



INDICE AETHER FS

UNITRANCHE FRANCE

2025 - Third Quarter

THE FIRST
INDEX BENCHMARK
FOR PRIVATE DEBT
IN FRANCE

AETHER

TAILORED FINANCIAL SERVICES

INDEX

AETHER FS UNITRANCHE FRANCE INDEX

Source: Aether

1.72%
Q3 2025

1.37%
Q2 2019

METHOD & CONTRIBUTORS

The Aether FS Unitranche France Index is calculated using the ratio between the interest margin and the leverage at the close of a transaction, on a rolling six-month basis (formula below):

$$\text{Aether FS Unitranche France index} = 6\text{-month rolling average} \frac{\text{interest margin}}{\text{leverage}} \text{ at closing}$$

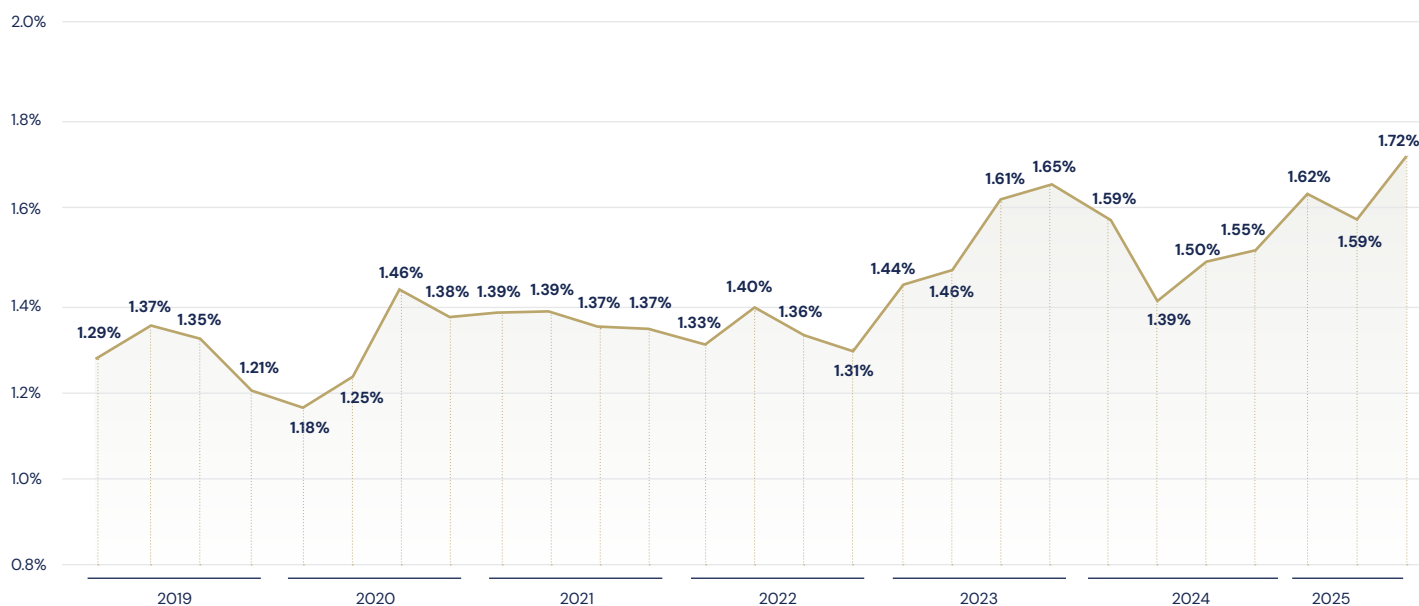


For this latest publication of its French Private Debt Benchmark Index, Aether is pleased to be able to count once again on the participation of Kerius Finance¹ and is delighted that this independent player is helping to enrich its database.

1. KERIUS Finance (www.kerius-finance.com) is an independent consultancy specialising in the management and hedging of interest rate, currency, and commodity risks.

Q3 2025 INDEX

6-month rolling average interest margin/leverage ratio



The Aether FS Unitranche France Index rebounded in Q3 2025, reaching 1.72% per turn of leverage, up 7.9% compared to the second quarter. This sharp increase stems from higher closing margins combined with a slight decline in leverage.

The French M&A market, as in previous quarters, remains mixed in 2025. The number of transactions involving French companies rose slightly in the first half (+8%), but their value dropped significantly (−19%), hitting its lowest level since 2013.

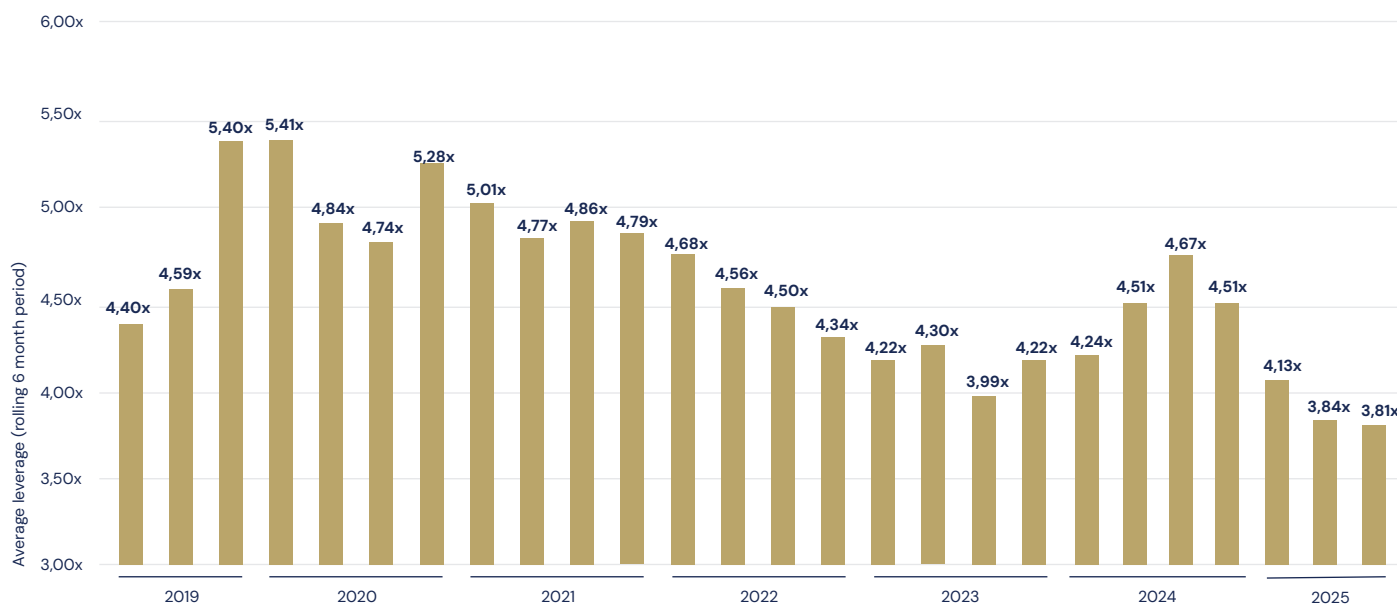
LBO activity follows the same downward trend (−10% year-to-date), with fewer deals and exits.

However, several indicators point to encouraging signs, particularly in the large-cap segment. Indeed, several ongoing transactions exceed €1 billion, confirming a recovery in the upper-mid and large-cap segments. LBOs of companies valued above €500 million account for twice the share in 2025 compared to 2024, reinforcing our H1 analysis.

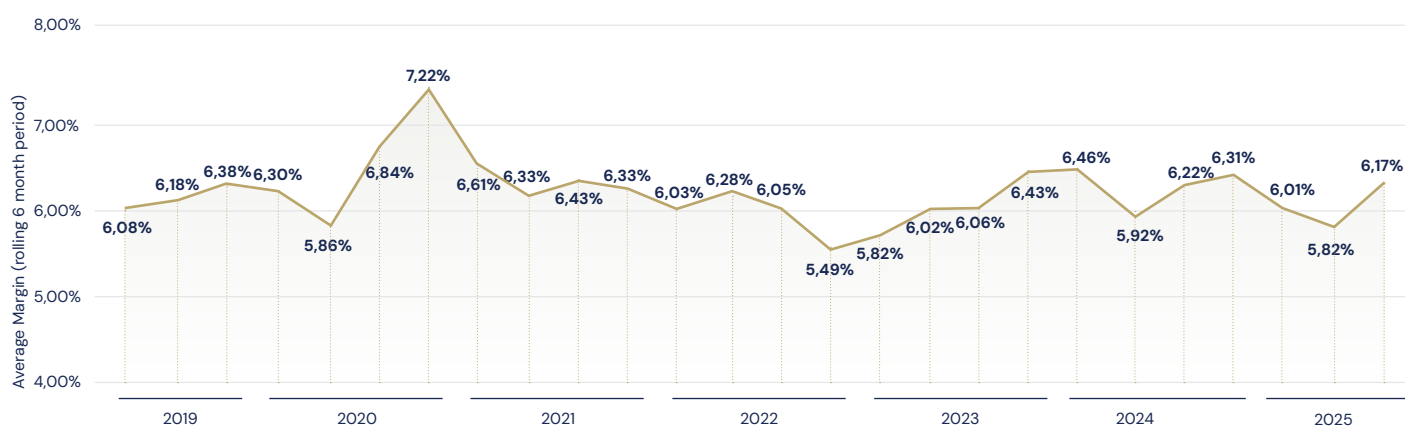
Another key driver is the rise of continuation funds, with France becoming the leading market in continental Europe. Several deals exceeding €1 billion have been completed, notably Egis and Ceva.

INDEX COMPONENTS

Leverage at closing



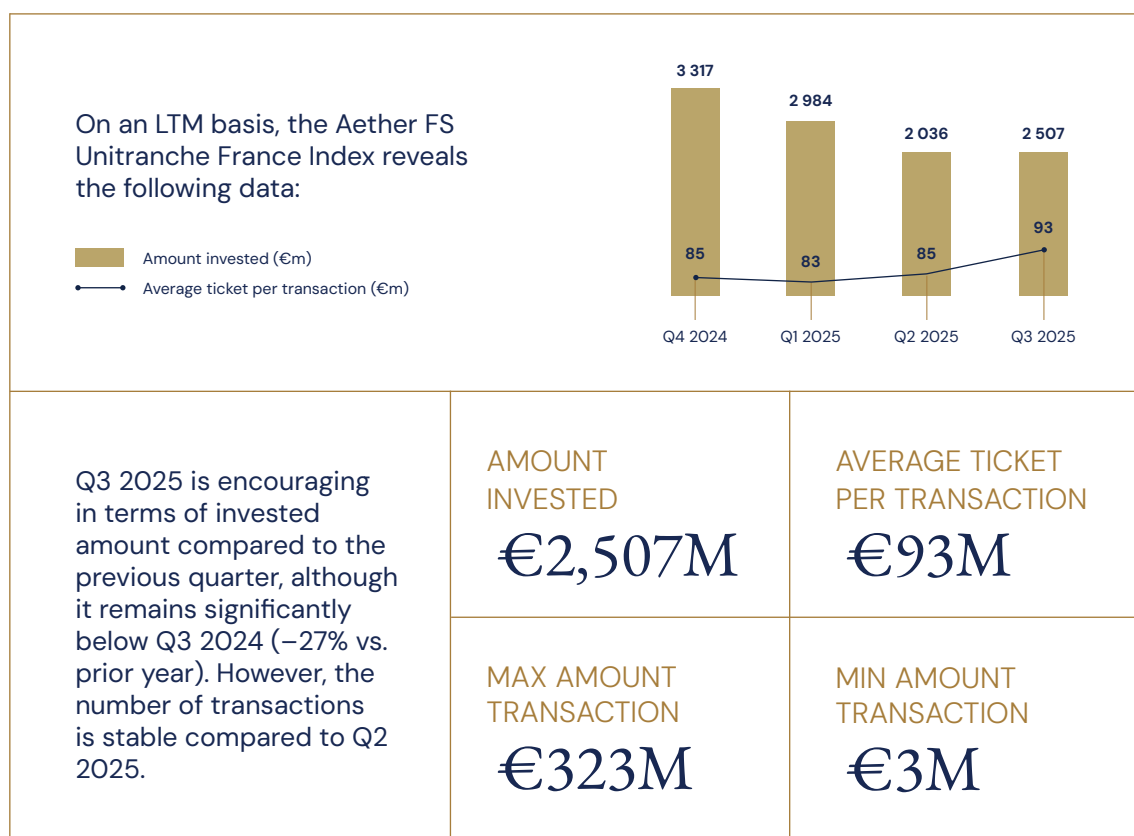
Margin at closing



Caution regarding leverage at closing persists. The average closing leverage remains below the symbolic 4.00x threshold at the end of Q3 2025, standing at 3.81x, down -0.7% compared to Q2 2025 and -18.4% compared to Q3 2024.

Unlike leverage, average closing margins increased by 6.2% compared to the second quarter, reaching 6.17%. Considering the very low average leverage for a unitranche structure, this margin level is consistent with the market positioning of unitranche, which reflects a weighted average rate between senior debt and mezzanine debt. The surprising point here is having a market-standard margin level with an average leverage so low, similar to senior debt ratios.

Continuing the trend from the start of the year, the market represented by the Index remains in the MidMarket segment, with an average debt amount at closing of €93M (vs €85M in Q2 2025) and a total invested amount of €2.5B in Q3 2025, up 23% compared to Q2 2025.



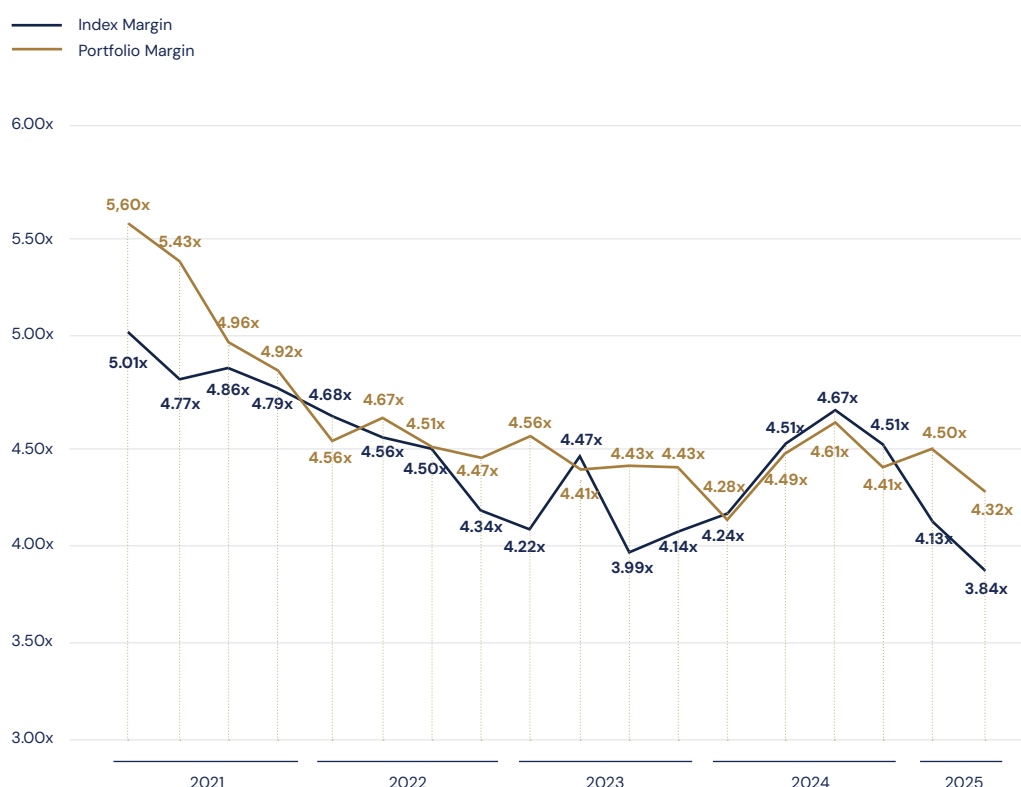
AETHER FS UNITRANCHE FRANCE INDEX VS PORTFOLIO INDEX

The portfolio continues to gradually deleverage. This is reflected in a decrease in the portfolio's average leverage in Q2 2025 (−4.0% vs. Q1 2025), as well as an overall improvement in the portfolio profile.

The share of cases with leverage above 5.50x EBITDA at the end of Q2 2025 represents 12.75% of the portfolio, a decrease of 26.1% compared to Q1. The portfolio's risk profile is therefore improving steadily.

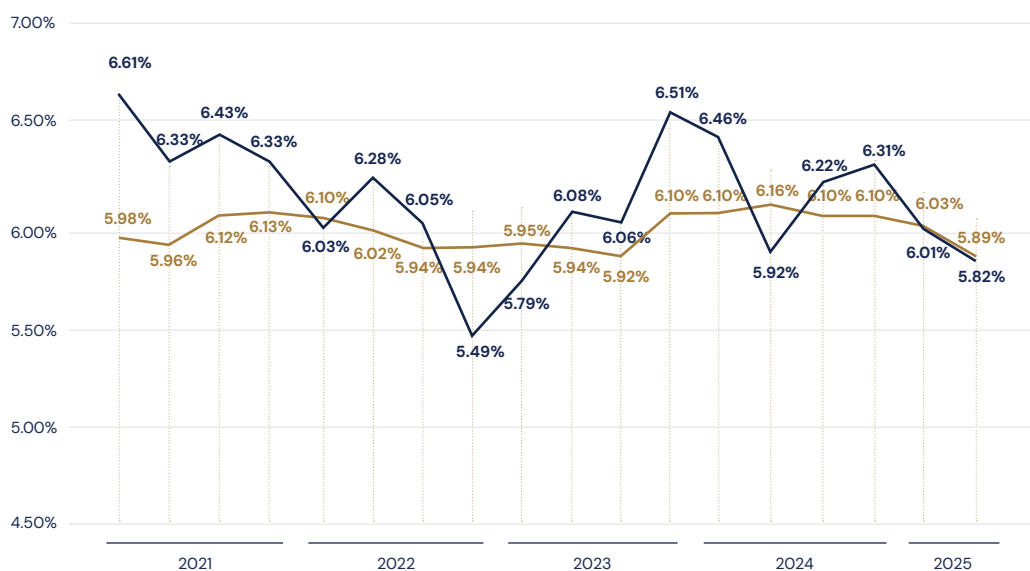
The direct consequence of this portfolio deleveraging is the application of downward margin adjustments (−2.2% compared to Q1 2025). This decrease remains limited given the wide margin ratchet thresholds, which prevent significant adjustments.

**Average portfolio Margin to index
ration evolution**



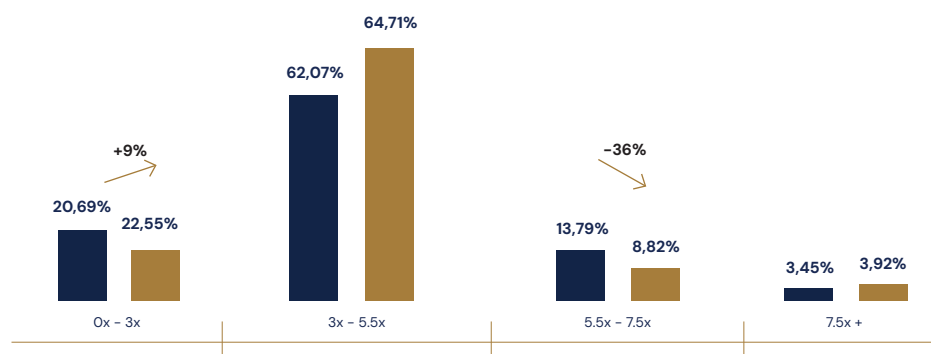
Average leverage to index ratio evolution

— AFS index Leverage
— Portfolio leverage



Evolution of Leverage of the Portfolio

● Q1 2025
● Q2 2025



UNDERSTANDING ADJUSTMENT CLAUSES IN SHARE WARRANTS & CONVERTIBLE BONDS

PROTECTING INVESTORS: ADJUSTMENT CLAUSES IN ACTION

Financial instruments such as warrants and convertible bonds offer companies flexible financing solutions. But to maintain fairness between the issuer and investors, adjustment mechanisms are essential. At the heart of this system is the calculation agent—an independent actor and technical guarantor of the proper application of these clauses.

Understanding adjustment clauses in convertible bonds and warrants

Warrants and Convertible Bonds are financial instruments used to raise capital while offering investors the option to convert into shares. Their valuation depends directly on the price of the underlying stock. To preserve the balance between the issuer and the holder in the face of dilution risks or changes in capital structure, adjustment clauses are integrated.

Purpose of adjustment clauses

These contractual clauses allow for the modification of conversion terms (price or ratio) in the event of specific occurrences affecting the issuing company's capital. They ensure that holders of warrants or convertible bonds are not disadvantaged by capital operations.

Common Triggering Events

The company's bylaws or the issuance prospectus specify the events that require an adjustment. The most frequent ones include:

- Dividend distribution: especially if it is exceptionally high compared to the company's usual practice.
- Capital increase with preferential subscription rights: adjustment of the exercise price or number of shares to compensate for dilution. This is the most common case.
- Stock split or reverse split: adaptation of the conversion price to maintain fairness. If one share is split into two, the conversion price must be divided by two.

The strategic role of the calculation agent

Often overlooked, the calculation agent plays a central role in implementing adjustment clauses. As an independent entity, it acts as a trusted third party and technical guarantor of fairness in the process.

Key Responsibilities

- Determine adjustments: accurate calculation of new conversion prices or ratios based on triggering events
- Analyze market data: stock prices, reference rates, etc.
- Interpret contractual clauses: especially in cases of ambiguity or legal complexity
- Ensure transparency and traceability: each adjustment is documented and justified

In Summary

The calculation agent is the technical cornerstone that ensures investors' rights are respected while maintaining compliance with the terms of the contract.

AETHER

Aether is France's leading independent player in financial transaction execution, embodying a dynamic and visionary approach to a financial world still bound by rigid codes.

Committed to excellence, its 50 experts based in Paris, London, Madrid, and Milan uphold rigor and responsiveness through a comprehensive range of financial, legal, and administrative services.

As the only independent French financial agent authorized as a payment institution by the ACPR, Aether orchestrates third-party flows as escrow agent or paying agent, ensuring seamless and flawless service across the entire value chain.

M&A TRANSACTIONS

Orchestrating the complex mechanics of a deal, from signing to a successful close.

EQUITY CAPITAL RAISING

Ensuring the integrity of your capital structure as you secure your next round of funding.

DEBT FINANCING & ISSUANCE

Managing the entire lifecycle of your debt financing with independent, expert stewardship.

RESTRUCTURING TRANSACTIONS

Implementing complex restructuring plans with the precision required to restore stability.

MANAGEMENT INCENTIVE SCHEMES

Transforming your incentive plan from a concept into powerful strategic assets, flawlessly administered to maximise their value.

REGULATORY VALUATION REPORTING

Providing the independent, defensible valuation and monitoring required to meet your reporting obligations.

AETHER' COMMITMENT TO SOLIDARITY

For several years, Aether has been involved with associations through Social Impact Contracts (la Cravate Solidaire, the Auteuil Foundation and the Article 1 association). In 2021, Aether committed to protecting the environment through reforestation and forest preservation alongside Reforest'Action. This partnership demonstrates Aether' commitment to the environment and its desire to help combat global warming.

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