



# Hedging Interest Rate Risk Final Report

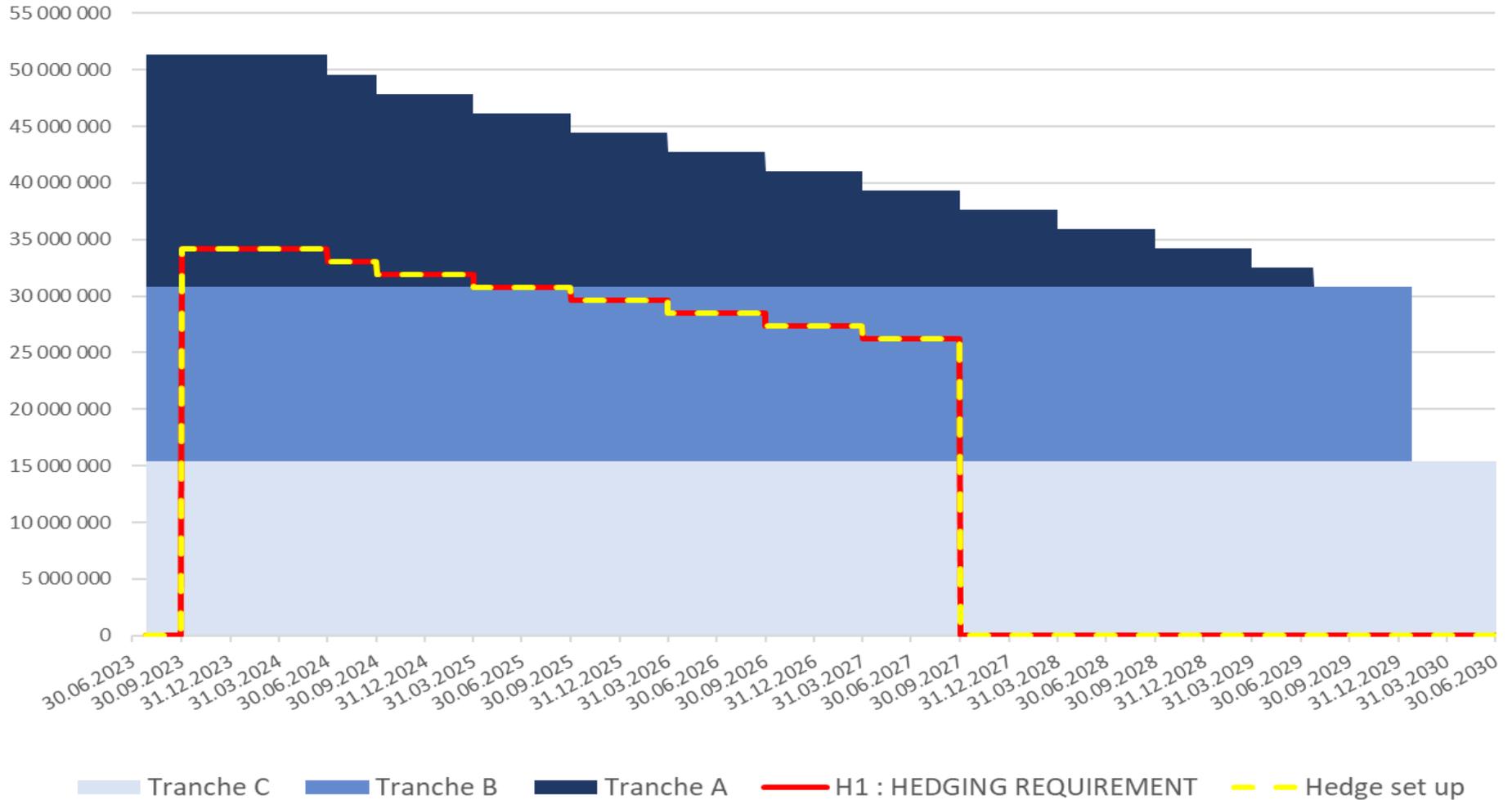
September 18<sup>th</sup> 2023

*KERIUS Finance SAS*

*Conseiller en Investissements Financiers*

*Membre de l'ANACOFI CIF- Association agréée par l'AMF - ORIAS N° 13000716*

- New hedge set up on a 4-year 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 5,70% has been set up to limit the financing rate on the hedged part, with a hedge ratio of 66,67%. This product takes into account the 0% floor on the debt.
- The old hedge was unwound for an amount of €814'000 in your favor.



- Hedge set up: Purchased Cap 5,70% for 4 years.
- Banking split : PALATINE 100%.

**Financing:** (PALATINE, ABN AMRO, BNP, CIC, SG, CE, BRED) Facilities Agreement of **€51'300'000**, **drewdown on 25/07/2023:**

- **Facility A – Tranche A: €20'500'000**, specific amortization, maturing 25/07/2029, **floor 0%** on Euribor 3 + 2,75%.
- **Facility A – Tranche B: €15'400'000**, bullet amortization, maturing 25/01/2030, **floor 0%** on Euribor 3 + 3,75%.
- **Facility A – Tranche C: €15'400'000**, bullet amortization, maturing 25/07/2030, **floor 0%** on Euribor 3 + 5,00%.
- **Incremental Facility Tranche: €15'000'000**. Not included in the analysis.

**Existing hedges** (hedging instrument carried by PURETRADE entity) :

- **PALATINE, Cap 0%** start 30/06/2020, maturity 31/03/2025, specific amortization, notional **€10'400'000**. Upfront premium : **€78'450**. **Unwound for an amount of €814'000 in your favor.**

## Hedging Requirement:

Newco shall ensure that:

- a) Hedging Agreements with Hedging Counterparties are entered into, **extended and/or renewed within five (5) Months after the Closing Date in relation to at least 66,67 per cent.** of the total principal outstanding amount under the **Facility A and providing protection if the 3-months EURIBOR or the 6-months EURIBOR becomes 200 basis points higher than the 3-months EURIBOR or the 6-months EURIBOR on the Closing Date;**  
**→ 25/12/2023**
- b) Hedging Agreements with Hedging Counterparties are entered into, **extended and/or renewed within five (5) Months after each commitment of an Incremental Facility Notice pursuant to an Incremental Facility Commitment Notice in relation to at least 66,67 per cent.** of the total principal outstanding amount under such Incremental Facility **and providing protection if the 3-months EURIBOR or the 6-months EURIBOR becomes 200 basis points higher than the 3-months EURIBOR or the 6-months EURIBOR on the commitment date of such Incremental Facility;**
- c) such Hedging Agreements are documented by way of standard FBF or ISDA documentation,

Newco shall maintain at all times in effect such Hedging **Agreements for a period of no less than four (4) years from the date on which such interest rate Hedging Agreements have become effective.**

Newco may also at its discretion enter into additional hedging agreements to hedge any interest rate exposure in relation to any Loan which is not covered by the mandatory Hedging Agreements pursuant to Clause 23.28.1 above, provided that such additional hedging arrangements shall **not cover more than 100% of the outstanding amounts under the Facilities** (including the Incremental Facility, once committed).

Hedging counterparties: PALATINE, ABN AMRO, BNP, SG, CE, BRED

<b>Product</b>	: <b>Cap with Upfront Premium</b>
<b>Strike price</b>	: 5,70%
<b>Trade Date</b>	: <b>11/09/2023</b>
<b>Start Date</b>	: 29/09/2023
<b>End date</b>	: 30/09/2027
<b>Index</b>	: Euribor 3 Months
<b>Base</b>	: ACTUAL/360

## **PALATINE Hedge**

**Notional Principal** : € 34,201,740 amortization as set out in the table

**Upfront premium** paid on 13/09/2023 for an amount of **€138'500**.

# Accounting deferral of the premium

Fixing	Start	End	Payment	Notional	Accounting deferral
27.09.2023	29.09.2023	29.12.2023	29.12.2023	34 201 710	9 734
27.12.2023	29.12.2023	28.03.2024	28.03.2024	34 201 710	9 627
26.03.2024	28.03.2024	28.06.2024	28.06.2024	34 201 710	9 841
26.06.2024	28.06.2024	30.09.2024	30.09.2024	33 062 764	9 721
26.09.2024	30.09.2024	31.12.2024	31.12.2024	31 923 818	9 186
27.12.2024	31.12.2024	31.03.2025	31.03.2025	31 923 818	8 986
27.03.2025	31.03.2025	30.06.2025	30.06.2025	30 784 873	8 762
26.06.2025	30.06.2025	30.09.2025	30.09.2025	30 784 873	8 858
26.09.2025	30.09.2025	31.12.2025	31.12.2025	29 645 927	8 531
29.12.2025	31.12.2025	31.03.2026	31.03.2026	29 645 927	8 345
27.03.2026	31.03.2026	30.06.2026	30.06.2026	28 506 981	8 114
26.06.2026	30.06.2026	30.09.2026	30.09.2026	28 506 981	8 203
28.09.2026	30.09.2026	31.12.2026	31.12.2026	27 368 035	7 875
29.12.2026	31.12.2026	31.03.2027	31.03.2027	27 368 035	7 704
25.03.2027	31.03.2027	30.06.2027	30.06.2027	26 229 089	7 465
28.06.2027	30.06.2027	30.09.2027	30.09.2027	26 229 089	7 547

Corresponding annualised premium	0,1126%
----------------------------------	---------

Total	138 500
-------	---------

# Amortization table

FIXING DATE	START DATE	END FIN	PAYMENT DATE	Tranche A		Tranche B		Tranche C		TOTAL DEBT	H1 : HEDGING REQUIREMENT	Hedge setup
				Amort.	CRD	Amort.	CRD	Amort.	CRD			
21.07.2023	25.07.2023	29.09.2023	29.09.2023	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000	0	0
27.09.2023	29.09.2023	29.12.2023	29.12.2023	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000	34 201 710	34 201 710
27.12.2023	29.12.2023	28.03.2024	28.03.2024	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000	34 201 710	34 201 710
26.03.2024	28.03.2024	28.06.2024	28.06.2024	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000	34 201 710	34 201 710
26.06.2024	28.06.2024	30.09.2024	30.09.2024	1 708 333	18 791 667	0	15 400 000	0	15 400 000	49 591 667	33 062 764	33 062 764
26.09.2024	30.09.2024	31.12.2024	31.12.2024	1 708 333	17 083 333	0	15 400 000	0	15 400 000	47 883 333	31 923 818	31 923 818
27.12.2024	31.12.2024	31.03.2025	31.03.2025	0	17 083 333	0	15 400 000	0	15 400 000	47 883 333	31 923 818	31 923 818
27.03.2025	31.03.2025	30.06.2025	30.06.2025	1 708 333	15 375 000	0	15 400 000	0	15 400 000	46 175 000	30 784 873	30 784 873
26.06.2025	30.06.2025	30.09.2025	30.09.2025	0	15 375 000	0	15 400 000	0	15 400 000	46 175 000	30 784 873	30 784 873
26.09.2025	30.09.2025	31.12.2025	31.12.2025	1 708 333	13 666 667	0	15 400 000	0	15 400 000	44 466 667	29 645 927	29 645 927
29.12.2025	31.12.2025	31.03.2026	31.03.2026	0	13 666 667	0	15 400 000	0	15 400 000	44 466 667	29 645 927	29 645 927
27.03.2026	31.03.2026	30.06.2026	30.06.2026	1 708 333	11 958 333	0	15 400 000	0	15 400 000	42 758 333	28 506 981	28 506 981
26.06.2026	30.06.2026	30.09.2026	30.09.2026	0	11 958 333	0	15 400 000	0	15 400 000	42 758 333	28 506 981	28 506 981
28.09.2026	30.09.2026	31.12.2026	31.12.2026	1 708 333	10 250 000	0	15 400 000	0	15 400 000	41 050 000	27 368 035	27 368 035
29.12.2026	31.12.2026	31.03.2027	31.03.2027	0	10 250 000	0	15 400 000	0	15 400 000	41 050 000	27 368 035	27 368 035
25.03.2027	31.03.2027	30.06.2027	30.06.2027	1 708 333	8 541 667	0	15 400 000	0	15 400 000	39 341 667	26 229 089	26 229 089
28.06.2027	30.06.2027	30.09.2027	30.09.2027	0	8 541 667	0	15 400 000	0	15 400 000	39 341 667	26 229 089	26 229 089
28.09.2027	30.09.2027	31.12.2027	31.12.2027	1 708 333	6 833 333	0	15 400 000	0	15 400 000	37 633 333	0	0
29.12.2027	31.12.2027	31.03.2028	31.03.2028	0	6 833 333	0	15 400 000	0	15 400 000	37 633 333	0	0
29.03.2028	31.03.2028	30.06.2028	30.06.2028	1 708 333	5 125 000	0	15 400 000	0	15 400 000	35 925 000	0	0
28.06.2028	30.06.2028	29.09.2028	29.09.2028	0	5 125 000	0	15 400 000	0	15 400 000	35 925 000	0	0
27.09.2028	29.09.2028	29.12.2028	29.12.2028	1 708 333	3 416 667	0	15 400 000	0	15 400 000	34 216 667	0	0
27.12.2028	29.12.2028	29.03.2029	29.03.2029	0	3 416 667	0	15 400 000	0	15 400 000	34 216 667	0	0
27.03.2029	29.03.2029	29.06.2029	29.06.2029	1 708 333	1 708 333	0	15 400 000	0	15 400 000	32 508 333	0	0
27.06.2029	29.06.2029	25.07.2029	25.07.2029	0	1 708 333	0	15 400 000	0	15 400 000	32 508 333	0	0
23.07.2029	25.07.2029	28.09.2029	28.09.2029	1 708 333	0	0	15 400 000	0	15 400 000	30 800 000	0	0
26.09.2029	28.09.2029	31.12.2029	31.12.2029	0	0	0	15 400 000	0	15 400 000	30 800 000	0	0
27.12.2029	31.12.2029	25.01.2030	25.01.2030	0	0	0	15 400 000	0	15 400 000	30 800 000	0	0
23.01.2030	25.01.2030	29.03.2030	29.03.2030	0	0	15 400 000	0	0	15 400 000	15 400 000	0	0
27.03.2030	29.03.2030	28.06.2030	28.06.2030	0	0	0	0	0	15 400 000	15 400 000	0	0
26.06.2030	28.06.2030	25.07.2030	25.07.2030	0	0	0	0	0	15 400 000	15 400 000	0	0
23.07.2030	25.07.2030	30.09.2030	30.09.2030	0	0	0	0	15 400 000	0	0	0	0

Broken period

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	12 292
---------------	--------

**PALATINE**

<b>Total savings</b>	<b>97 769</b>
----------------------	---------------

Market price without bank margin	113 352
----------------------------------	---------

Price with standard bank margin *	236 269
-----------------------------------	---------

Standard bank margin (10 basis points) *	122 917
--	---------

Final price	138 500
-------------	---------

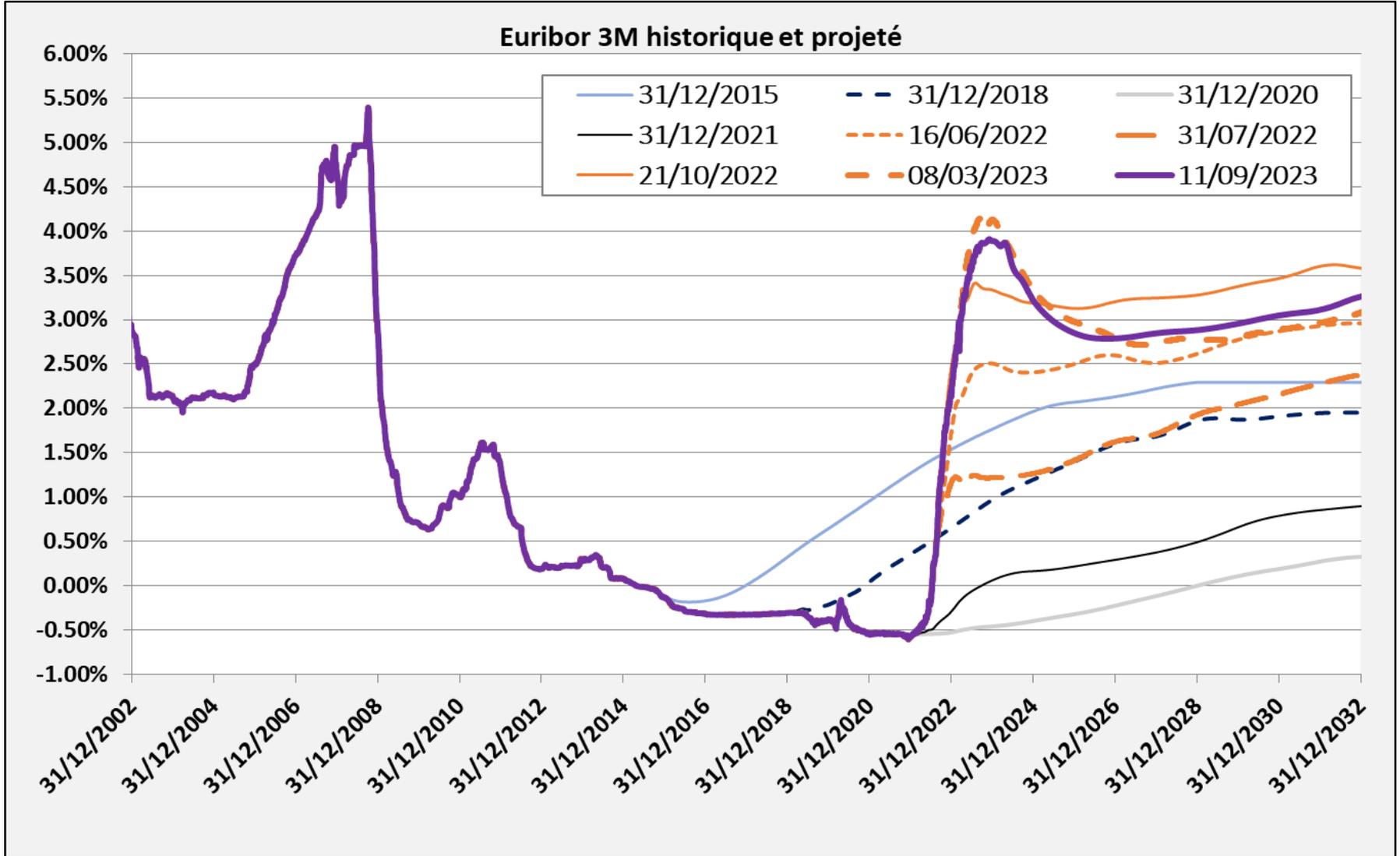
Final margin	25 148
--------------	--------

\* The standard margin taken by banks in this context is 10 to 15 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:**

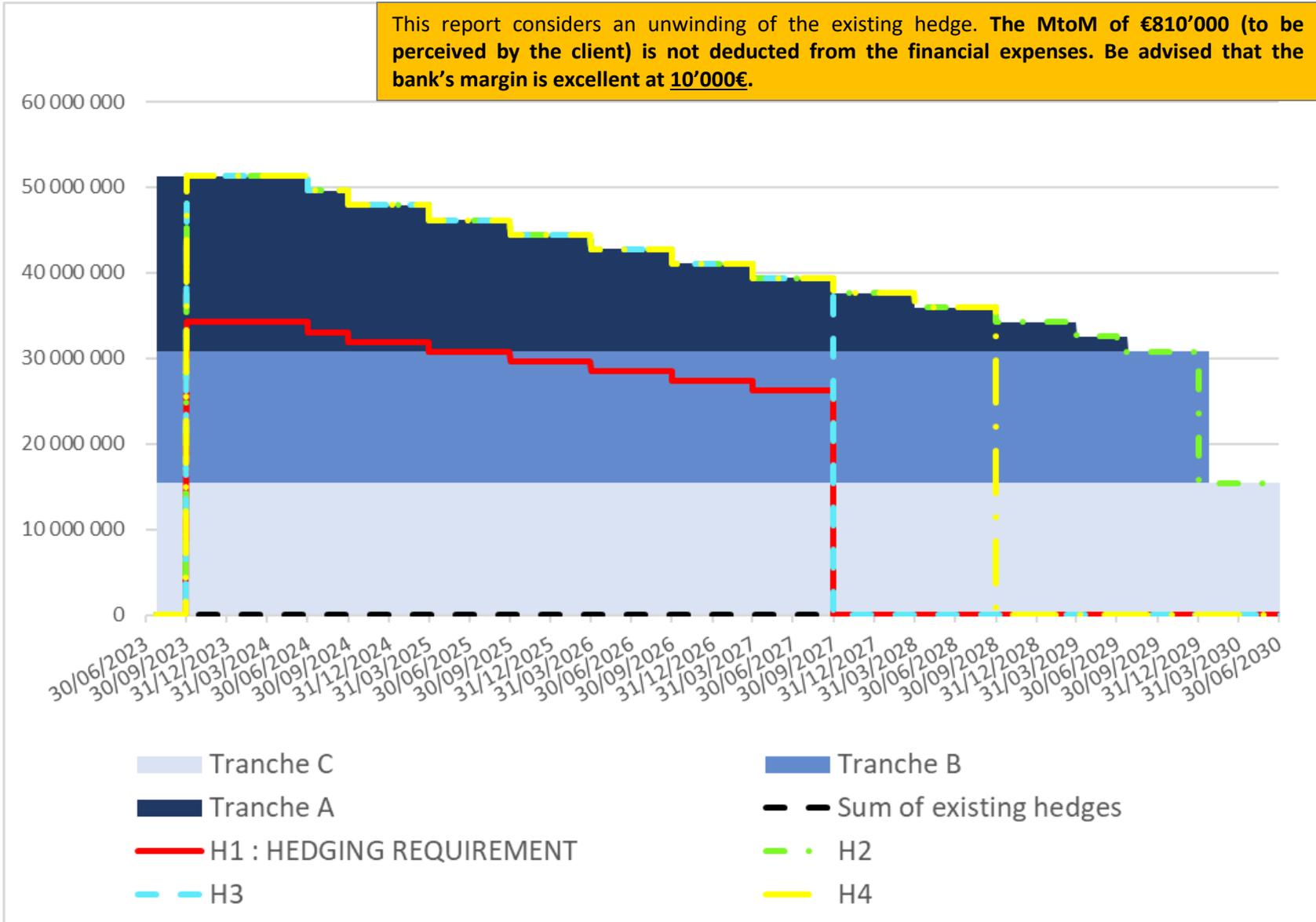
- Choosing the optimal product: similar or identical products are often "priced" differently
- Preliminary negotiations before quotes tender (explanation of KERIUS method and target margin to be selected)
- Final negotiation at the end of the process

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



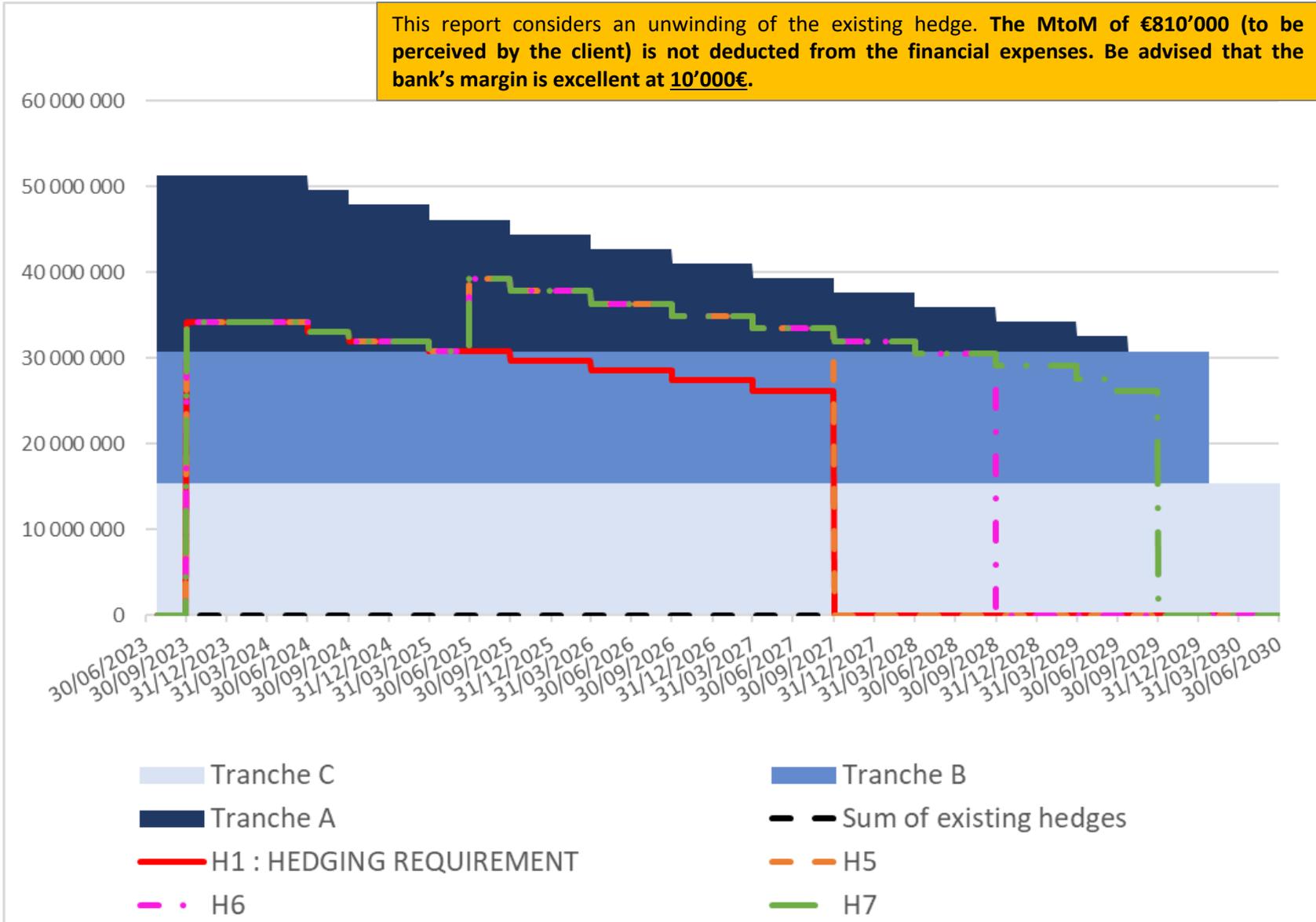
# New hedges: Various amounts and maturities possible

This report considers an unwinding of the existing hedge. **The MtoM of €810'000 (to be perceived by the client) is not deducted from the financial expenses. Be advised that the bank's margin is excellent at 10'000€.**



# New hedges: Various amounts and maturities possible

This report considers an unwinding of the existing hedge. **The MtoM of €810'000 (to be perceived by the client) is not deducted from the financial expenses. Be advised that the bank's margin is excellent at 10'000€.**



## Indicatives quotations (products not recommended)

Hedging	H1	H2	H3	H4	H5	H6	H7
Value of 1bp in EUR	12 292	27 183	18 437	22 176	14 065	17 244	20 082

Swap without Floor	3,15%	3,02%	3,15%	3,08%	3,10%	3,03%	2,99%
Swap with Floor	3,29%	3,19%	3,29%	3,23%	3,24%	3,19%	3,16%
Cap 0% annualised	3,29%	3,19%	3,29%	3,23%	3,24%	3,19%	3,16%

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
<b>Duration</b>	<b>4 years</b>	<b>6,75 years</b>	<b>4 years</b>	<b>5 years</b>	<b>4 years</b>	<b>5 years</b>	<b>6 years</b>
<b>Index</b>	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M
<b>Starting Notional Amount</b>	34 201 710	51 300 000	51 300 000	51 300 000	34 201 710	34 201 710	34 201 710
<b>Notional Amount 30/06/2025</b>	30 784 873	46 175 000	46 175 000	46 175 000	39 248 750	39 248 750	39 248 750
<b>Start of Period</b>	30/09/2023	30/09/2023	30/09/2023	30/09/2023	30/09/2023	30/09/2023	30/09/2023
<b>End of Period</b>	30/09/2027	25/07/2030	30/09/2027	30/09/2028	30/09/2027	30/09/2028	30/09/2029
<b>Value of 1bp in EUR</b>	12 292	27 183	18 437	22 176	14 065	17 244	20 082

### Annualised Premium

<b>Cap 3% annualised</b>	<b>0,81%</b>	<b>0,84%</b>	<b>0,81%</b>	<b>0,81%</b>	<b>0,80%</b>	<b>0,81%</b>	<b>0,82%</b>
Max Financing Rate	3,81%	3,84%	3,81%	3,81%	3,80%	3,81%	3,82%

<b>Cap 3,5% annualised</b>	<b>0,54%</b>	<b>0,59%</b>	<b>0,54%</b>	<b>0,56%</b>	<b>0,54%</b>	<b>0,56%</b>	<b>0,58%</b>
Max Financing Rate	4,04%	4,09%	4,04%	4,06%	4,04%	4,06%	4,08%

<b>Cap 4% annualised</b>	<b>0,35%</b>	<b>0,42%</b>	<b>0,35%</b>	<b>0,38%</b>	<b>0,36%</b>	<b>0,39%</b>	<b>0,42%</b>
Max Financing Rate	4,35%	4,42%	4,35%	4,38%	4,36%	4,39%	4,42%

<b>Cap 5,7% annualised*</b>	<b>0,16%</b>	-	-	-	-	-	-
Max Financing Rate	5,86%						

### Premium in EUR

<b>Cap 3%</b>	926 900	2 062 200	1 388 300	1 663 400	1 043 800	1 277 800	1 498 400
<b>Cap 3,5%</b>	616 900	1 460 900	923 600	1 140 200	704 600	888 900	1 065 700
<b>Cap 4%</b>	400 800	1 032 900	600 100	773 100	468 300	615 000	758 300
<b>Cap 5,7%*</b>	180 300	-	-	-	-	-	-

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

**7**

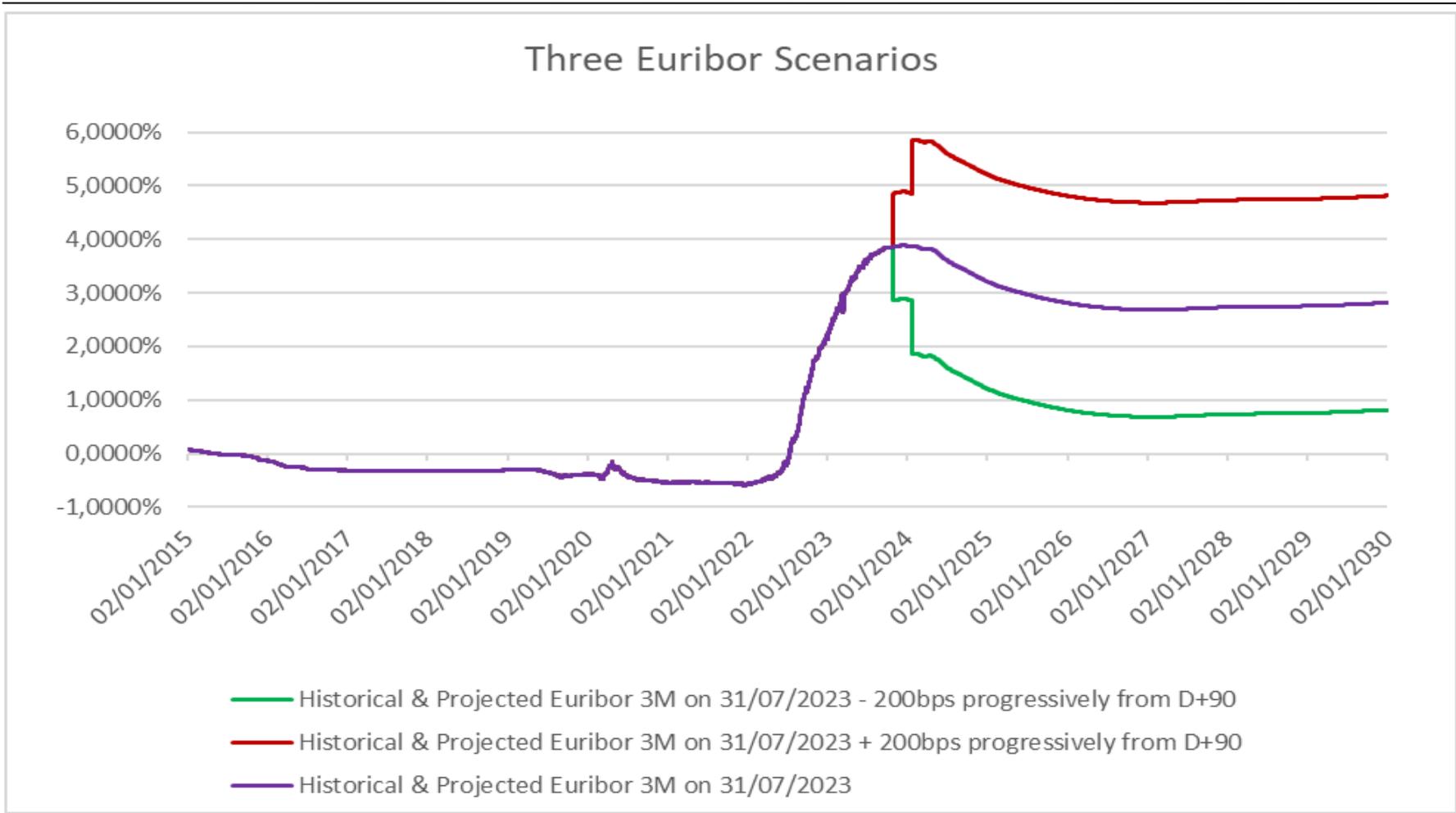
**\* Least expensive hedging instrument allowed under your hedging requirement section**

Fixing	Start	End	Payment	Notional	Premium to be paid	Remaining to be paid in case of settlement
27/09/2023	29/09/2023	29/12/2023	29/12/2023	34 201 710	44 565	-844 335
27/12/2023	29/12/2023	28/03/2024	28/03/2024	34 201 710	44 076	-800 259
26/03/2024	28/03/2024	28/06/2024	28/06/2024	34 201 710	45 055	-755 204
26/06/2024	28/06/2024	30/09/2024	30/09/2024	33 062 764	44 502	-710 702
26/09/2024	30/09/2024	31/12/2024	31/12/2024	31 923 818	42 054	-668 648
27/12/2024	31/12/2024	31/03/2025	31/03/2025	31 923 818	41 140	-627 508
27/03/2025	31/03/2025	30/06/2025	30/06/2025	30 784 873	40 113	-587 395
26/06/2025	30/06/2025	30/09/2025	30/09/2025	39 248 750	51 704	-535 691
26/09/2025	30/09/2025	31/12/2025	31/12/2025	37 796 667	49 791	-485 900
29/12/2025	31/12/2025	31/03/2026	31/03/2026	37 796 667	48 708	-437 191
27/03/2026	31/03/2026	30/06/2026	30/06/2026	36 344 583	47 358	-389 834
26/06/2026	30/06/2026	30/09/2026	30/09/2026	36 344 583	47 878	-341 956
28/09/2026	30/09/2026	31/12/2026	31/12/2026	34 892 500	45 965	-295 991
29/12/2026	31/12/2026	31/03/2027	31/03/2027	34 892 500	44 966	-251 025
25/03/2027	31/03/2027	30/06/2027	30/06/2027	33 440 417	43 573	-207 451
28/06/2027	30/06/2027	30/09/2027	30/09/2027	33 440 417	44 052	-163 399
28/09/2027	30/09/2027	31/12/2027	31/12/2027	31 988 333	42 139	-121 260
29/12/2027	31/12/2027	31/03/2028	31/03/2028	31 988 333	41 681	-79 578
29/03/2028	31/03/2028	30/06/2028	30/06/2028	30 536 250	39 789	-39 789
28/06/2028	30/06/2028	29/09/2028	29/09/2028	30 536 250	39 789	0

Running premium	0,56%
-----------------	-------

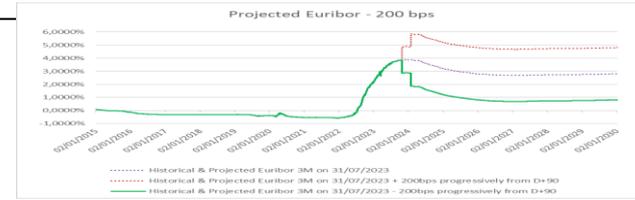
Total	888 900
-------	---------

# Simulation of financial expenses with three Euribor evolution scenarios

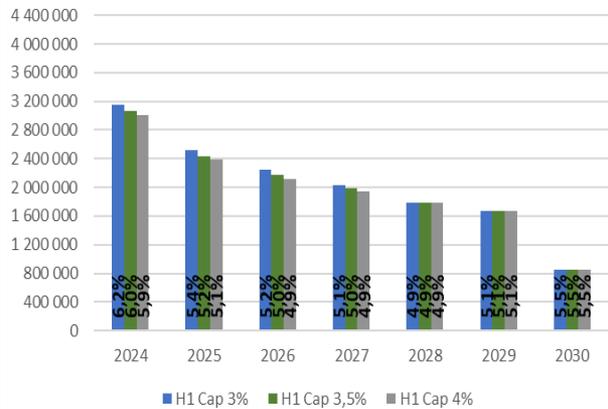


All financial expenses simulations start in 2024 and include credit spreads, **2,75%** (Tranche A), **3,75%** (Tranche B) and **5,00%** (Tranche C), Euribor3m variations' impact and the cost of setting up the new hedge. **The existing hedge has been excluded from the analysis.**

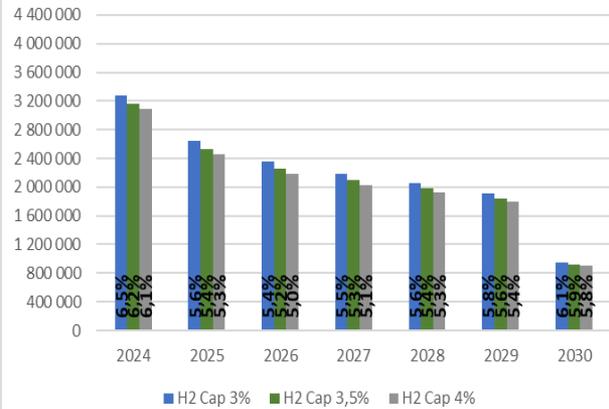
# Financial expenses simulation in expected Euribor -2% Scenario



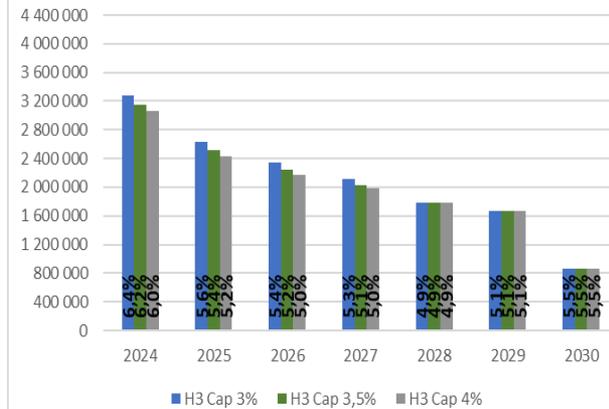
**STRATEGY H1**



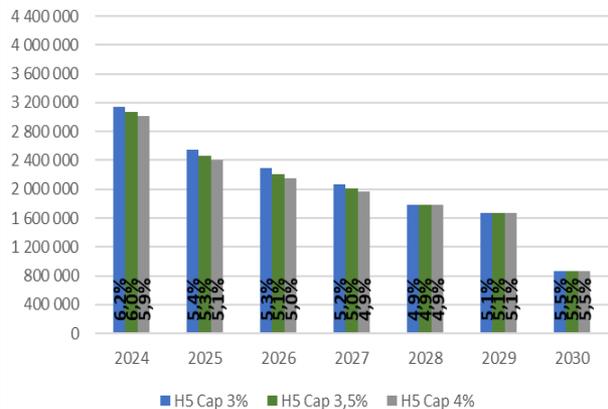
**STRATEGY H2**



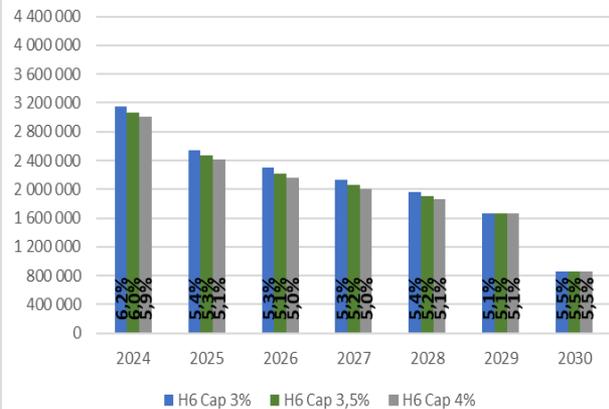
**STRATEGY H3**



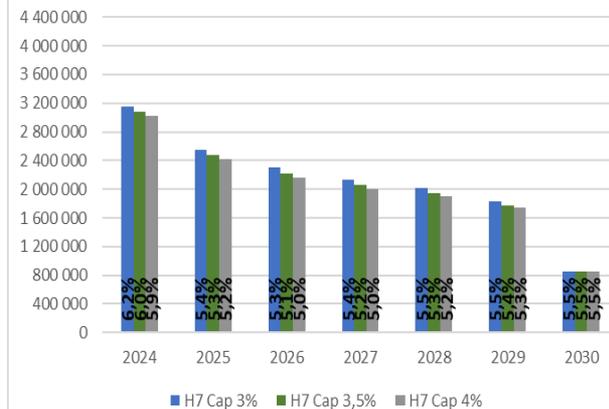
**STRATEGY H5**



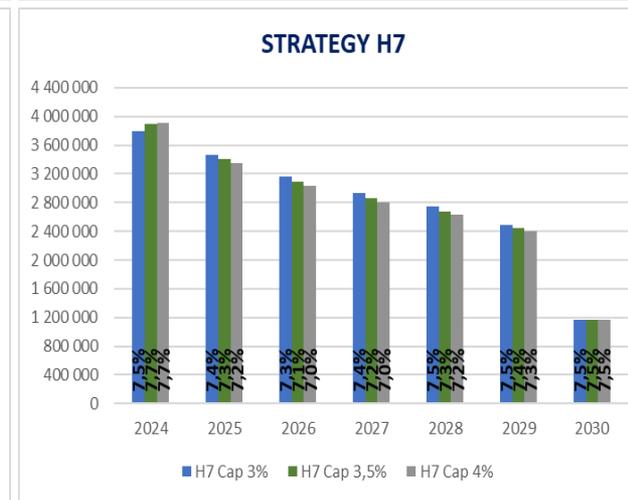
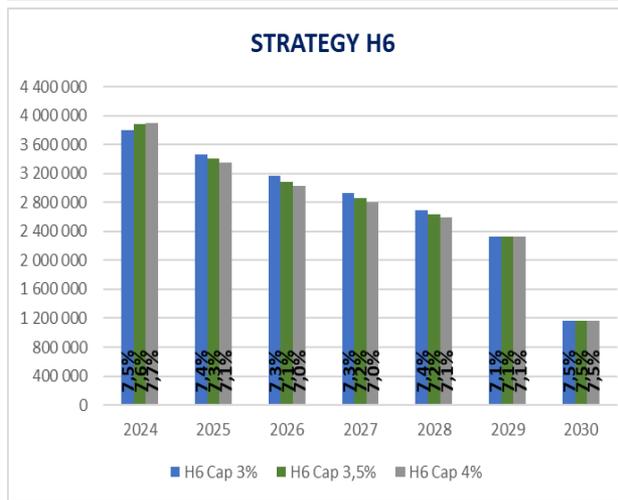
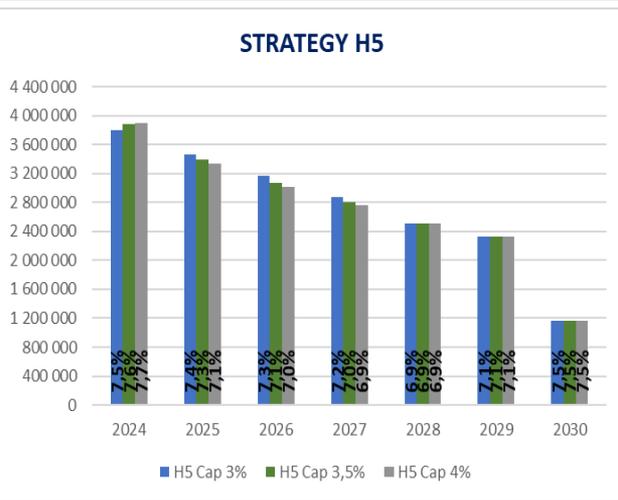
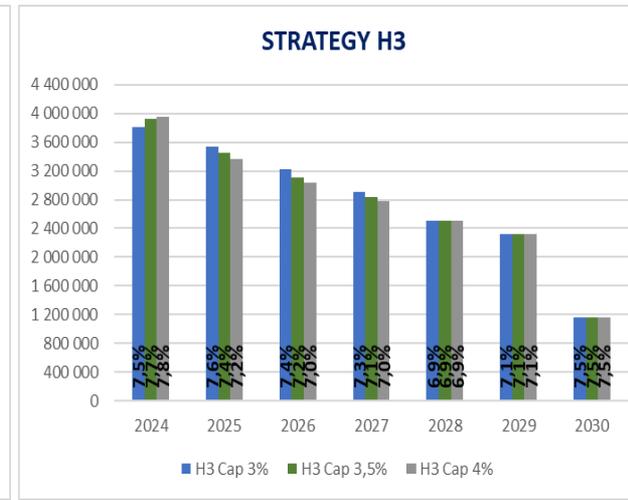
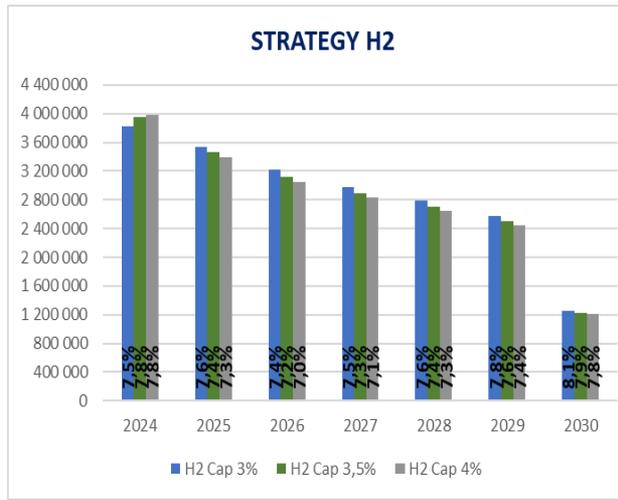
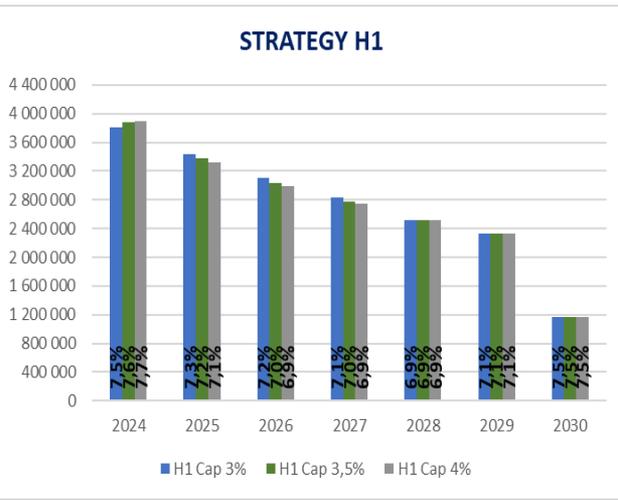
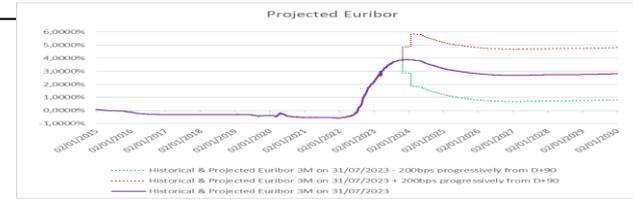
**STRATEGY H6**



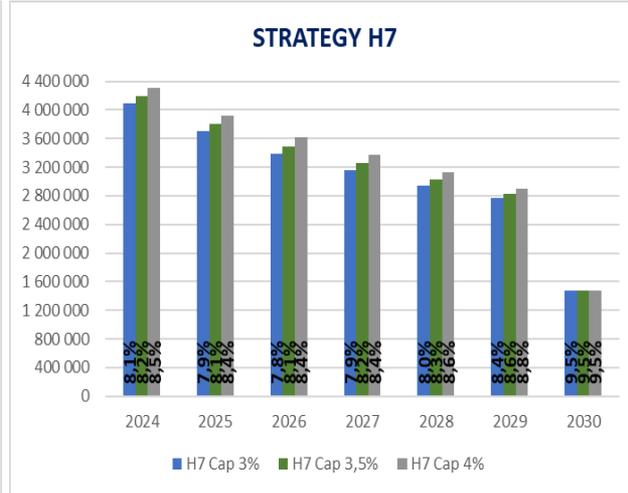
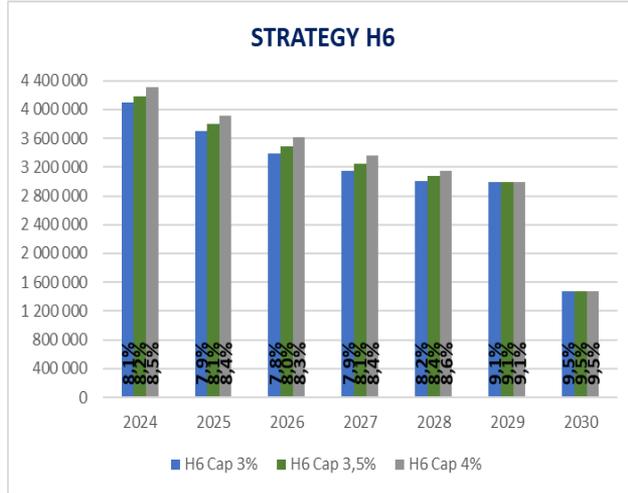
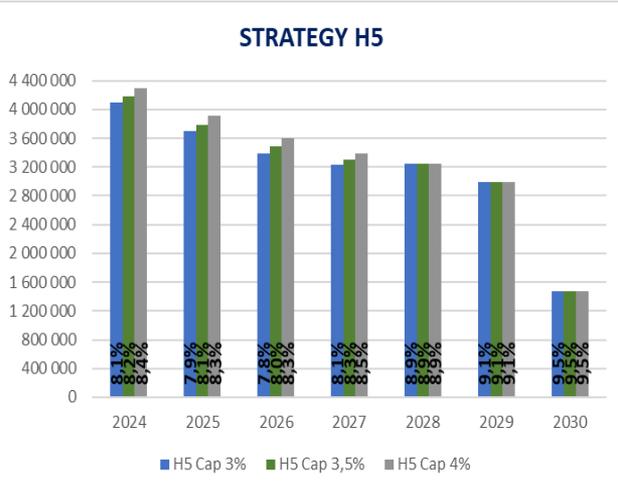
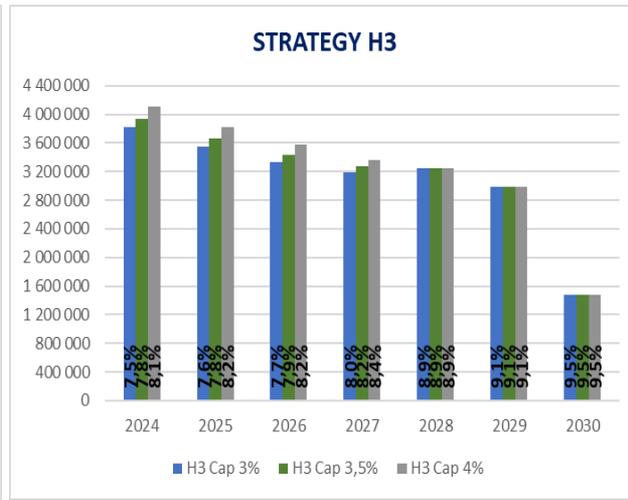
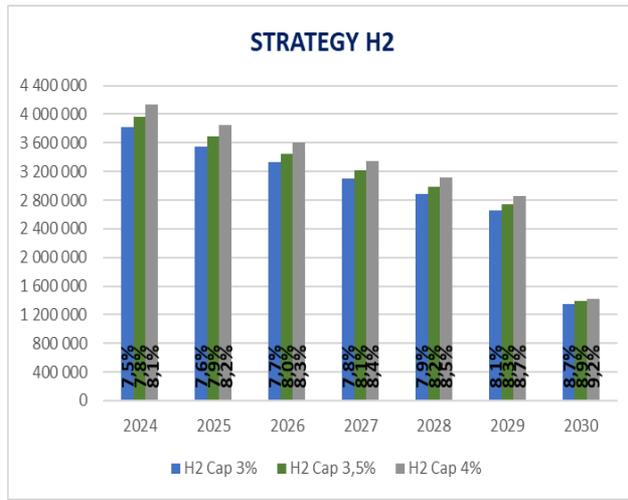
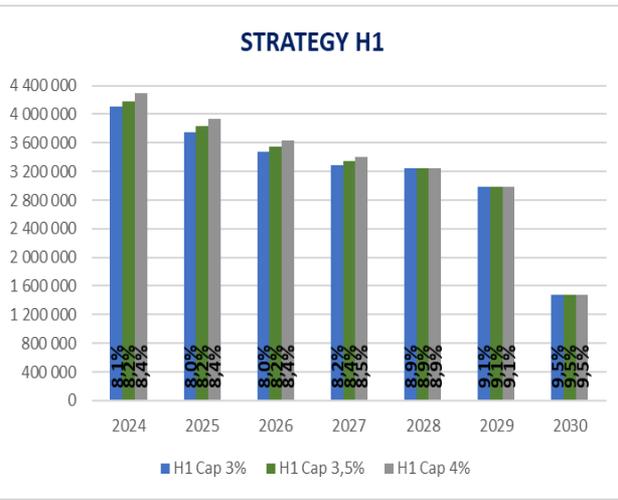
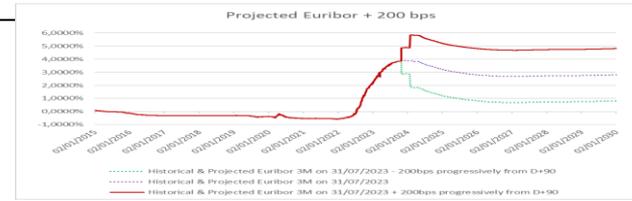
**STRATEGY H7**



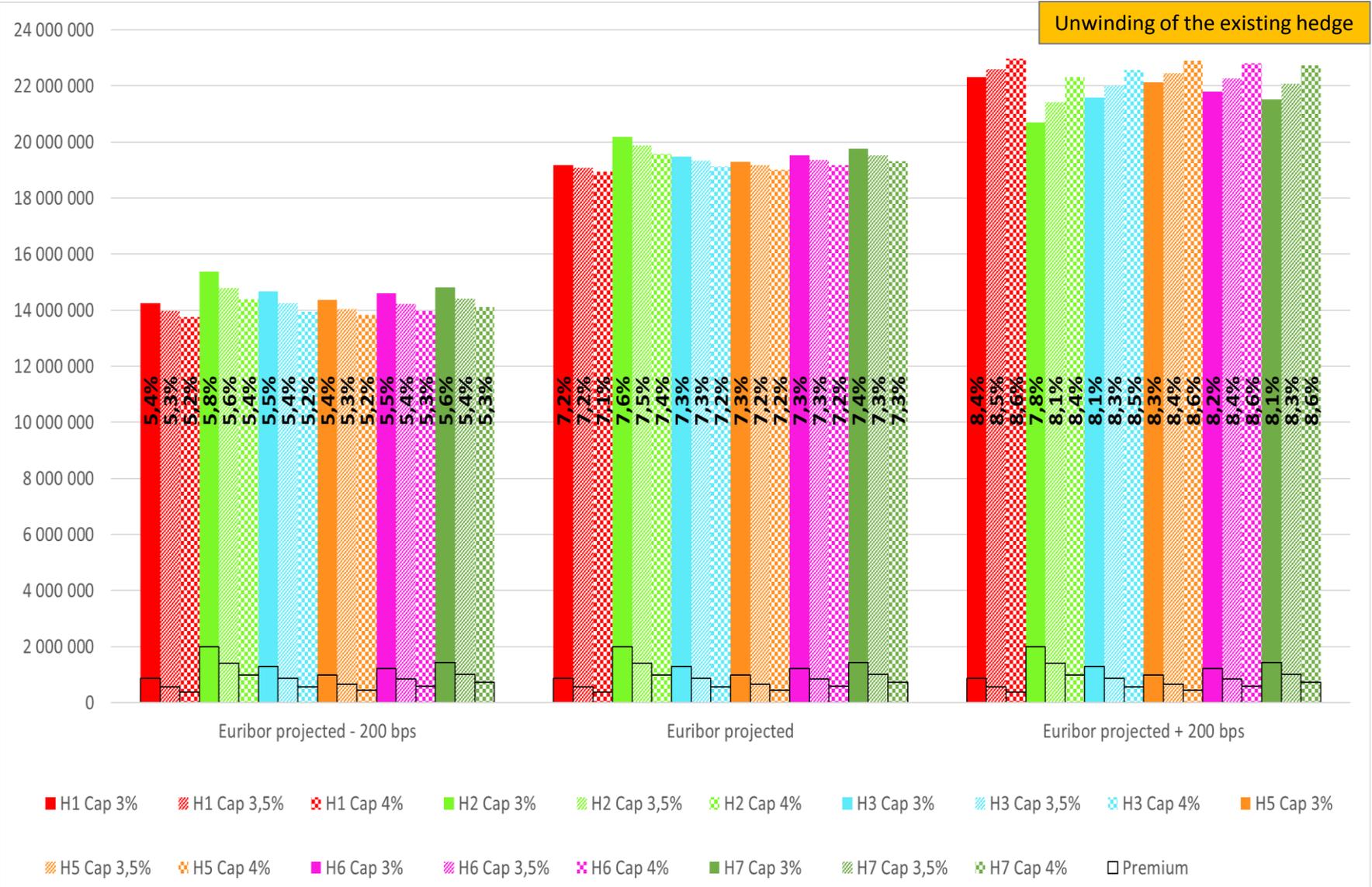
# Financial expenses simulation in expected Euribor Scenario



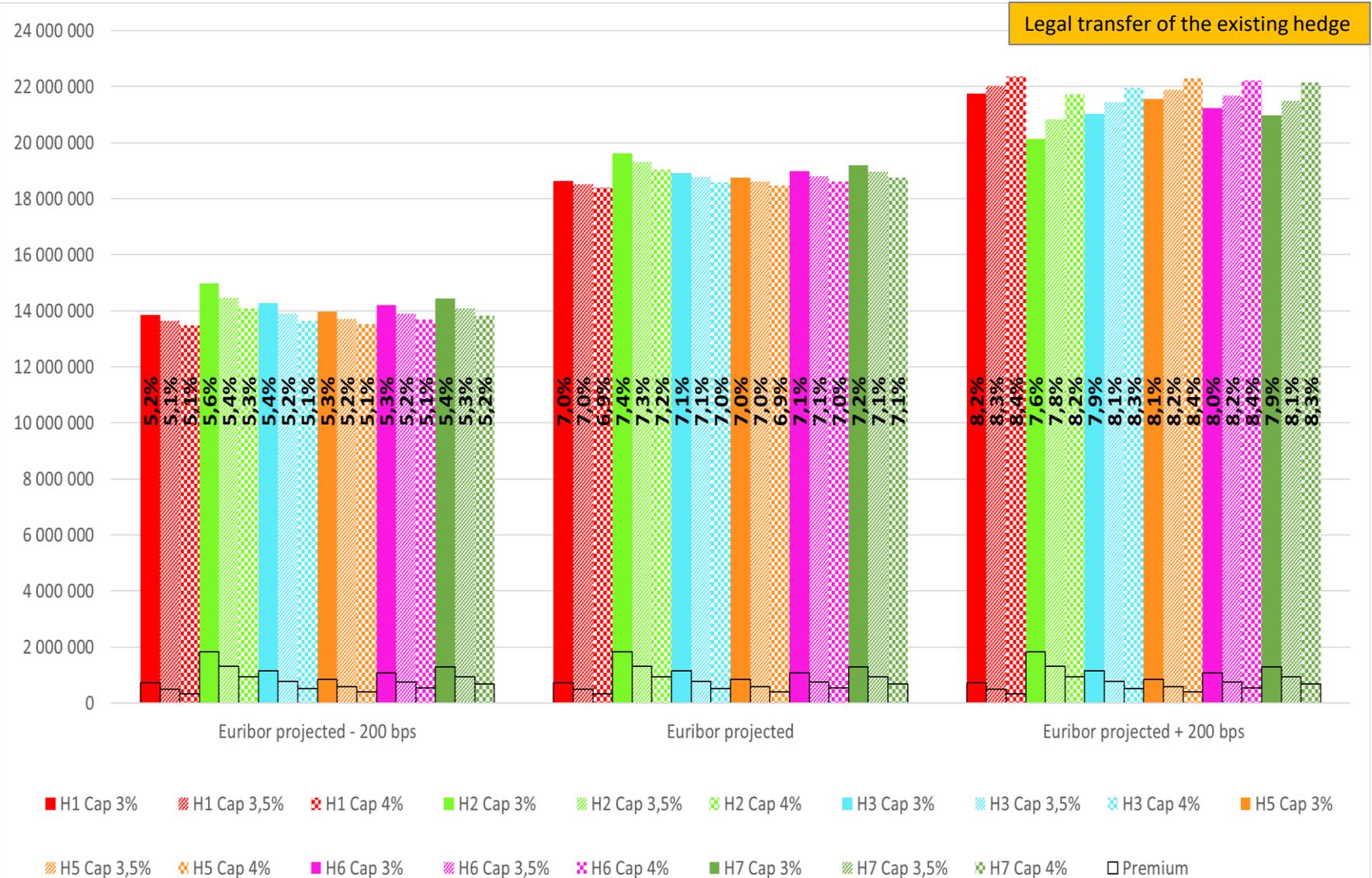
# Financial expenses simulation in expected Euribor + 2% Scenario



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

Unwinding of the existing hedge

	STRATEGY H1			STRATEGY H2			STRATEGY H3		
	H1 Cap 3%	H1 Cap 3,5%	H1 Cap 4%	H2 Cap 3%	H2 Cap 3,5%	H2 Cap 4%	H3 Cap 3%	H3 Cap 3,5%	H3 Cap 4%

Euribor projected - 200 bps	14 251 637	13 963 680	13 762 947	15 375 133	14 796 493	14 384 622	14 680 227	14 248 571	13 948 075
Euribor projected	19 182 914	19 081 443	18 950 694	20 178 195	19 879 269	19 572 369	19 483 289	19 331 347	19 135 822
Euribor projected + 200 bps	22 319 503	22 602 428	22 972 576	20 698 374	21 427 657	22 323 708	21 594 452	22 019 076	22 574 860

	STRATEGY H5			STRATEGY H6			STRATEGY H7		
	H5 Cap 3%	H5 Cap 3,5%	H5 Cap 4%	H6 Cap 3%	H6 Cap 3,5%	H6 Cap 4%	H7 Cap 3%	H7 Cap 3,5%	H7 Cap 4%

Euribor projected - 200 bps	14 369 584	14 051 463	13 829 847	14 603 679	14 234 491	13 974 474	14 823 830	14 409 963	14 115 943
Euribor projected	19 300 862	19 169 225	19 017 593	19 534 956	19 352 254	19 162 221	19 755 108	19 527 726	19 303 689
Euribor projected + 200 bps	22 122 816	22 464 264	22 902 218	21 806 327	22 255 625	22 814 095	21 526 981	22 073 495	22 739 855

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

Legal transfer of the existing hedge

	STRATEGY H1			STRATEGY H2			STRATEGY H3		
	H1 Cap 3%	H1 Cap 3,5%	H1 Cap 4%	H2 Cap 3%	H2 Cap 3,5%	H2 Cap 4%	H3 Cap 3%	H3 Cap 3,5%	H3 Cap 4%
Euribor projected - 200 bps	13 863 570	13 631 465	13 470 371	14 975 130	14 456 558	14 087 896	14 285 099	13 910 959	13 651 614
Euribor projected	18 624 965	18 519 323	18 405 435	19 608 310	19 309 429	19 022 960	18 918 279	18 763 830	18 586 678
Euribor projected + 200 bps	21 761 553	22 030 158	22 369 773	20 128 489	20 847 666	21 716 755	21 029 442	21 441 409	21 968 172
	STRATEGY H5			STRATEGY H6			STRATEGY H7		
	H5 Cap 3%	H5 Cap 3,5%	H5 Cap 4%	H6 Cap 3%	H6 Cap 3,5%	H6 Cap 4%	H7 Cap 3%	H7 Cap 3,5%	H7 Cap 4%
Euribor projected - 200 bps	13 978 822	13 717 329	13 535 446	14 213 395	13 901 605	13 681 784	14 436 063	14 079 400	13 825 042
Euribor projected	18 740 217	18 605 187	18 470 511	18 974 790	18 789 463	18 616 848	19 197 459	18 967 258	18 760 106
Euribor projected + 200 bps	21 562 171	21 890 076	22 297 590	21 246 161	21 682 684	22 211 177	20 969 332	21 502 877	22 138 727

# Amortization table

FIXING DATE	START DATE	END FIN	PAYMENT DATE	Tranche A		Tranche B		Tranche C		TOTAL DEBT
				Amort.	CRD	Amort.	CRD	Amort.	CRD	
21/07/2023	25/07/2023	29/09/2023	29/09/2023	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000
27/09/2023	29/09/2023	29/12/2023	29/12/2023	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000
27/12/2023	29/12/2023	28/03/2024	28/03/2024	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000
26/03/2024	28/03/2024	28/06/2024	28/06/2024	0	20 500 000	0	15 400 000	0	15 400 000	51 300 000
26/06/2024	28/06/2024	30/09/2024	30/09/2024	1 708 333	18 791 667	0	15 400 000	0	15 400 000	49 591 667
26/09/2024	30/09/2024	31/12/2024	31/12/2024	1 708 333	17 083 333	0	15 400 000	0	15 400 000	47 883 333
27/12/2024	31/12/2024	31/03/2025	31/03/2025	0	17 083 333	0	15 400 000	0	15 400 000	47 883 333
27/03/2025	31/03/2025	30/06/2025	30/06/2025	1 708 333	15 375 000	0	15 400 000	0	15 400 000	46 175 000
26/06/2025	30/06/2025	30/09/2025	30/09/2025	0	15 375 000	0	15 400 000	0	15 400 000	46 175 000
26/09/2025	30/09/2025	31/12/2025	31/12/2025	1 708 333	13 666 667	0	15 400 000	0	15 400 000	44 466 667
29/12/2025	31/12/2025	31/03/2026	31/03/2026	0	13 666 667	0	15 400 000	0	15 400 000	44 466 667
27/03/2026	31/03/2026	30/06/2026	30/06/2026	1 708 333	11 958 333	0	15 400 000	0	15 400 000	42 758 333
26/06/2026	30/06/2026	30/09/2026	30/09/2026	0	11 958 333	0	15 400 000	0	15 400 000	42 758 333
28/09/2026	30/09/2026	31/12/2026	31/12/2026	1 708 333	10 250 000	0	15 400 000	0	15 400 000	41 050 000
29/12/2026	31/12/2026	31/03/2027	31/03/2027	0	10 250 000	0	15 400 000	0	15 400 000	41 050 000
25/03/2027	31/03/2027	30/06/2027	30/06/2027	1 708 333	8 541 667	0	15 400 000	0	15 400 000	39 341 667
28/06/2027	30/06/2027	30/09/2027	30/09/2027	0	8 541 667	0	15 400 000	0	15 400 000	39 341 667
28/09/2027	30/09/2027	31/12/2027	31/12/2027	1 708 333	6 833 333	0	15 400 000	0	15 400 000	37 633 333
29/12/2027	31/12/2027	31/03/2028	31/03/2028	0	6 833 333	0	15 400 000	0	15 400 000	37 633 333
29/03/2028	31/03/2028	30/06/2028	30/06/2028	1 708 333	5 125 000	0	15 400 000	0	15 400 000	35 925 000
28/06/2028	30/06/2028	29/09/2028	29/09/2028	0	5 125 000	0	15 400 000	0	15 400 000	35 925 000
27/09/2028	29/09/2028	29/12/2028	29/12/2028	1 708 333	3 416 667	0	15 400 000	0	15 400 000	34 216 667
27/12/2028	29/12/2028	29/03/2029	29/03/2029	0	3 416 667	0	15 400 000	0	15 400 000	34 216 667
27/03/2029	29/03/2029	29/06/2029	29/06/2029	1 708 333	1 708 333	0	15 400 000	0	15 400 000	32 508 333
27/06/2029	29/06/2029	25/07/2029	25/07/2029	0	1 708 333	0	15 400 000	0	15 400 000	32 508 333
23/07/2029	25/07/2029	28/09/2029	28/09/2029	1 708 333	0	0	15 400 000	0	15 400 000	30 800 000
26/09/2029	28/09/2029	31/12/2029	31/12/2029	0	0	0	15 400 000	0	15 400 000	30 800 000
27/12/2029	31/12/2029	25/01/2030	25/01/2030	0	0	0	15 400 000	0	15 400 000	30 800 000
23/01/2030	25/01/2030	29/03/2030	29/03/2030	0	0	15 400 000	0	0	15 400 000	15 400 000
27/03/2030	29/03/2030	28/06/2030	28/06/2030	0	0	0	0	0	15 400 000	15 400 000
26/06/2030	28/06/2030	25/07/2030	25/07/2030	0	0	0	0	0	15 400 000	15 400 000
23/07/2030	25/07/2030	30/09/2030	30/09/2030	0	0	0	0	15 400 000	0	0
Broken period										

# Amortization table

FIXING DATE	START DATE	END FIN	PAYMENT DATE	H1 : HEDGING REQUIREMENT	H2	H3	H4	H5	H6	H7
21/07/2023	25/07/2023	29/09/2023	29/09/2023	0	0	0	0	0	0	0
27/09/2023	29/09/2023	29/12/2023	29/12/2023	34 201 710	51 300 000	51 300 000	51 300 000	34 201 710	34 201 710	34 201 710
27/12/2023	29/12/2023	28/03/2024	28/03/2024	34 201 710	51 300 000	51 300 000	51 300 000	34 201 710	34 201 710	34 201 710
26/03/2024	28/03/2024	28/06/2024	28/06/2024	34 201 710	51 300 000	51 300 000	51 300 000	34 201 710	34 201 710	34 201 710
26/06/2024	28/06/2024	30/09/2024	30/09/2024	33 062 764	49 591 667	49 591 667	49 591 667	33 062 764	33 062 764	33 062 764
26/09/2024	30/09/2024	31/12/2024	31/12/2024	31 923 818	47 883 333	47 883 333	47 883 333	31 923 818	31 923 818	31 923 818
27/12/2024	31/12/2024	31/03/2025	31/03/2025	31 923 818	47 883 333	47 883 333	47 883 333	31 923 818	31 923 818	31 923 818
27/03/2025	31/03/2025	30/06/2025	30/06/2025	30 784 873	46 175 000	46 175 000	46 175 000	30 784 873	30 784 873	30 784 873
26/06/2025	30/06/2025	30/09/2025	30/09/2025	30 784 873	46 175 000	46 175 000	46 175 000	39 248 750	39 248 750	39 248 750
26/09/2025	30/09/2025	31/12/2025	31/12/2025	29 645 927	44 466 667	44 466 667	44 466 667	37 796 667	37 796 667	37 796 667
29/12/2025	31/12/2025	31/03/2026	31/03/2026	29 645 927	44 466 667	44 466 667	44 466 667	37 796 667	37 796 667	37 796 667
27/03/2026	31/03/2026	30/06/2026	30/06/2026	28 506 981	42 758 333	42 758 333	42 758 333	36 344 583	36 344 583	36 344 583
26/06/2026	30/06/2026	30/09/2026	30/09/2026	28 506 981	42 758 333	42 758 333	42 758 333	36 344 583	36 344 583	36 344 583
28/09/2026	30/09/2026	31/12/2026	31/12/2026	27 368 035	41 050 000	41 050 000	41 050 000	34 892 500	34 892 500	34 892 500
29/12/2026	31/12/2026	31/03/2027	31/03/2027	27 368 035	41 050 000	41 050 000	41 050 000	34 892 500	34 892 500	34 892 500
25/03/2027	31/03/2027	30/06/2027	30/06/2027	26 229 089	39 341 667	39 341 667	39 341 667	33 440 417	33 440 417	33 440 417
28/06/2027	30/06/2027	30/09/2027	30/09/2027	26 229 089	39 341 667	39 341 667	39 341 667	33 440 417	33 440 417	33 440 417
28/09/2027	30/09/2027	31/12/2027	31/12/2027	0	37 633 333	0	37 633 333	0	31 988 333	31 988 333
29/12/2027	31/12/2027	31/03/2028	31/03/2028	0	37 633 333	0	37 633 333	0	31 988 333	31 988 333
29/03/2028	31/03/2028	30/06/2028	30/06/2028	0	35 925 000	0	35 925 000	0	30 536 250	30 536 250
28/06/2028	30/06/2028	29/09/2028	29/09/2028	0	35 925 000	0	35 925 000	0	30 536 250	30 536 250
27/09/2028	29/09/2028	29/12/2028	29/12/2028	0	34 216 667	0	0	0	0	29 084 167
27/12/2028	29/12/2028	29/03/2029	29/03/2029	0	34 216 667	0	0	0	0	29 084 167
27/03/2029	29/03/2029	29/06/2029	29/06/2029	0	32 508 333	0	0	0	0	27 632 083
27/06/2029	29/06/2029	25/07/2029	25/07/2029	0	30 800 000	0	0	0	0	26 180 000
23/07/2029	25/07/2029	28/09/2029	28/09/2029	0	30 800 000	0	0	0	0	26 180 000
26/09/2029	28/09/2029	31/12/2029	31/12/2029	0	30 800 000	0	0	0	0	0
27/12/2029	31/12/2029	25/01/2030	25/01/2030	0	15 400 000	0	0	0	0	0
23/01/2030	25/01/2030	29/03/2030	29/03/2030	0	15 400 000	0	0	0	0	0
27/03/2030	29/03/2030	28/06/2030	28/06/2030	0	15 400 000	0	0	0	0	0
26/06/2030	28/06/2030	25/07/2030	25/07/2030	0	15 400 000	0	0	0	0	0
23/07/2030	25/07/2030	30/09/2030	30/09/2030	0	0	0	0	0	0	0

Broken period

## Existing hedge (not included in the analysis)

## PALATINE- Cap 0%

Fixing Date	Start Date	End Date	Payment Date	Notional
26/06/2020	30/06/2020	30/09/2020	30/09/2020	10'400'000
28/09/2020	30/09/2020	31/03/2021	31/03/2021	11'200'000
29/03/2021	31/03/2021	30/09/2021	30/09/2021	11'200'000
28/09/2021	30/09/2021	31/03/2022	31/03/2022	12'000'000
29/03/2022	31/03/2022	30/09/2022	30/09/2022	13'500'000
28/09/2022	30/09/2022	31/03/2023	31/03/2023	13'500'000
29/03/2023	31/03/2023	29/09/2023	29/09/2023	13'500'000
27/09/2023	29/09/2023	28/03/2024	28/03/2024	11'079'875
26/03/2024	28/03/2024	30/09/2024	30/09/2024	11'079'875
26/09/2024	30/09/2024	31/03/2025	31/03/2025	11'079'875

## 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

- 
- Valuation of existing hedge
  - 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.

## Valuation of existing hedges (25/07/2023)

# IR Portfolio Valuation - Puretrade

Value Date: 25/07/2023

Calculation Date: 25/07/2023

Allocation/Link ID	Strategy ID	Trade ID	Counterparty	Trade	Effective	Maturity	Trade Type	Strike	Index	Initial Notional	Outstanding Notional
<b>Derivatives - Cap</b>											
PALATINE01-D	PALATINE01-D	3	PALATINE	15-Jun-20	30-Jun-20	31-Mar-25	BUY Cap	0,0000%	Euribor6m	EUR 10 400 000,00	EUR 13 500 000,00
											<b>13 500 000,00</b>
											<b>TOTAL 13 500 000,00</b>



\* including accrued interests

\*\* excluding accrued interests

Valuation					
EUR					
Fair Value *	Intrinsic Value	Time Value	Fair Value **	Accrued Interests	
6,12%	825 863,81	825 567,17	296,64	824 638,24	1 225,57
	<b>825 863,81</b>	<b>825 567,17</b>	<b>296,64</b>	<b>824 638,24</b>	<b>1 225,57</b>
	<b>825 863,81</b>	<b>825 567,17</b>	<b>296,64</b>	<b>824 638,24</b>	<b>1 225,57</b>

Comment	FLOORÉ ? OUI / NON
---------	-----------------------

Prime payée up-front €78'450

If there are existing hedges and these have been put in place on another legal entity, it's possible to carry out a novation. Beware, this requires redoing all the documentation, which can take several weeks.

## Facilities

25 July 2023

FACILITIES AGREEMENT

EUR 51,300,000

BETWEEN

AGIC BLOSSOM BIDCO  
(as Borrower or Newco)

BANQUE PALATINE  
CAISSE D'EPARGNE ET DE PREVOYANCE ILE DE FRANCE  
BRED BANQUE POPULAIRE  
(as Mandated Lead Arrangers and Underwriters)

ABN AMRO Bank N.V.  
BNP PARIBAS  
CIC PRIVATE DEBT  
SOCIÉTÉ GÉNÉRALE  
(as Arrangers)

BANQUE PALATINE  
CAISSE D'EPARGNE ET DE PREVOYANCE ILE DE FRANCE  
BRED BANQUE POPULAIRE  
(as Coordinators)

CAISSE D'EPARGNE ET DE PREVOYANCE ILE DE FRANCE  
(as ESG Coordinator)

THE ENTITIES AND FINANCIAL INSTITUTIONS  
listed in Schedule 1  
(as Original Lenders)

BANQUE PALATINE  
(as Facility Agent and Security Agent)

"Accounting Reference Date" means the 31 December of each Financial Year.

"Acquisition Agreement" means the agreement entitled "Sale and Purchase Agreement" dated 3 July 2023, relating to the sale and purchase of the Target Securities.

"Acquisition Clean-Up Period" means, in respect of the Acquisition, the period from the Closing Date to the date falling ninety (90) days thereafter.

"Closing Date" means the date on which Completion occurs and no later than the date which is the earlier of (i) 2 August 2023 and (ii) any other completion date agreed upon in writing between the Parties pursuant to the relevant Acquisition Documents (as it may be amended by the parties to it).

### Facility A

Subject to the terms of this Agreement, the Lenders (participating in the Facility A) make available to Newco, a Euro term loan facility in an aggregate principal amount equal to the Total Facility A Commitments (i.e. EUR 51,300,000) and divided in 3 Tranches: the Facility A/Tranche A (i.e. 20,500,000), the Facility A/Tranche B (i.e. EUR 15,400,000) and the Facility A/Tranche C (i.e. EUR 15,400,000).

### Incremental Facility

Newco, may, at any time after the Closing Date but no later than 31 December 2026, request, on one or more occasions ((but not more than three (3) since the Closing Date), the commitment of an Incremental Facility by delivering to the Facility Agent an Incremental Facility Request Notice, provided that (a) each Incremental Facility Lender agreeing to provide an Incremental Facility Commitment shall make Incremental Facility Loans under the Incremental Facility Tranche specified in the relevant Incremental Facility Commitment Notice pursuant to Clause 2.2.8 below, and such Loans shall thereafter be deemed to be Incremental Facility Loans under the relevant Incremental Facility Tranche for all purposes of this Agreement and the other Finance Documents and (b) the aggregate of all Incremental Facility Tranches may not exceed the Incremental Facility Maximum Total Amount

## Facilities

"**Facilities**" means the Facility A or any Incremental Facility (once committed) and "**Facility**" means any of them.

"**Facility A**" means the term loan facility made available in Euro to Newco under Clause 2.1 (*The Facility A*) of this Agreement and divided in 3 Tranches: the Facility A/Tranche A, the Facility A/Tranche B and the Facility A/Tranche C.

"**Facility A Commitment**" means the aggregate of the Facility A/Tranche A Commitment, the Facility A/Tranche B Commitment and the Facility A/Tranche C Commitment.

"**Facility A/Tranche A**" means the amortizing Tranche of Facility A made available in Euro to Newco under Clause 2.1 (*The Facility A*) of this Agreement .

"**Facility A/Tranche B**" means the bullet Tranche of Facility A made available in Euro to Newco under Clause 2.1 (*The Facility A*) of this Agreement .

"**Facility A/Tranche C**" means the bullet Tranche of Facility A made available in Euro to Newco under Clause 2.1 (*The Facility A*) of this Agreement .

"**Incremental Facility Maximum Total Amount**" means EUR 15,000,000, corresponding to the maximum total amount of all Incremental Facility Tranches.

"**Total Facility A Commitments**" means the aggregate of the Facility A Commitments, being EUR 51,300,000 on the Signing Date.

"**Total Incremental Facility Commitments**" means, once the Incremental Facility is committed, the aggregate of the Incremental Facility Commitments, being zero (0) at the Signing Date.

"**Facility A/Tranche A Commitment**" means:

- (a) in relation to any Original Lender, the amount set opposite its name under the heading "Facility A/Tranche A Commitment" in respect of Facility A in Schedule 1 (*The Original Lenders*) and the amount of any other Facility A/Tranche A Commitment transferred to it in accordance with the Finance Documents; and
- (b) in relation to any other Lender, the amount of Facility A/Tranche A Commitment transferred to it in accordance with the Finance Documents,

to the extent not cancelled, reduced or transferred by it in accordance with the Finance Documents.

"**Facility A/Tranche B Commitment**" means:

- (a) in relation to any Original Lender, the amount set opposite its name under the heading "Facility A/Tranche B Commitment" in respect of Facility A in Schedule 1 (*The Original Lenders*) and the amount of any other Facility A/Tranche B Commitment transferred to it in accordance with the Finance Documents; and
- (b) in relation to any other Lender, the amount of Facility A/Tranche B Commitment transferred to it in accordance with the Finance Documents,

to the extent not cancelled, reduced or transferred by it in accordance with the Finance Documents.

"**Facility A/Tranche C Commitment**" means:

- (a) in relation to any Original Lender, the amount set opposite its name under the heading "Facility A/Tranche C Commitment" in respect of Facility A in Schedule 1 (*The Original Lenders*) and the amount of any other Facility A/Tranche C Commitment transferred to it in accordance with the Finance Documents; and
- (b) in relation to any other Lender, the amount of Facility A/Tranche C Commitment transferred to it in accordance with the Finance Documents,

to the extent not cancelled, reduced or transferred by it in accordance with the Finance Documents

## Reimbursement

"Termination Date" means:

- (a) in relation to the Facility A/Tranche A, 25 July 2029 ;
- (b) in relation to the Facility A/Tranche B, 25 January 2030;
- (c) in relation to the Facility A/Tranche C, 25 July 2030; and
- (d) in relation to any Incremental Facility Tranche, the final repayment date of such Incremental Facility Tranche as specified in the relevant Incremental Facility Commitment Notice, and in any case, which shall be no earlier than the Termination Date applicable to the Facility A/Tranche A and no later than termination date of the Convertible Bonds.

### Repayment of the Facility A/Tranche B Loan

Newco shall repay the Facility A/Tranche B Loan in full in a single instalment on the Termination Date applicable to the Facility A/Tranche B Loan.

### Repayment of the Facility A/Tranche C Loan

Newco shall repay the Facility A/Tranche C Loan in full in a single instalment on the Termination Date applicable to the Facility A/Tranche C Loan.

### Repayment of Incremental Facility Loans

In respect of any Amortising Incremental Facility Tranche, the Incremental Facility Borrower shall repay the Incremental Facility Loans borrowed by it during the relevant Availability Period in accordance with the amortisation schedule (on a half-yearly linear basis) specified in the corresponding Incremental Facility Commitment Notice.

In respect of any Bullet Incremental Facility Tranche, each Incremental Facility Borrower shall repay the Incremental Facility Loans borrowed by it during the relevant Availability Period in full in a single instalment on the Termination Date specified in the corresponding Incremental Facility Commitment Notice.

### Repayment of the Facility A/Tranche A Loan

Newco shall repay the Facility A/Tranche A Loan in twelve (12) linear instalments by repaying on each Facility A/Tranche A Repayment Date an amount set out opposite that Facility A/Tranche A Repayment Date below (as adjusted following a partial prepayment of the Facility A/Tranche A Loan):

(1) Facility A/Tranche A Repayment Date	(2) Facility A/Tranche A Repayment Instalment (EUR)
30 June 2024	1/12 of the principal amount
30 September 2024	1/12 of the principal amount
31 March 2025	1/12 of the principal amount
30 September 2025	1/12 of the principal amount
31 March 2026	1/12 of the principal amount
30 September 2026	1/12 of the principal amount
31 March 2027	1/12 of the principal amount
30 September 2027	1/12 of the principal amount
31 March 2028	1/12 of the principal amount
30 September 2028	1/12 of the principal amount
31 March 2029	1/12 of the principal amount
Termination Date for Facility A (25 July 2029) <b>30 June</b>	1/12 of the principal amount
<b>TOTAL</b>	<b>EUR 20,500,000</b>

## Hedging Requirement

"**Hedge Counterparty**" means any bank or financial institution (including any Lender and any Affiliate of a Lender) which is a party to a Hedging Agreement and which is or has become, a party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the provisions of the Intercreditor Agreement and "**Hedge Counterparties**" means all or any of them as the context may require.

"**Hedging Agreement**" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into or maintained and/or renewed by Newco and a Hedge Counterparty, for the purpose of hedging liabilities and/or risks in relation to the Facility A and (once committed) the Incremental Facility in accordance with Clause 23.28 (*Hedging*).

### Hedging

Newco shall ensure that:

- (a) Hedging Agreements with Hedging Counterparties are entered into, extended and/or renewed within five (5) Months after the Closing Date in relation to at least 66,67 per cent. of the total principal outstanding amount under the Facility A and providing protection if the 3-months EURIBOR or the 6-months EURIBOR becomes 200 basis points higher than the 3-months EURIBOR or the 6-months EURIBOR on the Closing Date; and
- (b) Hedging Agreements with Hedging Counterparties are entered into, extended and/or renewed within five (5) Months after each commitment of an Incremental Facility Notice pursuant to an Incremental Facility Commitment Notice in relation to at least 66,67 per cent. of the total principal outstanding amount under such Incremental Facility and providing protection if the 3-months EURIBOR or the 6-months EURIBOR becomes 200 basis points higher than the 3-months EURIBOR or the 6-months EURIBOR on the commitment date of such Incremental Facility;
- (c) such Hedging Agreements are documented by way of standard FBF or ISDA documentation,

it being specified that Newco may not enter into any new Hedging Agreement without giving the Lenders (or their Affiliates) a first priority right to provide an offer with respect to interest rate hedging provided under the Hedging Agreements. Before entering into any new Hedging Agreement, Newco shall deliver a request to the Lenders (through the Facility Agent) with a view to obtaining a quote by one or more Lenders (or their Affiliates) as to the financial conditions offered by such Lender(s) (or their Affiliates) with respect to the Hedging Agreements to be entered into.

: Newco shall maintain at all times in effect such Hedging Agreements for a period of no less than four (4) years from the date on which such interest rate Hedging Agreements have become effective.

: Newco may also at its discretion enter into additional hedging agreements to hedge any interest rate exposure in relation to any Loan which is not covered by the mandatory Hedging Agreements pursuant to Clause 23.28.1 above, provided that such additional hedging arrangements shall not cover more than 100% of the outstanding amounts under the Facilities (including the Incremental Facility, once committed).

## Interest

"EURIBOR" means, in relation to any Loan:

- (c) the applicable Screen Rate as of the Specified Time for euro and for a period equal in length to the Interest Period of that Loan; or
- (d) as otherwise determined pursuant to Clause 12.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero (0), EURIBOR shall be deemed to be zero (0).

"Margin" means:

- (a) in relation to Facility A/Tranche A Loan, 2.75 per cent. per annum;
- (b) in relation to Facility A/Tranche B Loan, 3.75 per cent. per annum;
- (c) in relation to the Facility A/Tranche C Loan, 5 per cent. per annum;
- (d) in relation to any Incremental Facility Tranche, the rate per annum specified in the relevant Incremental Facility Commitment Notice, subject to any margin adjustment mechanism also specified therein;
- (e) in relation to any Unpaid Sum relating or referable to a Tranche, the rate per annum specified above for that Tranche; and
- (f) in relation to any other Unpaid Sum, the highest rate specified above,

it being specified that each Tranche shall also be adjusted as set out in Clause 10.4 (*Facility A ESG Margin Adjustment*);

but if:

- (i) no Material Event of Default has occurred and is continuing;
- (ii) the Leverage Ratio in respect of the most recently completed Relevant Period (as from the Relevant Period ending on 30 June 2023) is within a range set out below,

then the Margin for each Loan under each Facility will be (without prejudice to the application of Clause 10.4 (*Facility A ESG Margin Adjustment*) in relation to the Facility A Loans) the percentage per annum set out below in the column for that Facility opposite that range as set out below:

Leverage Ratio	Margin (%per annum) applicable for the Facility A/Tranche A Loan	Margin (%per annum) applicable for the Facility A/Tranche B Loan	Margin (%per annum) applicable for the Facility A/Tranche C Loan	Margin (%per annum) applicable for any any Incremental Facility Tranche
Greater than to 3.75x	3.00%	4.00%	5.25%	As provided in relevant Incremental Facility Commitment Notice
Less than or equal to 3.75x but greater than 3.25x	2.75%	3.75%	5%	
Less than or equal to 3.25x but greater than 2.75x	2.50%	3.50%	4.75%	
Less than or equal to 2.75x but greater than 2.25x	2.25%	3.25%	4.50%	
Less than or equal to 2.25	2.00%	3.00%	4.25%	

### 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 :

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

## Interest

### INTEREST PERIODS

#### Selection of Interest Periods

The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.

Each Selection Notice is irrevocable and must be delivered to the Facility Agent by the Borrower (or Newco on behalf of the Borrower) to which that Loan was made not later than the Specified Time.

If the Borrower (or Newco on behalf of the Borrower) fails to deliver a Selection Notice to the Facility Agent in accordance with Clause 11.1.1 above, the relevant Interest Period will be three (3) Months.

Subject to Clause 11.1.8 below, the Borrower may select an Interest Period of three (3) or six (6) Months or any other period agreed between Newco and the Facility Agent (acting on the instructions of all the Lenders in relation to the relevant Facility),

it being specified that, notwithstanding the provisions above, the first Interest Period of the Facility A Loans made on the Closing Date, will start on the Closing Date and shall end on 30 September 2023.

The Borrower will select Interest Periods for each Loan so as to ensure that Interest Periods for Loans shall be identical except for the first Interest Period of any Incremental Facility Loan which may be of any duration the Facility Agent and Newco may agree.

An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.

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.

Until the Syndication Date, Interest Periods (other than the first Interest Period relating to the Facility A) shall be of one (1) Month or such other period as the Facility Agent and Newco may agree.

## Financing clauses

### Cross default

#### Cross Default

Any Financial Indebtedness (other than the Facilities and the Hedging Agreements) of any Group Company is not paid when due nor within any originally applicable grace period and following all required notices (if any).

Any Financial Indebtedness (other than the Facilities and the Hedging Agreements) of any Group Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

Any commitment for any Financial Indebtedness (other than the Facilities and the Hedging Agreements) of any Group Company is cancelled or suspended by a creditor of any Group Company as a result of an event of default (however described).

Any creditor of any Group Company becomes entitled to declare any Financial Indebtedness (other than the Facilities and the Hedging Agreements) of any Group Company due and payable prior to its specified maturity as a result of an event of default (however described).

No Event of Default will occur under Clause 24.5.1 if the aggregate amount of Financial Indebtedness falling within that Clause is less than EUR 350,000 (or its equivalent in any other currencies) and no Event of Default will occur under Clauses 24.5.2 to 24.5.4 (inclusive) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within these Clauses is less than EUR 900,000 (or its equivalent in any other currencies).

Liabilities (other than any Financial Indebtedness) of any Group Company are not paid when due nor within any originally applicable grace period, except where such liabilities are disputed in good faith by the relevant Group Companies.

No Event of Default will occur under Clause 24.5.6 if the aggregate amount of liabilities (other than any Financial Indebtedness) of Group Companies falling within that Clause is less than EUR 1,250,000 (or its equivalent in any other currency or currencies).

**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.

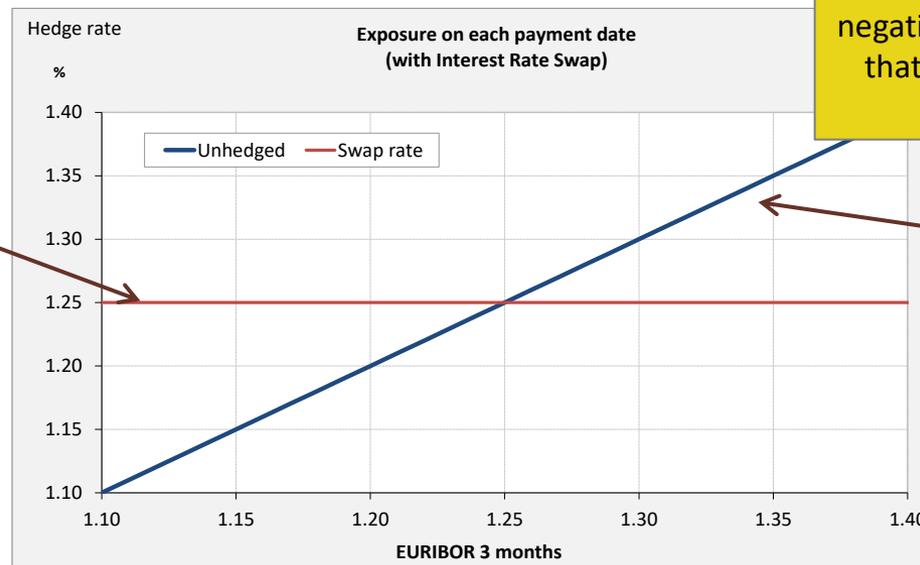
## Advantages:

- 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

**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).

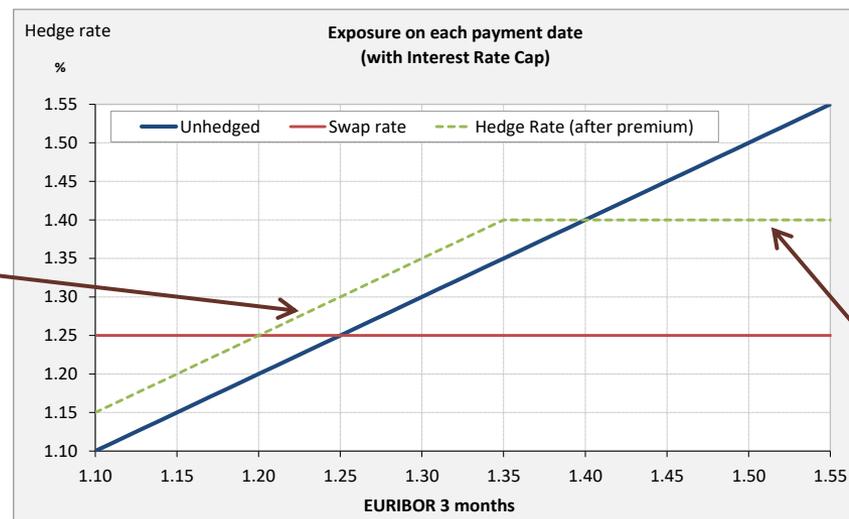
=> The “strike” is the protection rate of the cap.

#### 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:

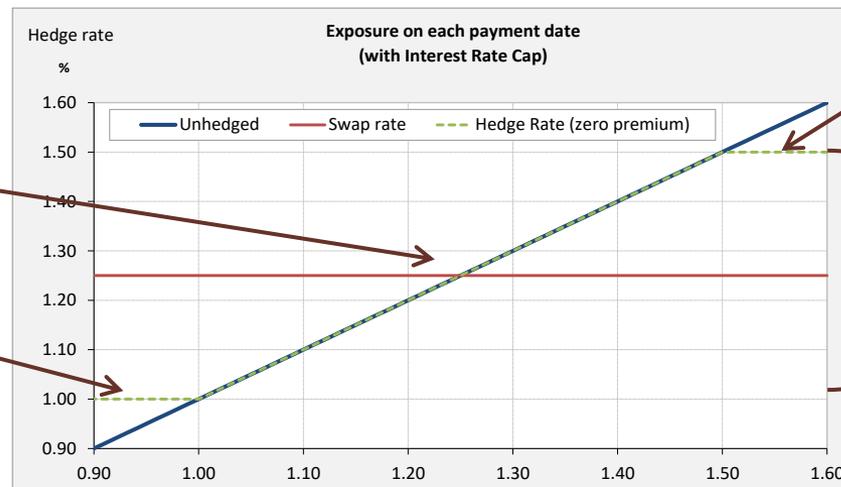
- Flexibility as long as the market rate fluctuates between the exercise rates (strikes)
- Protection if the market rate rises above the exercise rate (strike) at maturity of each period
- Opportunity to offset the cost of the cap with the option sold (floor)

#### 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.

KERIUS Finance SAS  
17 rue Dupin,  
75006 Paris, France

Tel: +33 1 83 62 27 61

*RC Paris: 520 300 948*

Immatriculé au Registre Unique des Intermédiaires en Assurance, Banque et Finance (ORIAS) sous le n°13000716 au titre des activités de **Conseiller en Investissements Financiers**, enregistré auprès de l'Association Nationale des Conseils Financiers-CIF, association agréée par l'Autorité des Marchés Financiers .

KERIUS Finance Suisse SARL  
Chemin de Blandonnet 2,  
1214 Vernier - Genève, Suisse

Tel : + 41 22 566 40 52

*RC Genève IDE CHE-460.735.969*  
*Numéro fédéral: CH-660-2330011-1*

[www.kerius-finance.com](http://www.kerius-finance.com)

Sébastien Rouzaire  
[s.rouzaire@kerius-finance.com](mailto:s.rouzaire@kerius-finance.com)

**Ce document a été préparé à l'usage des services financiers du Client. Ce document ou son contenu ne doivent pas être communiqués ou diffusés en externe sans l'accord préalable écrit de KERIUS FINANCE .**

Pour ce document, KERIUS FINANCE a été amenée à utiliser des informations et données chiffrées fournies par le Client. KERIUS FINANCE a pris ces données en compte sans réaliser de procédure d'audit et n'émettra en conséquence aucune opinion sur leur fiabilité. Ce document ne constitue pas une documentation contractuelle des transactions éventuellement décrites, ni une recommandation ou une sollicitation de mettre en place les transactions décrites. Tout Client intéressé par ce type de transactions ou procédure doit mener ses propres analyses pour vérifier l'adéquation à ses besoins, ainsi que les conséquences, notamment fiscales et comptables. Il lui appartient également de prendre les dispositions nécessaires à la mise en œuvre des décisions qu'il aura prises.

Ni KERIUS FINANCE ou ses administrateurs ou employés ne pourront être tenus responsables des conséquences de l'utilisation de ce document ou de la mise en place, totale ou partielle, par le client, des idées ou opérations décrites.

**This document has been prepared for the Finance department of the Client. It must not be communicated or published externally without prior written consent of KERIUS FINANCE**

For this document, KERIUS FINANCE used information and data provided by the Client. The Client agrees that KERIUS FINANCE took this information into account without auditing them or checking their accuracy and, as a consequence, without producing any opinion on their reliability. Please note that this document does not constitute a contractual documentation of the transactions or processes that may be described, nor a recommendation or solicitation to enter into the transactions or processes described herein. If the Client is interested in setting up this type of transactions or processes, the Client should conduct his own analysis of the suitability to his needs. The Client must also verify the consequences of his decisions, including accounting and fiscal aspects. The Client is also responsible for the implementation of his decisions.

Neither KERIUS FINANCE nor its directors and employees accept liability for any loss or damage resulting from the use of this document and expressly excludes all liability in respect of any implication of the described ideas or transactions on the Client's own specific particulars.