,000,000] Initial KfW Capex Facilities B2 ◦ Up to EUR [160,000,000] Initial NRW Capex Facilities B3 • EUR [180,000,000] Additional Capex Facilities C, of which <ul style="list-style-type: none"> ◦ Up to EUR [180,000,000] Additional Capex Facilities C1 ◦ Up to EUR [180,000,000] Additional KfW Capex Facility C2 ◦ Up to EUR [180,000,000] Additional EIB Capex Facility C3 • EUR [20,000,000] Revolving Credit Facility D
Lender Commitment	[x]
Ranking	Senior secured.
Signing Date	The date of the Facilities Agreement.
Closing Date	The fulfilment of the initial conditions precedent under the Facilities Agreement ("Financial Close"). 1 month long stop date after signing

Reimbursement

Currency	€
Repayment	<p>Refinancing Facility A: Bullet</p> <p>Initial Capex Facility B1: Bullet</p> <p>Initial <u>KfW</u> Facility B2: Bullet</p> <p>Initial NRW-Bank Facility B3: Bullet</p> <p>Additional Capex Facility C1: Bullet</p> <p>Additional <u>KfW</u> Capex Facility C2: Bullet</p> <p>Additional EIB Capex Facility C3: Bullet</p> <p>Revolving Credit Facility D: Revolving (repayment at end of each interest period or roll-over with deemed clean down concept).</p>
Maturity Date	31.03.2029

Availability Period	<p>Refinancing Facility A: 60 days from the Closing Date</p> <p>Initial Capex Facility B1: from the Closing Date until 31.12.2026</p> <p>Initial <u>KfW</u> Capex Facility B2: from the Closing Date until 31.12.2026</p> <p>Initial NRW-Bank Capex Facility B3: from the Closing Date until 31.12.2026</p> <p>Additional Capex Facility C1: from the Additional Capex Facility C1 Commitment Date until 31.12.2026</p> <p>Additional <u>KfW</u> Capex Facility C2: from the Additional <u>KfW</u> Capex Facility C2 Commitment Date until 31.12.2026</p> <p>Additional EIB Capex Facility C3: from the Additional EIB Capex Facility C3 Commitment Date until 31.12.2026</p> <p>Revolving Credit Facility D: From the Closing Date until the date falling one month before the Maturity Date.</p>
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Hedging Requirement

Hedging	<p>The Borrower shall, no later than 60 days after the first utilisation of the Refinancing Facility and/or Capex Facility B1, B2 or B3 ; and with respect to the Facilities C1 and C2 no later than 60 days after the Additional Capex Facility C1 Commitment Date, enter into interest rate hedging with an aggregate notional amount of no less than 70% and max. 110% of the aggregate amount expected to be outstanding under the Refinancing Facility and the Capex Facility B1, B2 and B3 or the Facilities C1 and C2, as applicable, as per the base case model within the first four years, taking into account any fixed rate instruments including <u>KfW</u>, NRW-Bank and EIB funding products counting towards the hedged amounts, once available. Hedging can be executed by swaps, caps, collars etc. Documentation will allow for an orphan swap provider concept and can, at the election of the Borrower be based on ISDA and/or DRV. Every Lender will have a right to bid for the chosen instrument(s).</p>
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Interest

Interest	<p>In relation to the Refinancing Facility, the Initial Capex Facility B1 and the RCF, the aggregate of</p> <p>a) The applicable Margin (as set out below); and</p> <p>b) EURIBOR</p> <p>provided that, if EURIBOR is less than zero, EURIBOR shall be deemed to be zero.</p> <p>In relation to the Initial <u>KfW</u> Capex Facility B2, the aggregate of</p> <p>a) The applicable Margin (as set out below) and</p> <p>b) <u>KfW</u> refinancing costs</p> <p>In relation to the Initial NRW-Bank Facility B3, the aggregate of</p> <p>a) The applicable Margin (as set out below) and</p> <p>b) NRW-Bank refinancing costs</p>
	Year Basis points per annum

Refinancing Facility A, Initial Capex Facility B1 and Revolving Credit Facility D Margin	1-2	[300]
	3	[325]
	4-5	[350]
	6	[375]
<u>KfW</u> Capex Facility B2 and NRW-Bank Capex Facility B3 Margin	Year 1-6	<u>[300]</u> bps margin
Interest Period	<p>In relation to the Refinancing Facility, the Initial Capex Facility B1, the Initial <u>KfW</u> Capex Facility B2, the Initial NRW-Bank Capex Facility B3 and the RCF, the Borrower can elect the following Interest Period:</p> <p>a) During the Availability Period 1 or 3 <u>months</u>;</p> <p>b) after the Availability Period 3 or 6 months</p> <p>or any other period as agreed with the Facility Agent (acting on behalf of the Lenders participating in the relevant Facility).</p>	

Cross default

Events of Default

- Non-payment by any Obligor
- Breach of financial covenants, but a financial covenant breach will not constitute an Event of Default whilst it remains capable of being

remedied by an equity cure in accordance with the terms of the Facilities Agreement

- Breach of other material obligations by any Obligor, subject to cure period
 - Misrepresentation in any material respects, subject to cure period
 - Cross acceleration, subject to an agreed minimum amount
 - Insolvency of any Obligor
 - Insolvency proceedings of any Obligor unless frivolous and discharged within a certain period
 - Creditors' process of any Obligor, subject to a minimum amount
 - Unlawfulness or invalidity of Finance Documents
 - Cessation of business - any Obligor suspends or ceases to carry on all or substantially all of its business
 - Repudiation or rescission of Finance Documents
- Material Adverse Effect ("Material Adverse Effect" or "MAE" means a material adverse effect on: (i) the business, assets, condition (financial) of the Borrower Group (as a whole) which affects the ability of any Obligor to perform its payment obligations under the Finance Documents or (ii) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents) and if capable of remedy, is not remedied within 20 Business Days of the earlier of (i) the Facility Agent giving notice to the Borrower and (ii) the Borrower becoming aware of the relevant failure).

Defaults subject to a 20 Business Days cure period (other than payment defaults which will be subject to a 5 Business Days cure period)

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.

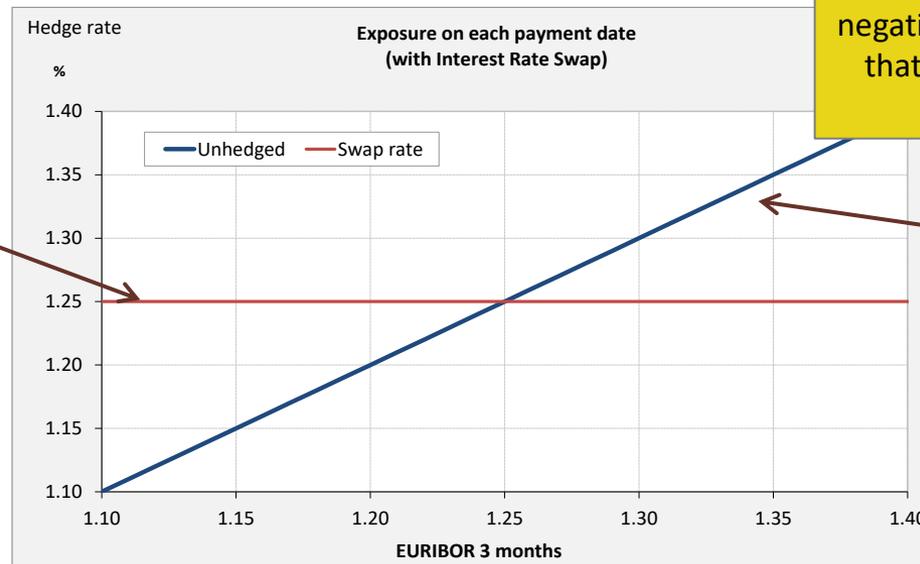
Advantages:

- 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).

Rate fixed by the swap

Floating rate of unhedged underlying

Illustrative graph:
non-updated data

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).

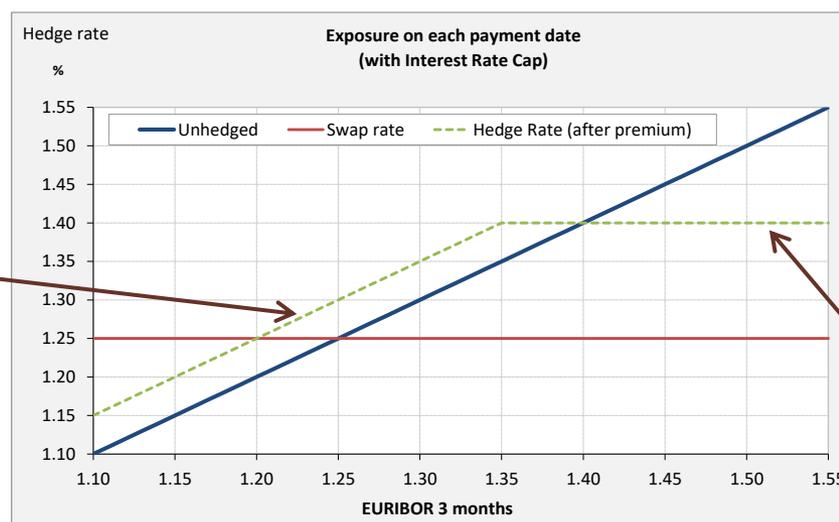
=> The “strike” is the protection rate of the cap.

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:

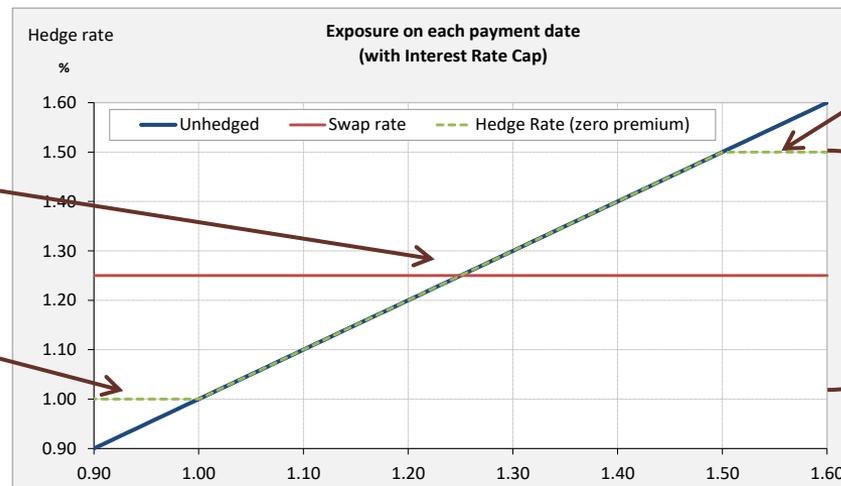
- Flexibility as long as the market rate fluctuates between the exercise rates (strikes)
- Protection if the market rate rises above the exercise rate (strike) at maturity of each period
- Opportunity to offset the cost of the cap with the option sold (floor)

Disadvantages:

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

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

- 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)

Illustrative graph: non-updated data

Maximum rate paid(cap)

Floating index between the two agreed exercise rates

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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