LATECOERE

UNIVERSAL REGISTRATION DOCUMENT 2024

Including the Annual Financial Report

CONTENTS

LATECOERE

This universal registration document was filed in french version on December 6, 2024 with the AMF, in its capacity as competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of said Regulation. The universal registration document may be used for the purposes of an offer to the public of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary and any amendments to the universal registration document. The whole shall be approved by the AMF in accordance with Regulation (EU) n°2017/1129."

Copies of the universal registration document are available free of charge at the registered office of LATECOERE, 135 rue de Périole, 31500 Toulouse.

The universal registration document can also be consulted on the website of the Autorité des marchés financiers (www.amf-france.org) and on the website of LATECOERE (www.latecoere.aero).

This universal registration document including the annual financial report is a reproduction of the official version of the universal registration document including the annual financial report which has been prepared in ESEF (European Single Electronic Format) and is available on our website www.latecoere.aero.

www.latecoere.aero

1 PRESENTATION OF THE GROUP AND ITS ACTIVITIES

1.1. SUSTAINED PASSENGER DEMAND

In January 2025, the International Air Transport Association (IATA) reported record-breaking demand in 2024. Air traffic increased by 10.4% compared to 2023, exceeding pre-pandemic levels (2019) by 3.8%. The seat load factor reached an all-time high of 83.5%.

More specifically, international traffic for 2024 rose by 13.6% year-on-year, with capacity up by 12.8%. Domestic traffic also increased by 5.7% over the same period, while capacity rose by 2.5%.

"For 2025, all indicators suggest continued demand growth, albeit at a more moderate pace of 8.0%, aligning more closely with historical averages," stated IATA Director General Willie Walsh. He further highlighted the challenges associated with the strong desire for air travel, beginning with safety - which requires constant vigilance - and extending to the aviation industry's commitment to achieving net-zero carbon emissions by 2050.

"Although airlines made record investments in sustainable aviation fuel (SAF) in 2024, SAF accounted for less than 0.5% of total fuel requirements. Supply remains insufficient, and prices must come down. Governments could enhance national energy security and address this issue by prioritizing the production of renewable fuels, from which SAF is derived. Redirecting a portion of fossil fuel subsidies to support renewable energy capacity would also increase SAF availability while promoting prosperity through economic growth and job creation," Walsh emphasized.

Echoing this perspective, in February 2025, the International Civil Aviation Organization (ICAO) confirmed its ongoing preliminary work toward establishing a global platform to directly connect sustainable aviation projects with international investors. The creation of this platform was formally supported through a letter of intent signed at a Global Symposium by ICAO Secretary General Juan Carlos Salazar, in the presence of representatives from Airbus, Boeing, the International Power-to-X Hub, and GenZero.

Named the Finvest Hub, the platform will facilitate dedicated financing channels for SAF production facilities, clean energy infrastructure, and other aviation decarbonization initiatives. It aims to provide essential support for the sector, particularly to accelerate the scale-up and deployment of SAF in response to increasing demand.

In March 2025, Eurocontrol described mounting challenges in European air traffic due to the ongoing recovery. Although air traffic in 2024 remained 4.3% below pre-COVID levels, significant changes in traffic patterns were observed, notably influenced by the war in Ukraine and ongoing conflict in the Middle East. While Northern European states have yet to recover to 2019 levels, some Southern European regions exceeded them in 2024.

As traffic continues to grow, concerns regarding air traffic management performance in Europe have intensified. Flow management delays reached their highest level in decades, averaging 2.13 minutes per flight in 2024. These delays were largely attributed to capacity-constrained area control centers and an increase in weather-related disruptions - a trend likely to worsen in 2025.

Despite fewer flights in 2024 compared to 2019, total CO_2 emissions from European aviation nearly returned to pre-pandemic levels. This increase is primarily due to longer and heavier flights, which offset gains made through the use of more fuel-efficient aircraft. In effect, the environmental benefits of newer aircraft are currently outweighed by the emissions from extended and more heavily loaded routes.

From an aircraft manufacturer's perspective, Airbus projected in 2024 that air traffic would more than double (by a factor of 2.4) over the next 20 years. During the initial three years, traffic growth is expected to average 8% annually, driven by pandemic recovery, before stabilizing to an annual rate of approximately 3.6% from 2027 onward.

Deliveries of new aircraft (commercial aircraft with at least 100 seats and cargo aircraft with payloads above 10 tonnes) will increasingly replace older, less fuel-efficient models. Over the next 20 years, Airbus anticipates demand for more than 42,000 new aircraft, further reducing per-passenger fuel consumption already halved since 1990.

According to Boeing, demand for air transport is expected to outpace global economic growth, in an increasingly interconnected world. Based on 2024 forecasts, passenger traffic is projected to grow by an average of 4.7% annually over the next two decades, relative to 2023 levels.

- The global commercial fleet is forecast to grow at 3.2% per year, slightly below traffic growth rates, as airlines improve productivity by increasing load factors and aircraft utilization. The air cargo fleet, favored for its speed and reliability, is expected to expand by two-thirds by 2043, in line with an annual cargo traffic growth rate of 4.1%, consistently outpacing other modes of transport.

1.2. OBJECTIVES AND STRATEGY

1.2.1. SOLID FUNDAMENTALS

OUR PURPOSE

In January 2022, the company adopted a new purpose: "To serve the aerospace sector with innovative solutions for a sustainable world".

OUR MISION

We design, manufacture, and integrate advanced aerostructures and interconnection systems, while also providing services - including repair, to ensure the safe and efficient operation of aerospace platforms.

OUR VALUES

Established in 2017, the Group's values are boldness, excellence and commitment.

Boldness Boldness has been part of Latecoere's DNA since its very beginnings. As the heirs of a true aviation pioneer, we have always dared to explore new horizons, push technological boundaries, and design the solutions of tomorrow.	**Audacity means:** Anticipating the future needs of the aerospace industry and developing groundbreaking innovations. Boldly transforming our processes, products, and ways of working to support the ecological and digital transition of aviation.	Empowering teams at every level to take initiative, unlocking creativity and innovation across the organization. Having the courage to face technological, industrial, and environmental challenges head-on, while affirming our role as a key partner in the world's most ambitious aerospace programs.	**Boldness drives us to imagine, design, and build the future of aviation.**
Excellence At Latecoere, excellence is not just a goal - it is a mindset and a daily commitment. From initial design to final delivery, we uphold the highest standards of precision, quality, and performance, ensuring safety and reliability across every project.	**Excellence means:** Delivering world-class technical expertise built on more than a century of innovation in aerospace. Cultivating a culture of continuous improvement, where every challenge is an opportunity to raise the bar.	- Striking the right balance between innovation, industrial performance, and environmental responsibility. - Empowering every team member to strive for the highest standards in order to meet and exceed customer expectations.	**Excellence is our engine to tackle the technological and industrial challenges shaping the future of aviation.**
Commitment Our commitment goes beyond business success - it reflects our responsibility to our employees, partners, customers, and the planet. At Latecoere, we are fully dedicated to contributing to a more sustainable, inclusive, and responsible aviation industry.	**Commitment means:** - Reducing our environmental footprint through eco-design, optimized manufacturing processes, and integrating sustainability criteria into every decision.	Strictly adhering to safety, ethics, and compliance standards in every country where we operate. Investing in the development, diversity, and well-being of our teams.	Building trusted, transparent, and collaborative relationships with our customers and partners to drive innovation together. **Commitment is our guiding principle, helping us act responsibly today and for future generations.**

1.2.2. THE ECONOMIC MODEL

Specificity of the aeronautical industry: a risk-sharing model between principals and component manufacturers on major programs. Co-development of programs through a Risk Sharing Partnership model for more than 50% of the Group's activities.

ECONOMIC MODEL OF RISK SHARING

(Risk Sharing Partner - "RSP")

General Principles

The aeronautical sector has the specificity of a risk-sharing model between principals and component manufacturers on major programs. Thus, part of the risk is externalized by the principal to the component manufacturer, including the ramp-up risk. The consideration for this risk is the duration of this partnership, which is aligned with the lifetime of the aircraft giving the Group visibility over the long term.

The main challenges for subcontractors are:

- the financing of development costs at the start of the program, so-called *Non-Recurring Costs* or "NRC";
- the ability to standardize the production cycle in order to reach the break-even point of the program and realize productivity gains on unitary costs (so-called *Recurring Costs* or "RC") sufficient to absorb the amortized *Non-Recurring Costs* on the number of aircraft.

The standardization of the product cycle may be subject to the following unforeseen events:

- excessively low rates preventing decreases related to experience effects;
- technical problems;
- supplies to suppliers;
- ramp-up requested by the aircraft manufacturers;
- configuration changes during the course of the program;
- price increases requested by suppliers.

In the event of major commercial success of an aircraft, the component manufacturer directly benefits from the rate effect, the stability of the industrialization and the amortization of *non-recurring costs*.

DEPTH OF THE ORDER BOOK

For the RSP contracts, the Company is the exclusive supplier of the manufactured products. Thus, every order booked by the aircraft manufacturer is directly reflected in Latecoere order book, giving it an excellent view of the level of activity over coming years. The duration of partnership contracts – more than 15 years – also allows the installation of suitable industrial means.

VISIBILITY

The Group has strong visibility on its business due to the depth of its order book and the fixing of selling prices as soon as the contracts are signed.

SALES PRICES AND CURRENCIES

Sales prices per item are generally fixed from the beginning of the contract and for the most part are expressed in dollars. The Group is implementing an industrial policy to reduce its natural exposure to the resulting currency risk by increasing the share of its purchasing in dollars from its Euro bases and by developing a globalized network of industrial organizations. The policy is to systematically hedge residual exposure through financial instruments deployed over a sliding period of around 2 years.

MAIN CHALLENGES

The main challenges for the Group are keeping to the originally costed development budget in the contract and decreasing production costs.

FINANCING

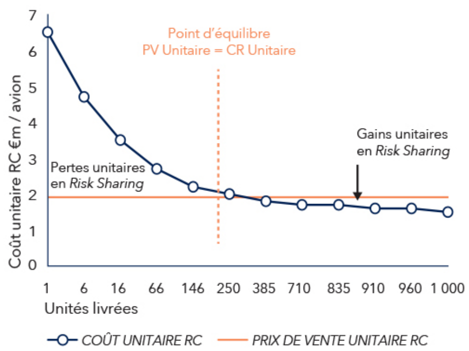
The Group finances the development phases and shares the "program" risk with the customer. This means that if the contractually specified number of aircraft is not reached, the development costs committed by the Group will not be fully depreciated and amortized. Moreover, this means that if the contractually specified number of aircraft is reached, but with a time lag relative to the initially provided deadlines, the return on investment for the Group will be longer.

This risk is partially reduced to the extent that:

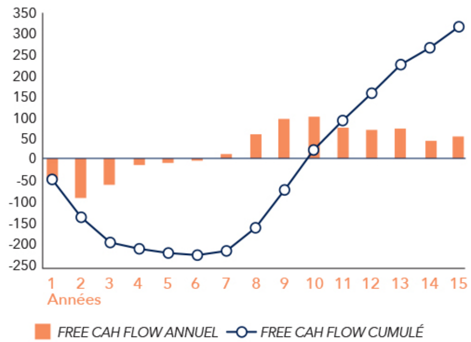
- it is shared thanks to the diversity of programs to which the Group is committed;
- it uses second-tier partners subject to symmetrical constraints;
- financing of these programs is partly provided by refundable advances that will not be in the case of failure.

The graphs below illustrate the business model of RSP contracts and the *free cash flow* generation patterns of associated operations (cash flow from operations after taking into account the amount disbursed on investment):

DECREASING RC CURVE AND EVOLUTION OF UNIT PROFITABILITY



FREE CASH FLOWS FROM ANNUAL/ CUMULATIVE OPERATIONS



1.2.3. THE ACTION PLAN

In response to the Group's production ramp-up and growth phase, several key appointments were made at the end of 2024.

In November, André-Hubert Roussel was appointed Chief Executive Officer of Latecoere. He brings over 20 years of experience in the aerospace and defense industries, having notably served as CEO of ArianeGroup, prime contractor for the Ariane satellite launchers and France's nuclear deterrent missile systems.

Also in November, Sam Marnick was appointed President of Latecoere Americas. Sam has spent the majority of her career in the aerospace sector, most recently serving as Chief Operating Officer and President of the Commercial Division at Spirit AeroSystems.

In December, Yves Yemsi was appointed Chief Operating Officer of the Group and President EMEA. Yves has held several senior executive roles, including Senior Vice President of Procurement and Vice President of Quality for the A350XWB programme.

Under the leadership of this new executive team, Latecoere is evolving its organizational structure with the following objectives:

- Strengthening customer focus and delivery performance through more autonomous regional operations,
- Aligning and streamlining best practices between the Aerostructures and Interconnection Systems business lines,
- Reinforcing global standards while enabling efficient local execution,
- Expanding the Services business to capture additional market share.

This reorganization, which will be fully implemented by July 2025, is expected to significantly enhance Latecoere's responsiveness and operational efficiency in support of its growth strategy.

In this context, the Group's action plan is structured around three key priorities:

- stabilizing operations,
- targeting growth,
- investing in the future.

1.2.4. FINANCIAL AND NON-FINANCIAL TARGETS

2024 Financial Results Latecoere's 2024 financial results reflect the general increase in production levels across the aerospace sector. Revenue reached €705.8 million, up €83.5 million or +13.4% compared to the previous year. This growth was supported by higher production rates at aircraft manufacturers, revenues from new contracts, and the successful completion of commercial initiatives designed to offset inflation.

- The Group recorded a recurring EBITDA of €25.7 million for 2024, marking a significant improvement compared to the €18.5 million loss recorded in 2023. This turnaround was primarily driven by operational leverage resulting from increased volumes, as well as the positive impact of operational and commercial initiatives implemented by the Group.

However, these improvements were still partially offset by ongoing inflationary pressures on material costs and continued supply chain disruptions amidst the general ramp-up of operations.

- Latecoere's net financial result stood at -€14.8 million in 2024, compared to €148.5 million in 2023, reflecting the net interest costs related to state-guaranteed loans and other outstanding debt during the year.
- The Group's net result for 2024 amounted to -€61.9 million, compared to €6.2 million in 2023.

Commercial Highlights in the Americas 2024 was marked by strong commercial momentum in the American market.

- In February, Latecoere and its subsidiary Comtek Advanced Structures were selected by **Pratt & Whitney Canada** to design and produce the underwing fairing for a two-meter-long, fully composite hinged assembly. This component is integrated with the hybrid-electric propulsion system mounted on the starboard wing of an experimental testbed aircraft. Pratt & Whitney Canada, a subsidiary of RTX, leads an industry collaboration to develop hybrid-electric propulsion technologies in support of the aviation sector's net-zero emissions goal.
- In June, **Eve Air Mobility (a subsidiary of Embraer)** selected Latecoere to supply the doors for its electric vertical take-off and landing (eVTOL) aircraft. Eve holds the industry's largest order book, with letters of intent covering up to 2,900 eVTOLs and deliveries and entry into service expected in 2026.
- In October, Comtek secured a contract for the design and manufacturing of composite flooring for the DHC-6 Twin Otter Classic 300-G aircraft from **De Havilland Aircraft of Canada.**
- In December, Comtek was again selected by De Havilland Aircraft of Canada to design and produce the composite floors for the De Havilland Canadair 515 aircraft.
- Customer Services and Organizational Development At the end of 2024, the Group reorganized its teams and commercial approach within the Aerostructures and Interconnection Systems business lines to strengthen customer service operations.

Research and Development In 2024, total research and development (R&D) expenditures amounted to €16.1 million, representing 2.3% of revenue. Of this, research and technology (R&T) accounted for €8.9 million, or 1.5% of revenue. In 2023, combined R&D and R&T spending reached €27.2 million.

These expenditures primarily focused on the maturation of composite and optical technologies, particularly for customer development programs, and on modernizing production techniques across the Group's facilities.

Outlook for Fiscal Year 2025

The year 2024 was particularly challenging for the aerospace industry's supply chain, and Latecoere was no exception. These challenges are expected to persist into 2025, with continued inflationary pressures and structural constraints affecting the aerospace supply chain. Growth in aircraft manufacturers' volumes across commercial aviation, business jets, and defense segments continues to support overall revenue growth, but the ramp-up in activity also results in increased pressure and cost challenges across the industry.

To address these challenges, Latecoere continues to invest in its operational platform, its teams, and its global footprint. This approach aims to build a more resilient business model, better aligned with evolving customer demands.

As part of this strategy, Latecoere announced in April 2025 the divestiture of its subsidiary Malaga Aerospace Defense & Electronics Systems (MADES), with the intent to reinvest in strategic activities to support increasing production rates at aircraft manufacturers.

The Group also expects further improvements in profitability and cash flow, driven by volume growth and a continued focus on operational efficiency across all business segments.

Latecoere remains confident in its positioning to benefit from sustained and strong market demand in civil, military, and space sectors. Customer service and aftermarket activities also continue to show solid momentum.

Health and Safety

Health and safety policy remains central to the Group's operations.

Latecoere is actively pursuing ISO 45001 certification for its facilities, underscoring the strength of its health and safety policy. The certification plan targets all sites with over 50 production workers. As of 2024, 16 of the 18 eligible sites were certified under ISO 45001, meaning that 82% of Group employees work at a certified site.

In 2024, the accident frequency rate declined to 1.8 (vs. 2.4 in 2023). Amid organizational restructuring, the Group has set targets to reduce this rate further to 1.7 in 2025 and to 1.0 by 2026.

Environmental Policy and Sustainability Governance

Latecoere's environmental policy, grounded in the core values of the Group, aims to establish a robust environmental risk management framework and foster a culture of environmental stewardship. This approach actively involves all employees, customers, suppliers, and partners across all regions where the Group operates. The policy applies to the entire Group, including recent mergers and acquisitions, ensuring that all Latecoere entities and activities comply with established environmental standards.

The implementation of the environmental policy falls under the responsibility of the Chief Executive Officer, who is the direct signatory of the policy, thereby reaffirming top management's commitment to the Group's sustainability objectives.

The Group is committed to:

- Minimising its environmental footprint and preventing pollution;
- Investigating serious environmental incidents and sharing findings through an alert system;
- Deploying a risk and environmental impact assessment programme;
- Reducing significant environmental impacts through site-managed action plans.

The implementation of the Group's broader **sustainability policy** is structured around three key pillars designed to deliver a positive societal impact. The environmental pillar promotes sustainable production by: insuring all industrial sites are certified to ISO 14001 standards, contributing to climate change mitigation, developing innovative and environmentally responsible products, supporting biodiversity conservation, participating in the circular economy.

The environmental and sustainability policies are scheduled for an update in 2025. This revision will incorporate the monitoring of material impacts, risks, and opportunities, clarify time horizons, and integrate transition risk considerations.

Organizational Developments and Operational Excellence

As part of the organizational restructuring initiated by the new management team in April 2025, the Group's Purchasing, Supply Chain, Engineering, Quality System, and Transformation functions will report to the Group Chief Operating Officer (COO) and remain as global functions.

A new Vice President of Continuous Improvement has been appointed to lead industrial excellence across all Group sites. This newly created function is tasked with driving operational excellence by:

Deploying standardised best practices,

Defining performance objectives,

Enhancing synergies between the Operational Excellence systems and practices of the Aerostructures and Interconnection Systems divisions.

Technical Quality will be integrated within the Group's Quality System function to further reinforce consistency and alignment across quality initiatives.

1.3. A GLOBAL OFFERING

1.3.1. COMPLEMENTARY EXPERTISE IN AERONAUTICS AND SPACE

Latecoere has a unique positioning combining know-how in the fields of Aerostructures and Interconnection Systems. These extended skills enable the Group to have a global approach, a source of technical, commercial and operational synergies. The Group is present throughout the entire value chain of the aeronautical industry.

It is the partner of reference on major aeronautics and space programs thanks to its ability to offer customized solutions, but also to absorb high production rates.

1.3.2. AEROSTRUCTURES

The Aerostructures Division provides design, industrialization and production services for aircraft structural components with four areas of expertise:

- **Aircraft doors**

With unique experience with this demanding equipment in terms of safety and performance, Latecoere assists aircraft manufacturers in the development, manufacturing, certification and in-service support of their aircraft doors;

- **Fuselage**

Tier 1 partner on most major aeronautics programs, Latecoere operates in both the commercial and military aviation sectors. It designs and manufactures fuselages: sections, tail cones, front fairings, etc. Watertight bulkheads are also produced by its production units.

- **Wing sub-assemblies**

Since the acquisition of Avcorp in 2022, Latecoere has manufactured removable wing extensions for the F-35C, the airborne, conventional takeoff and landing version of the Lockheed-Martin fighter.

- **Connecting rods.** Since 2021 and the acquisition of Technical Airborne Components, one of the main European players in the connecting rod market for the aeronautics and space industry, Latecoere has been able to offer this range of products.

1.3.3. INTERCONNECTION SYSTEMS

Latecoere’s Interconnection Systems Division offer is intended for the aeronautics, defense and space sectors and must meet severe environmental constraints. It is organized around four areas of expertise:

- **EWIS & Space Harnesses**: Latecoere has a recognized experience with all types of electrical harnesses and with an entire aircraft (EWIS). With 400 harnesses (design and manufacture) in orbit, Latecoere is the European leader in the manufacture of satellite harnesses.
- **Avionics racks**: Latecoere supports aircraft manufacturers with development, manufacturing, certification and in-service support.
- **Cameras, screens, data transmission solutions**: high-speed, hyper-secure, based on optical technologies - fiber or LiFi, point-to-point or networked, in kits or installed, for on-Board and/or severe environments.
- **Test benches**: the “Test Benches” division develops and manufactures test methods (testing of systems, equipment, etc.), wiring testers (for harnesses and cabinets, etc.), as well as specific test methods.

1.3.4. SERVICES & PRODUITS SPÉCIAUX (SPS)

SPS is a dedicated division, reporting directly to the Group CEO, specializing in services for OEMs and airlines (modifications, kitting, spare parts, repairs, etc.).

1.3.5. BUSINESS MODEL

A VALUE-CREATING PROCESS

OUR RESOURCES

Intellectual

17
patents in 2023

Industrial

27
sites

14
countries

Human

5,497
employees

36%
women

12
ISO 45001 certified plants

72%
of the workforce on 45001 sites

Environmental

15
ISO 14001 certified plants

78%
employees on 14001 sites

Health, Safety and Environment Policy

Societal

Ethics and anti-corruption charter

Financial*

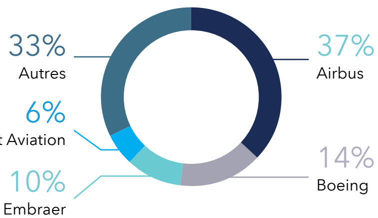
€622,3 millions
revenue

-€18,6millions
recurring EBITDA

A PURPOSE AT THE HEART OF OUR STRATEGY

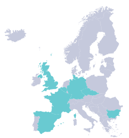
A diverse range of customers and markets

% OF REVENUE PER CUSTOMER



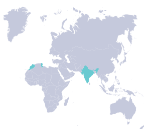
A strong industrial footprint

REVENUE:



68%
Europe

30%
Americas



2%
Rest of the world

To serve the aerospace sector with innovative solutions for a sustainable world

Our programs

- Large commercial and regional fleets
- Business jets
- Military aircraft
- Spatial - Satellite Program Harnesses

Our branches and activities

% OF REVENUE BY BRANCH

61%
Aerostructure

39%
Interconnexion

World no. 1 independent manufacturer of aircraft doors

World no. 1 in avionics racks

European No. 1 for satellite cabling

No. 2 in the world for electrical harnesses

AEROSTRUCTURE
- Machining
- Surface treatment
- Assembly
- Inspection
- Painting operation
- Waterproofing
- Final inspection
- Delivery

INTERCONNECTION SYSTEMS
- UV laser cutting and printing of cables
- Stripping and crimping of ends (head A)
- Routing
- Stripping and crimping of ends (head B)
- Electrical tests
- Final inspection
- Delivery

Our news 2023

JANUARY
- Contract with BOEING for the delivery of wiring harness on the 737 and 767 programs

JUNE
- MADES receives the "first Award" from Raytheon Technologies
- Delivery of the 100th F35C wing structure by DELTA teams
- Design-and-build contract with Honda Aircraft Company for the passenger door of the "Echelon" jet

SEPTEMBER
- Contract with Airbus for the A321 "Over Wing" doors
- Opening of the Toulouse Montredon composite development center

OCTOBER
- Contract with Deutsche Aircraft for the design and supply of doors for the D328eco regional aircraft

NOVEMBER
- Contract with BOOM Supersonic for the design of the electrical system for the "Ouverture" supersonic aircraft

DECEMBER
- "B" score on the CDP

VALUE CREATION

Intellectual

4.4%
of revenue for R&T and R&D expenses

Industrial

AEROSTRUCTURES

2 000+
doors delivered

200+
fuselage sections delivered

121 400+
connecting rods delivered

INTERCONNECTION SYSTEMS

81 000+
harnesses

5 800+
racks

500+
harnesses on space vehicles *(onboard satellites, launchers, and ISS tankers)*

1 800+
cameras & equipment

Human

2.4
Frequency rate of work accidents with sick-leave

Environmental

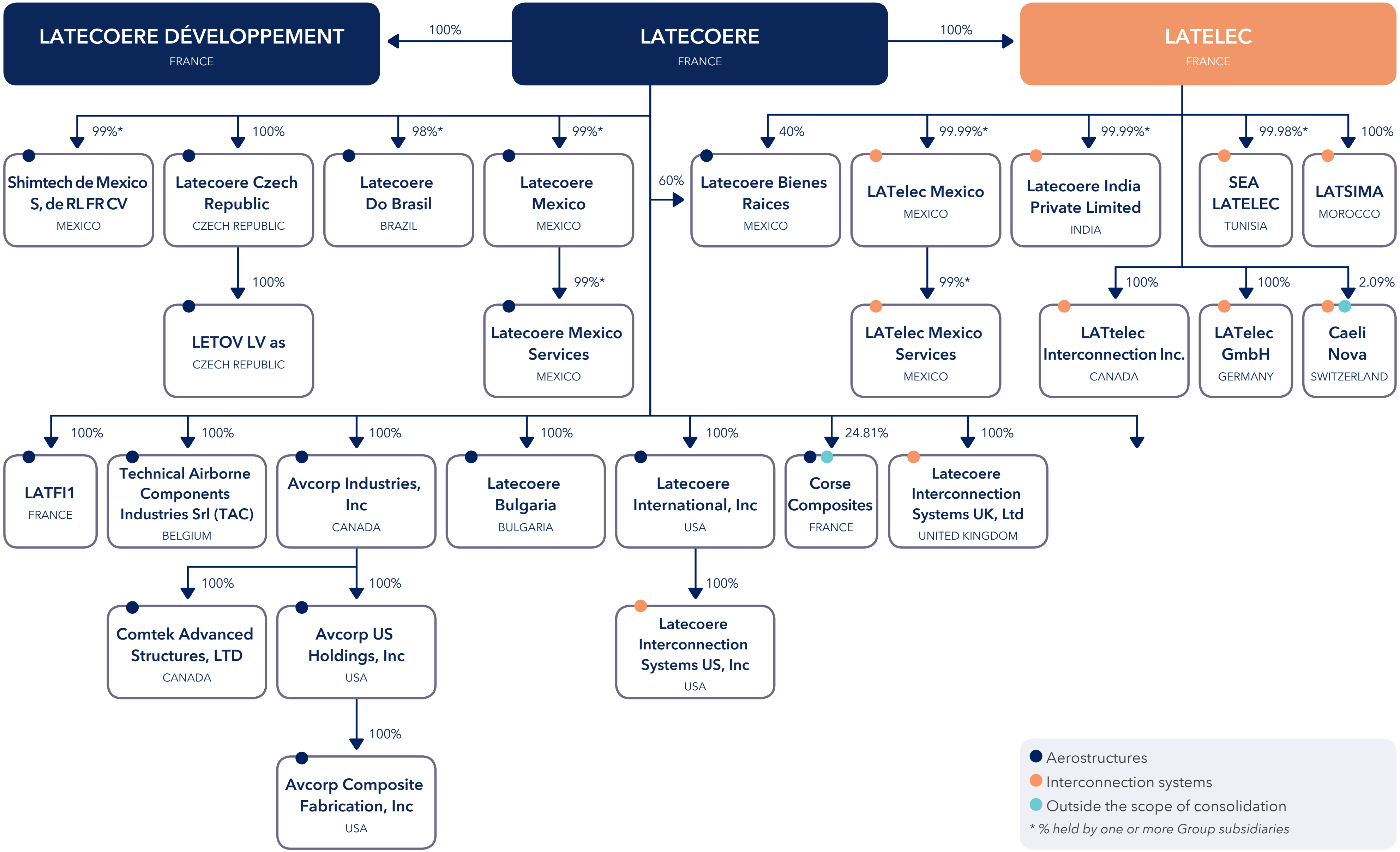
0
environmental pollution

Society

100%
of the TOP80 managers trained in anti-corruption*

**Across TOP80 managers (excluding the Executive Committee)*

1.4. ORGANIZATION



2 INTERNAL CONTROL AND RISK FACTORS AFR

2.1. RISK FACTORS AND CONTROL

Latecoere has conducted a review and assessment of the risks that could have an adverse effect on its business, financial position, results or reputation, based on their importance and probability of occurrence. In accordance with regulations, only those risks that are both significant and specific to Latecoere are presented below. The various risks presented are classified according to their severity (after taking into account the risk management systems adopted by Latecoere).

2.1.1. SUMMARY OF PRINCIPAL RISKS

Risk factors are presented in a limited number of categories depending on their nature. In each category, the risks are ranked from highest to lowest according to the order: Very High, High, Moderate, Low.

Risk identified	Assessment of residual risk (net risk)
Business-related risk	
● Supply chain fragility (supplier failure)	Very High
Cyber risk	Very High
Quality defect or non-compliance of the product	High
Customer dependence	Moderate
Change in the production rate of an aircraft program	Moderate
Data governance risk	Moderate
Trade compliance	Moderate
Financial risks	
Liquidity risk	High
Risk related to exchange rates	Moderate
Fiscal risk	Moderate
Risks related to Group's strategy	
Inability to execute the industrial strategy	Moderate
Risk of not participating in new aircraft programs	Moderate
Risk related to technology and industrial changes	Moderate

Risk identified	Assessment of residual risk (net risk)
Industrial and environmental risks	
● Environmental impact of industrial sites	High
Loss or partial stoppage of a major industrial site	Moderate
● Risk related to the health and safety of employees at work	Moderate
Labor risks	
● Difficulty attracting and retaining talent	High
● Social movements	Moderate
Legal and regulatory risks	
Risk related to business ethics (Corruption)	Moderate
Major litigation	Moderate
Intellectual property risk	Moderate
Risks related to external environment	
Economic conditions risk	High
Geopolitical risk	Moderate
● Climate change risk	Moderate

● CSR (CORPORATE SOCIAL RESPONSABILITY)

2.1.2. RISK MANAGEMENT

BUSINESS-RELATED RISK

SUPPLY CHAIN FRAGILITY (SUPPLIER FAILURE)

CSR

Assessment of residual risk (net risk) Very High

2

Description of the risk

With the Covid-19 crisis having forced supply chain players to reduce their production capacity, suppliers are now finding it difficult to ensure a recovery in activity and an increase in volumes. These difficulties are compounded by inflation, the energy crisis, labor recruitment problems and current geopolitical conflicts. All these factors continue to impact supply chain players' production capacity in the face of a recovering market.

Latecoere has been particularly hard hit by tensions in the markets for raw materials, electronic components and surface treatment, which have had repercussions on production at the beginning and end of the supply chain.

The temporary or permanent failure of one or more exclusive suppliers, production delays, problems of quality or any event impacting the supplier's production and deadlines can impact the Group's business, alter its image due to late deliveries, generate additional costs that could have a material adverse effect on its financial situation, and engage its liability for failure to meet its contractual obligations.

Risk mitigation plan

Special monitoring of risks linked to suppliers in conflict zones and the study of business continuity plans have led to the desensitization of suppliers in situations of exposure.

The supply chain risk detection and management system includes:

- the identification of supplier risk levels by a weekly (AS) / monthly (IS) operational review;
- a review by the director committee of major risks (supply chain risk management);
- updating of the supplier risk map and associated action plans (at least annually).

An annual monitoring plan defines the individualized follow-up of the main suppliers through regular audits (quality and logistics) including technical and organizational support.

A supplier financial health analysis tool with automated alerts is used to supplement this monitoring.

The purchasing strategy is based on the regular assessment of key suppliers (panel), which makes it possible to withdraw from suppliers in difficulty as soon as possible.

To reduce the Group's exposure to supplier failure, we also internalize the manufacture of certain products and develop dual sources for the most critical supplies. On this last point, the main customers ensure that these lower-ranking suppliers will meet Latecoere's needs/orders to limit potential production delays.

Regular legal monitoring of any complaints from sensitive suppliers and the renewal of expiring contracts are carried out on a regular basis.

Latecoere has initiated in-depth work on contractualization to secure supplier relations.

The Group's relationships with its suppliers are described in section 4.2.2 (see Chapter 4).

CYBER RISK

Assessment of residual risk (net risk) Very High

Description of the risk

The Group's business depends on infrastructures and, more broadly, information systems which, once down, could have impacts on a number of operational processes (purchasing, sales, accounting, production, etc.), particularly those using the centralized SAP management system.

Information security risks may take the form of a breach of the confidentiality, integrity or availability of data (system malfunction, data theft, destruction or loss of data integrity). They may be linked to external threats (denial of service, attempted intrusion, malware, "fake Chairman or Treasurer fraud", blackmail, ransomware) or internal threats (malicious intent leading to the disclosure or deletion of data).

The protection of information is an essential issue for the Group (industrial property, trade secrets, etc.). Putting the continuity of its systems in jeopardy would have a significant impact on the Group's operations and profitability.

The growing trend of cyber-based threats continued in 2023.

Risk mitigation plan

System update campaigns are implemented on an ongoing basis along with ad hoc actions to correct known critical vulnerabilities as soon as patches are available.

Workstation protection measures have been strengthened to manage the risks induced by the growing proportion of services hosted in the Cloud, as have technical security measures to protect the network, Internet access and data centers.

Particular attention is paid to cybersecurity during the technical integration of the information systems of the various entities now attached to the Group.

A dedicated intranet [Security Hub] provides awareness and information on cyber risks to all users of the Group's information system (IS), supporting specific actions during Cybermois in October.

The Group has been a member of the AirCyber program for the aeronautical industry since its creation in 2018, as well as CERT-Aviation since its creation in 2023 - reinforcing its position as a player involved in the cybersecurity of the French & European aeronautical SupplyChain.

The cyber risk register was finalized in 2023. Cyber risk governance was reviewed in January 2024 to align with the COMEX position of the new IT director and the integration into the scope of acquired companies (AVCORP, COMTEK, TAC).

Every year, the Group's situation in terms of cyber security is presented to the Audit and Risk Committee.

Latecoere responds to regular audits from its customers and stakeholders on its information system processes and related security measures.

QUALITY DEFECT OR NON-COMPLIANCE OF THE PRODUCT

Assessment of residual risk (net risk) High

Description of the risk

Defective quality in a product made or sold by Latecoere could result in failure to meet delivery deadlines, impact the customer's procurement chain as well as its own production and result in cost overruns for the Group impacting its earnings, financial position and, potentially, its reputation.

Latecoere could also be cited by a customer for breach of warranty or liability in the event of a defective aircraft.

Risk mitigation plan

Latecoere maintains internal monitoring and is certified according to the ISO 9001/EN 9100 V2016 standards and aeronautical regulations (Part 21, Part 145, etc.).

Latecoere continues to roll out its action plan steered by its Group Quality Department to improve customer satisfaction, with a high level of awareness among all employees promoted by top management. The objective is to reduce internal costs related to non-quality and eliminate the impacts on our customers' production lines.

The quality policy deployed in 2022 is focused on customer satisfaction.

This system is described in section 4.2.1 (see Chapter 4).

Latecoere takes out aeronautical liability and product liability insurance to cover the consequences of product defects.

Provisions for claims on commercial contracts are presented in note 12 to the consolidated financial statements (see Chapter 5).

CUSTOMER DEPENDENCE

Assessment of residual risk (net risk) Moderate

Description of the risk

For the period ended December 31, 2023, Airbus represented 37% of Latecoere's revenue (adjusted for activities intended to be sealed).

Latecoere's revenue is therefore highly dependent on the volumes that Airbus orders from the Group and the continuity of this principal's programs.

Stoppage of one or more Airbus programs or a change in its order book would have a significant effect on Latecoere's earnings and ability to survive.

Risk mitigation plan

Latecoere remains committed to its objectives of profitable growth. To reduce its exposure to overly dominant customers, it continues :

- the conquest of new strategically attractive target markets, in particular the defense market, which is less sensitive to economic fluctuations;
- the signature of major new commercial contracts;
- its strategy of diversifying its customer in North America;
- its external growth strategy to develop business in strategic geographical areas.

Growth drivers were ensured by the signing of major contracts, notably in the space sector, and also by the acquisition of Avcorp in Canada. These new contracts have enabled Latecoere to expand in North America over the long term, and to continue rebalancing its portfolio between Europe and America. Indeed, 30% of sales are already generated in this zone, and Latecoere aims to increase this percentage to reduce its dependence on Airbus (-10% vs 2022).

In 2023, a restructuring of the sales and programs organization, with directors for each geographical zone (Europe / US-Asia), has been deployed.

In addition, various investments are being made in Research and Development (R&D) to meet the expectations of a more varied customer base.

CHANGE IN THE PRODUCTION RATE OF AN AIRCRAFT PROGRAM

Assessment of residual risk (net risk) Moderate

Description of the risk

Latecoere's revenue depends directly on the order volumes of its customers and on the continuity of programs.

Downward variations in production rates, program stoppages linked to the program's lifespan or, in rare cases, to aircraft malfunction, and other contingencies such as higher-than-expected capital expenditure on development, would have a significant impact on Latecoere's profitability and growth prospects.

A major increase in production rates could make it more difficult to meet delivery deadlines and the quality levels expected by customers.

In 2023, the upturn will generate increases in production rates, but this will be partly hampered by supply problems that could have an impact on the Group's cash availability.

Risk mitigation plan

By diversifying its programs and customers, the Group reduces its exposure to variations in production rates. Negotiations are carried out with customers in the event of major changes in the economic environment (inflation) in order to protect the profitability of programs.

A robust program management process is in place to manage changes (medium/long-term order forecasts, etc.), monitor the maturity of the design and optimize the margin on direct costs. The use of external consultants enables the Group to validate its forecasts.

Latecoere has taken out insurance covering the risk of flight stoppage ("grounding").

DATA GOVERNANCE RISK

Assessment of residual risk (net risk) Moderate

Description of the risk

Data is an essential asset enabling Latecoere to carry out its activities across all its processes and operations.

However, it is difficult to add value to these "data assets" and to govern all this data in an evolving context.

The absence of data governance adapted to the organization makes it impossible to guarantee the quality, compliance and therefore reliable consumption of data by users. This exposes the Group to inaccuracies in its analysis which can lead to delays in decision-making, and even to poor choices.

This risk can be exacerbated by:

- dependence on individuals;
- difficulty in accessing data;
- a lack of control over data access.

Risk mitigation plan

In its aim to become a data-driven company, Latecoere operates its centralized data platform with a team of data analysts (between 6 and 10 people) in charge of collecting, interpreting and making data available to business teams in a format that facilitates analysis and arbitration.

In 2022, the Group has launched a project to provide standardized reports in a single data visualization tool.

In 2023, the construction of "datas assets", including data cleansing with the aim of improving data quality and archiving, has enabled us to deliver the first reliable consolidated reports which are decision-making tools in targeted areas (finance, programs, logistics, purchasing).

To ensure compliance with regulatory requirements, such as access to sensitive data (export controls, GDPR, intellectual property). Latecoere is also working on the deployment and securing of global infrastructures, particularly at recently acquired subsidiaries.

TRADE COMPLIANCE

Assessment of residual risk (net risk) Moderate

Description of the risk

Latecoere contracts with customers all over the world, and operates in diversified markets where activities (both tangible and intangible products) may be subject to various regulations such as export controls (transfers of war materials, so-called "dual-use" goods) and customs requirements (compliance with temporary imports, etc.).

These activities may fall within the scope of certain economic sanctions or restrictive measures adopted against a territory, country or physical or moral entity, such as freezes, embargoes, import/export restrictions on tangible or intangible goods.

Risk mitigation plan

In order to comply with current standards, the Group disseminates best practices based on procedures and conducts awareness-raising sessions, mainly with the programs concerned and target departments.

The Latecoere company has obtained AEO (Authorized Economic Operator) status; this is a recognized European customs seal of approval, guaranteeing the quality of Latecoere's customs and security processes. The Group also works with external customs service providers for its flows, enabling it to meet local customs requirements. Finally, a self-assessment has been carried out by all Group companies, followed by an action plan to secure the "Customs" process.

Right from the tender stage, export control are taken into account in order to meet customer requirements and verify the conformity of documents transmitted.

A global watch is in place to ensure that current and future regulations/restrictions are properly applied.

FINANCIAL RISKS

LIQUIDITY RISK

Assessment of residual risk (net risk) High

Description of the risk

At any time, Latecoere must have sufficient financial resources:

- to finance its day-to-day activities;
- to finance the investments required for its activities and development;
- to deal with any exceptional events.

A lack of liquidity would have consequences for the continuity of the Group activities, its ability to meet customer obligations, its reputation and its financial performance.

Risk mitigation plan

The Group has carried out a €124.4m capital increase in November 2023 and a restructure of its debts from State Guaranteed Loans and European Investment Bank subject to financial recovery conditions. Residual State Guaranteed Loans debt will have to be repaid or refinanced by the end of 2027.

In 2023, Latecoere has set up an asset-based lending system.

The Group is also working on setting up new sources of liquidity in the form of real estate Sale and Leaseback transactions. A first transaction was completed in 2022 for the Plovdiv site in Bulgaria; others in April 2023 for the Gimont site in France and in November for the Prague site in the Czech Republic.

The Group manages its cash flow in a centralized way. The surpluses or the financing needs of its subsidiaries are invested or financed by the parent company on market conditions.

The Treasury department manages the current and planned financing activities of the Group and its capacity to face up to its financial commitments.

A specific and periodic review of the risk and cash position is carried out by the Audit and Risk Committee.

The details of the Group's financing are presented in notes 14.1 and 14.2 of the consolidated financial statements (see Chapter 5).

The Group's exposure to liquidity risk and its going concern status is presented more in detail in note 21.2 to the consolidated financial statements (see Chapter 5).

RISK RELATED TO EXCHANGE RATES

Assessment of residual risk (net risk) Moderate

Description of the risk

Because of its international exposure and its customer invoicing in US dollars, the benchmark currency in the aeronautics industry, the Group faces foreign currency risk, defined as the impact on the balance sheet and income statement of fluctuations in exchange rates.

The fluctuations of the parities may affect the operating margin, financial income (expense), equity and net debt.

Risk mitigation plan

The Group has developed a policy of natural hedging by carrying out a part of its purchases in USD and through its industrial footprint. Thus, the Group invoices approximately 83% of its sales in USD and buys approximately 57% of its supplies and sub-contracting in USD. The Group's natural hedging on the USD represents approximately 40% of revenue.

To hedge its net residual exposure, the Group uses foreign currency hedging instruments such as forward sales, collars and vanilla options.

The instruments set up generally hedge the Group's exposures over a period of two to three years.

Optimization actions may also be implemented marginally to improve the hedged price. These actions are always conducted in order to preserve the Group's economic performance. They are based on products such as accumulators and the combination of optional instruments with or without barriers.

The foreign currency risk is reported to the Audit and Risk Committee and periodically reviewed by the Board of Directors.

As of December 31, 2023, the Group has hedged its USD exposures for 2024 and 2025 and a part of 2026.

The Group's exposure to foreign currency risk and the sensitivity analysis are detailed in note 21.3 to the consolidated financial statements. The characteristics of the financial instruments are described in notes 2.18 and 10 to the consolidated financial statements (see Chapter 5) and in notes 8 to financial assets and 14.1 to financial liabilities (see Chapter 5).

TAX RISK

Assessment of residual risk (net risk) Moderate

Description of the risk

The Group is subject to numerous tax regulations due to its international presence (in 15 countries). These tax standards are complex and constantly evolve, as does their interpretation, creating real risks for the Group.

With customer contracts mainly fulfilled by its French subsidiaries and with production carried out largely by overseas subsidiaries, many intra-group flows are created, thereby increasing the importance of transfer pricing.

These factors create a risk of potential of unfavorable impact on its results, such as higher taxes, double taxation of companies, customs duties and import taxes, repatriation of dividends or social charges.

In addition, these factors may be reviewed during tax audits by the competent tax authorities in the countries where the Group operates. A disagreement over the interpretation of the regulations could lead to a tax reassessment, which could eventually lead to litigation.

Risk mitigation plan

No entity of the Latecoere Group is present in a country on the official French or European list of Non-Cooperative States and Territories.

The Group's Accounting and Tax Department includes a tax specialist dedicated to the management of national and international tax risks, assisted where necessary by external advisors, who monitors the evolution of tax regulations and their applicability to Latecoere.

Latecoere ensures that transactions between Group companies are carried out in compliance with the arm’s length principle as defined by the OECD. The Group’s transfer pricing policy is drafted and reviewed annually.

In a changing international tax environment, the positions taken by the Group may be subject to tax audits. In the event of a dispute with the tax authorities, Latecoere may legitimately defend its position by using the legal remedies provided to ensure its defense.

A review of tax risks, led by the Group's Accounting and Tax Department in conjunction with local financial teams is currently being deployed.

RISKS RELATED TO THE GROUP'S STRATEGY

INABILITY TO EXECUTE THE INDUSTRIAL STRATEGY

Assessment of residual risk (net risk) Moderate

Description of the risk

Latecoere has defined an industrial strategy in order to meet its business and financial objectives.

The industrial strategy consists of:

- deciding on the "make or buy" policy;
- mostly specializing plants by manufacturing process;
- distributing production activities by site (industrial transfer) and simplifying the logistics flow to customers;
- increasing the maturity and autonomy of production plants (skills transfer);
- optimizing the use of assets and material and human resources through the implementation of Industrial and Commercial Planning;
- successfully integrating newly acquired businesses;
- taking advantage of new technologies through innovative production processes.

Failure to implement this industrial strategy would diminish Latecoere's ability to achieve its objectives for its profitable growth, cash flow and commercial reputation.

Risk mitigation plan

The industrial strategy is communicated to the entire organization in order to ensure alignment with common objectives; these main axes are integrated into the strategic roadmap of each operational unit.

All subjects included in the industrial strategy (industrial transfers, skills transfers, etc.) are managed according to Latecoere's project management methodology with regular progress updates.

Progress is reviewed monthly at the level of the EXCOM with dedicated performance monitoring (Monthly Business Review). A weekly review of the most critical transfers is then organized with the management of the operational unit.

Risks and deviations from the plan are met with corrective measures. Monthly reviews are carried out to ensure that the risks identified for each transfer are under control.

The management process for programs under development is applied to all new programs.

RISK OF NOT PARTICIPATING IN NEW AIRCRAFT PROGRAMS

Assessment of residual risk (net risk) Moderate

Description of the risk

Not participating in new aircraft programs can have a significant multi-year impact on the implementation of Latecoere's strategy and would also lead to a loss of expertise in development activities.

The aeronautics market is intensely competitive.

The programs that Latecoere obtains are won after an aircraft manufacturer starts a tender process, which the Group answers through a *Request for Quotation.*

The Group's principal competitors, both national and global, may have at their disposal, due to their size, financial, commercial, technical and human resources greater than the Group's and so be able to offer more competitive or innovative prices, products and services in the bidding process.

Furthermore, the Group's principal competitors could also develop long-term strategic or contractual relationships with customers or other competitors, or they could acquire companies or assets to extend their production capacity or ability to innovate, and so become ever more competitive.

The fact of not being able to manage the variations in output requested by the customer would contribute to not taking part in future tenders.

Risk mitigation plan

The Group is involved in the pre-definition phases of future aircraft by strengthening its cooperation with its customers. More globally, the engineering services sold to our customers allow Latecoere to keep its skills and expertise in-house.

In 2023, 4,5% of revenue was dedicated to Research & Development and Research & Technology (1,5% for R&T and 2,8% for R&D) in close collaboration with the main customers to anticipate future technological developments. Several projects under development have continued into 2023 (Deutsche Aircraft, Dassault, Honda, Embraer...) to reach the expected level of maturity. In addition, a relatively large volume of new aircraft platforms, some of which are part of the roadmap for low-carbon aviation, have been contracted out to these new customers. A composite development center was also inaugurated in 2023 to meet future technological expectations.

Latecoere has set up dedicated teams to respond to calls for tenders, particularly in North America, thanks to the integration of Avcorp and is now also positioning itself on existing programs (Build to Print), which limits the risk on development costs. This was the case with the main customers Airbus and Boeing.

Mergers and acquisitions have enabled Latecoere to develop new activities and to promote the Group's involvement in new programs by expanding its industrial footprint through the acquisition of completed plants (TAC, Shimtech, Mades, etc.) and key transfers to low-cost areas in order to improve its competitiveness and responsiveness to customers.

Latecoere is applying its new methodology to accelerate achievement of the target profitability of the new programs.

RISK RELATED TO TECHNOLOGY AND INDUSTRIAL CHANGES

Assessment of residual risk (net risk) Moderate

Description of the risk

Research and Development activities are a key component of Latecoere's strategy. To further develop tomorrow's aviation technologies and thereby ensure Latecoere's future growth, the Company continuously invests in Research and Development (R&D) and Research and Technology (R&T) projects.

Latecoere's competitiveness could be impacted in the event of:

- R&D projects that fail to match the future needs of the market, in view of the long research and development cycles and the rapid change in regulations and customer wants and needs;
- mismatch of spending authorized for R&D projects by targeting markets without proven growth potential or on poorly planned time horizons;
- late identification of emerging technologies that could have an impact on its participation in future aeronautical programs;
- introduction of a disruptive innovation by a competitor that could expose Latecoere to loss of a competitive advantage in one of its business segments;
- lack of control over the safety of the products designed with regard to their use and their compliance with regulations.

Risk mitigation plan

By 2023, 3% of revenue (half subsidized) will be dedicated to R&T, in order to maintain pre-pandemic levels of investment.

Latecoere has set up partnerships to optimize R&D costs and the value of technological innovations.

The Group is also seeking public funding to maintain a high level of investment in R&T and uses the "France 2023", support from the French Armed Forces (DGA) and Europen funding.

Customer needs are carefully studied in order to meet real demand, in particular through participation in the working groups of the French Aerospace Industries Association GIFAS (Groupement des Industries Françaises Aéronautiques et Spatiales) and the roadmaps of the CORAC (Conseil pour la Recherche Aéronautique Civile).

There is an integrated process involving the Group's Innovation teams in cooperation with the sales, technical and operations departments of each business unit. A multi-year strategic plan is drawn up and implemented.

Furthermore, the Group has decided to invest in development measures for the manufacturing methods for future products through industrial modernisation projects (Smart Factory for the Interconnection branch, composite development centre commissioned in 2023 for the Aerostructure branch).

Latecoere dedicates teams to operational safety and regulatory compliance.

INDUSTRIAL AND ENVIRONMENTAL RISKS

ENVIRONMENTAL IMPACT OF INDUSTRIAL SITES

CSR

Assessment of residual risk (net risk) High

Description of the risk

Due to its industrial activity, the Latecoere Group is exposed to accidental pollution risks (surface treatment). In 2022, Latecoere acquired two sites (Canada, Mexico) with surface treatment lines.

Any new environmental regulations could result in additional costs related to capital expenditure for compliance purposes.

Risk mitigation plan

The Group is implementing an environmental policy with ISO 14001 certification objectives for all its major industrial sites by the end of 2023 (15 sites already certified out of 20 target sites).

All of the Group's European sites are under ICPE (Installations Classified for the Protection of the Environment) or IPPC (Integrated Pollution Prevention and Control).

Environmental Steering Committees are held at the sites and with the ECOM.

All site waste is managed in authorized sector.

The five industrial sites with surface treatment (Liège, Montredon, Prague, Hermosillo, Delta) were audited by a consultant specializing in surface treatment. The purpose of this audit is to provide a risk analysis on the three themes (health and safety of workers, pollution prevention, fire prevention) with associated recommendations that are followed up in an action plan on each site with regular reporting to the EXCOM.

LOSS OR PARTIAL STOPPAGE OF A MAJOR INDUSTRIAL SITE

Assessment of residual risk (net risk) Moderate

Description of the risk

Latecoere's industrial activity is potentially exposed to the risk of fire.

The activity of a site could be also interrupted due to an external event independent of the Group's activity (natural disaster, health crisis, war, strike, etc.).

Such an event would have consequences on the continuity of the Group's business, the respect of its commitments to its customers and its results.

In February 2024, a fire broke out in the surface treatment building at the Hermosillo Aerostructure plant. To date, both the line and the building are out of action.

Risk mitigation plan

Audits are carried out periodically by insurers as well as an action plan follow-up by the Environmental Committees of the plants.

In addition, monthly preventive visits are carried out on the sites with a checklist of controls.

Insurance has been taken out covering damage to Group property or assets or property entrusted to it, as well as the operating loss that may result from such damage, for a period of 18 months of business.

Following the fire in Mexico, an investigation is underway with experts from the various parties involved to determine the origin of the incident. A recovery plan has been drawn up, using in-house resources and subcontracting, to make up for the backlog of elementary parts at this plant and supply the final assembly lines.

RISK RELATED TO THE HEALTH AND SAFETY OF EMPLOYEES AT WORK

CSR — Assessment of residual risk (net risk) Low

Description of the risk	Risk mitigation plan
In the course of its business, the Group is exposed to the risk of occupational accidents and illnesses.	The Health and Safety Policy is defined and monitored at the highest level (EXCOM). An HSE network is present at all of the Group's sites and takes the form of monthly Safety Steering Committees at each site. SQCDM (Security Quality Cost Delay Management) team meetings are held on a regular basis. Plant managers and senior executives are trained in the basic principles of safety management. Managerial safety visits are carried out at all Group sites. Group-wide security alerts and memos are in place. A psychosocial risk prevention plan can be activated according to the plant's level of psychosocial risk (e.g. on-site presence of an occupational psychologist). The Group's Health and Safety Policy is described in section 4.3.5 (see Chapter 4).

LABOR RISKS

DIFFICULTY ATTRACTING AND RETAINING TALENT

CSR

Assessment of residual risk (net risk) High

Description of the risk

Latecoere's success depends on the commitment of its employees and its ability to attract and retain them and develop their skills.

A general post-Covid phenomenon has created a new dynamic in the labor market and a desire to improve the living environment. This creates difficulties in retaining the talent and skills necessary for the Group's business and the realization of its strategy.

The loss of knowledge of these talents could also generate a risk of non-compliance.

The compensation policy in countries identified as "low cost" by the Group increases the risk of not being able to attract high potential employees.

Risk mitigation plan

The Group seeks to increase its visibility on social networks by promoting its "employer brand" and organized a job dating day to publicize its professions.

In the same way, an ambitious plan to recruit new talents is also rolled out with the support of shareholders.

In 2023, Latecoere has updated its compensation policy in order to strengthen its competitiveness in line with the Group's objectives (wages inflation, bonus policy, retention plan, free shares), particularly in countries under pressure.

Hybrid working remains a real opportunity to reshape work spaces, boost motivation and creativity of employees and attract new talent through a better work/life balance.

Latecoere seeks to improve its culture of change in order to better adapt to its environment and the ambitious objectives set. An employee engagement survey has been carried out.

The Group is committed to a sustainable development (CSR) policy with the implementation of an appropriate organization.

SOCIAL MOVEMENTS

CSR — Assessment of residual risk (net risk) Moderate

Description of the risk

Within Latecoere, trade unions and employee representative bodies play a major historical role.

An absence or poor management of social dialogue, especially in the current crisis period linked to inflation, the energy crisis and the fragility of the supply chain, could have an impact on the Group's performance (industrial action) and the well-being of employees.

The implementation of the new metallurgy agreement has reluctance on the part of some employees and trade unions, which could weaken social dialogue.

Risk mitigation plan

Executive Management and management maintain a sustained dialogue with the Staff Representative Institutions (IRP).

The Group has set up an European Works Council, which came into effect at the end of February 2024.

The trade unions and the Human Resources Department are working actively to secure all employee benefits. Group workshops on the application of the new agreement will be set up at all sites to encourage discussion with employees.

LEGAL AND REGULATORY RISKS

RISK RELATED TO BUSINESS ETHICS (CORRUPTION)

CSR

Assessment of residual risk (net risk) Moderate

Description of the risk

Latecoere attaches particular importance to compliance with business ethics and the fight against fraud.

The Group's international development strategy requires heightened vigilance to ensure that its practices comply with ethical principles and anti-corruption laws (in particular Sapin II).

Any doubt cast in this area would have significant consequences for the reputation, business and financial position of the Group.

Risk mitigation plan

A system for preventing corruption (SAPIN II law) is in place and takes the form of:

- training and annual meetings of employees including the review of anti-corruption and ethics charters;
- whistleblowing system accessible both internally and externally;
- analysis of potential partners and co-contractors in order to assess their situation with regard to ethics and anti-corruption;
- anti-corruption and ethical clauses included in contracts.

Latecoere highlights, in its internal control manual shared with operational staff, the best practices and rules for the separation of duties to fight against internal fraud. Their proper application is monitored at least every six months.

MAJOR LITIGATION

Assessment of residual risk (net risk) Moderate

Description of the risk

Latecoere may be involved in governmental, legal or arbitration proceedings that may have, or have had in the last 12 months, significant effects on the Group's financial position or profitability.

Latecoere cannot guarantee, however, that in the future it will not be cited and involved in judicial, administrative or regulatory proceedings due to the ever-stricter regulatory environment, to default or breach of its obligations or to a breach by its customers, suppliers or partners of their obligations. However, this does not affect our risk assessment to date.

Risk mitigation plan

Litigation is monitored by the Legal Department and reviewed periodically by Executive Management.

Latecoere takes out insurance covering the risks of the Group's civil liability.

Latecoere has certifications and has implemented aeronautical standard quality processes that enable product risk to be controlled before it is sent to the customer.

If necessary, the Group records adequate provisions according to the probability of occurrence of the risk.

INTELLECTUAL PROPERTY RISK

Assessment of residual risk (net risk) Moderate

Description of the risk

The Group is exposed to the risk of misappropriation of its intellectual property or unintentional use of technology protected by others. Such situations would have a negative impact on the Group’s business activities and public image.

Therefore, Latecoere attaches particular importance to protecting its intellectual property by means of patents, trade secrets, trademarks and Soleau envelopes.

Risk mitigation plan

Prior to filing any patents, the Group, supported by a network of experts, conducts prior art searches.

The Group ensures that all products delivered to our customers are free to use.

To protect its intellectual property, Latecoere has put in place measures on trade secrets (official procedures, physical protection of equipment and digital protection of data) and at the same time raises the awareness of its employees concerned, notably through compulsory e-learning.

A monthly intellectual property commission is chaired by the EXCOM. It reviews each proposed innovations, decides on eligibility by filing a patent or trade secret and defines the countries in which protection is activated.

With a total of 19 patents published in 2023 by its two divisions, Latecoere is one of France's top 10 most innovative ETIs (source INPI).

The effectiveness of the information system in terms of management of internal rights or external access limits the disclosure of confidential information.

Latecoere protects its brand portfolio both nationally and internationally.

Lastly, actions are taken to prevent, stop and sanction any infringement of its intellectual property rights.

EXTERNAL ENVIRONMENTAL RISK

ECONOMIC CONDITIONS RISK

Assessment of residual risk (net risk) High

Description of the risk

The economic context continues to be challenging with inflation persisting, particularly in raw materials, electronic components, energy, transport, wages and interest rate volatility. These difficult economic conditions may jeopardize the Group's business performance and affect its results and its debt.

Risk mitigation plan

Commercial negotiations in the form of compensation with clients are conducted to offset the impact and recurrence of inflation in labor costs and raw material with an objective to include escalation formulas in all contracts.

Thanks to the diversification of American, Canadian and Middle Eastern supplies, Latecoere has seen a decline in energy prices. Nevertheless, this situation continues to be monitored.

Training has been provided on energy management to raise awareness at all Group sites of good practices that generate savings. An energy committee monitoring consumption and its evolution over time has been set up at each site on a monthly or quarterly basis.

GEOPOLITICAL RISK

Assessment of residual risk (net risk) Moderate

Description of the risk

The Group operates in areas and countries where economic or geopolitical disruptions may occur.

Local authorities may impose restrictive policies on foreign investors. Elements of instability that disrupt the functioning of a State (such as wars, revolutions, major social conflicts, pandemics, deep economic crises) or affect the financial situation of the aeronautical industry are likely to temporarily compromise Latecoere’s ability to continue its production activities and deliveries in a given region.

Risk mitigation plan

The Group is present in 15 countries and at more than 20 sites, limiting the risk of geographic concentration and enabling more competitive positioning in local markets.

An external growth strategy has been implemented in place for 2021 and 2022. It takes geopolitical factors into account when selecting targets in order to obtain a more balanced geographical presence of the Group. This strategy has resulted in an expanded North American footprint during 2022, enabling the company to more efficiently service its North and South American customer base and partially mitigate accelerating inflationary pressures arising from Europe’s unfolding energy crisis.

Latecoere's growth has enabled us to reduce the concentration of employees in a given country from a maximum of 37% in 2020 to 22% in 2023.

CLIMATE CHANGE RISK

CSR — Assessment of residual risk (net risk) Moderate

Description of the risk

Climate change exposes plants (water or CO_2 emission restrictions, fire risk, increased energy costs, etc.) and therefore the Group's business.

Risk mitigation plan

An analysis of the risks and opportunities in relation to climate change has been carried out with specialized consultants (EKODEV), and shared with the EXCOM to implement some of the recommendations.

Carbon emission targets have been calculated for the Group and shared with the EXCOM.

In 2023, Latecoere responded to the CDP (Carbon Disclosure Project) for the third year running and maintained its rating at a B.

Latecoere has also included in its strategy its participation in the transformation of the sector towards future carbon-free aircraft (R&T projects on composite and optical technologies resulting in weight savings).

Conscious of the environmental challenges, Latecoere has formalized a sustainable development policy in line with the definition of its raison d'être "To serve the aerospace sector with innovative solutions for a sustainable world".

Each two years, an environment week is organized to raise awareness of environmental issues among the Group's managers and employees (sustainable development/carbon training, climate fresco, etc.).

A workshop on Risks and Opportunities in the face of climate change was held in 2023 with a global approach. A more local action is underway to transform these risks and opportunities into concrete action within the branches and to analyze more finely the exposure to natural risks of the main industrial sites.

A more detailed description of the environmental and social dimensions is given in section 4.4 (see Chapter 4).

2.2. RISK GOVERNANCE

2.2.1. GOVERNANCE BY MANAGEMENT

2.2.1.1. DEFINITION AND GUIDELINES FOR INTERNAL CONTROL AND RISK MANAGEMENT

1/ Definition

Internal control is an integral part of Latecore's global strategy, and the company continues to build and continually improve its reference system.

Internal control is a system defined and implemented by the governance and company's employees to provide reasonable assurance regarding the achievement of the company's objectives. It contributes, as a complement to the quality management system (QMS), to the **control** of its activities, the **effectiveness** of its operations and the **efficient** use of its resources.

2/ Objectives

The purpose of this device is to :

- Ensure **compliance with laws and obligations** by integrating regulatory watch missions;
- Attest the **reliability of accounting and financial information**;
- Ensure that **internal procedures are properly documented**, **communicated** to the relevant employees and **applied**;
- Attest the **segregation of duties** (functions and IT access) of the stakeholders in each process or a compensatory control if tasks separation is not feasible;
- Promote the **performance improvement** of business activities;
- Control the **ethics of employees** and conflict of interest;
- Guarantee the **control of transversal / generic risks**, by monitoring their evolution.

3/ Risk management players and lines of defense

Internal control is everyone's business, from the governance bodies to all the company's members.

To this end, each employee must have the knowledge necessary to operate the internal control system with regard to its assigned goals.

This is also the case for operational managers and internal control department, who must play an important role in awareness, animation and control of the system.

This section describes the internal control and risk management procedures implemented, in a purely descriptive manner, in accordance with the Reference Framework, supplemented by the Implementation Guide, established in 2010 under the auspices of the AMF.

The global approach of the Group's risk management system can be schematized according to the model of the three lines of control: 2 permanent control levels (the 1st operational and the 2nd supervisory) and 1 periodic control level called third level.

As a first line of defense, controls consist of permanent and operational monitoring carried out as part of the processing of transactions.

These first-level controls are carried out by each employee in their day-to-day business, whether they are operational staff, support functions or Latecoere subcontractors. These controls must be formalized; without evidence these controls cannot be considered as done.

As a second line of defense, controls are carried out post facto, at a predefined or random frequency, by entities that are not operationally involved like the different operational managers within their functions or the internal control department.

These second-level controls are done on form and substance to validate the effectiveness of the first-level controls.

As a third line of defense, the Finance Transformation & Compliance department in charge of internal control also carries out audit missions at the various sites to provide objective assurance of the proper implementation of control systems and the application of current procedures. These compliance results are summarized and presented at least annually to the Executive Committee and the Audit and Risk Committee.

RISK MANAGEMENT PLAYERS AND LINES OF DEFENSE:

BOARD OF DIRECTORS

The Board of Directors sets the membership, powers and operating methods of the Audit and Risk Committee and approves the Management Report, which includes the internal control and risk management procedures that have been put in place in the Group. It also approves the strategic orientations defined by Executive Management.

AUDIT AND RISKS COMMITTEE

The Audit and Risks Committee primarily monitors the effectiveness of the risk management and internal control systems within the Group. It periodically examines the principal risks identified by Executive Management, the results of the operation of the risk management and internal control systems, and the effectiveness of the risk monitoring procedures.

It also ensures that appropriate action plans are instituted to remedy the malfunctions or weaknesses observed.

EXECUTIVE MANAGEMENT

Executive Management sets the strategic guidelines, decides on the allocation of resources among the departments and divisions and sees to the implementation of an internal control system.

EXECUTIVE COMMITTEE

The Executive Committee coordinates the risk mitigation process by reviewing the risk mapping and steering dynamic risk management.

OTHER PLAYERS

The Statutory Auditors, as part of their work on the statutory audit and the certification of the parent company and consolidated financial statements, make known any significant weaknesses in the internal control system as it regards the preparation and processing of accounting and financial data.

2.2.1.2. SCOPE OF INTERNAL CONTROL AND RISK MANAGEMENT

The internal control and risk management system is applied to the entire Group, which is defined as the parent company Latecoere and all fully consolidated companies.

Latecoere's internal control system is continuing to develop, with at least two new processes being covered and the reference systems being deployed in two new subsidiaries each year.

2.2.1.3. COMPONENTS OF THE LATECOERE GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Control environment

The control environment corresponds to the set of processes, procedures, norms and standards that form the basis for the implementation of internal control throughout the organization.

The Branch Directors exercise control over the performance of the operational staff and ensure a coordination and support role between the Group's entities, notably in terms of resource pooling, the allocation of the Research and Development efforts and the optimization of production allocation in industrial sites. Each level is directly involved in the implementation of internal control. In this context, the Group has set up operating principles and rules with an appropriate delegation of authority, established on the basis of the powers of the Chief Executive Officer, thus defining precisely the areas and the level of decision and control that can be taken by each operational manager.

The control environment is based on:

- The organizational structure of the group (organizational chart, EXCOM and audit and risks committee);
- The most critical generic risks;
- Process mapping in line with the quality Process and Practices Referential (PPR) ;
- The referential matrix at the level of the business activities including the control plans (level 1 and 2) and the associated action plans;
- The recommendations of internal or external auditors;
- The handbook (good practices manual) for each key process;
- The values of ethics and integrity set out in the Ethics Charter and Code of Conduct. Available on the Group's intranet and translated into six languages, the Ethics Charter is distributed to all Group employees.

Risk management assessment and process

The internal control procedures are part of an ongoing approach of identification, assessment and management of risks that could affect the achievement of the objectives established by the Group. The Internal Control unit must have sufficient resources to carry out its tasks (easy access to people, tools and documents through support from management).

The assessment of risk factors helps to define appropriate control activities. This assessment is based on the risk mapping, which makes it possible to identify, analyze and monitor the evolution of the major risks to be covered as a priority.

In the risk management methodology, their identification requires close collaboration between operational teams and risk management pilots. These major risks are listed through dedicated workshops, documentary analyses, field observations and reviews of past incidents.

Once the risks have been identified, the teams work together to prioritize them according to their probability of occurrence and their impact, to determine the gross risk (inherent risk).

Then, an assessment of the means of control is carried out with operational staff to determine both the maturity of the implementation and the effectiveness of these systems, making it possible to prevent the risk (reduce the cause of the risk and its occurrence) and/or protect the risk (reducing its impact).

The risk is reassessed accordingly to determine a net risk (residual risk) rated by its severity and the maturity of its control.

Each significant risk is associated with a "risk owner" and is analyzed, resulting in the implementation of action plans when necessary and periodic monitoring of the means of control.

This review of generic risks is supplemented by the analysis of specific and contextual risks identified in detail by operational management.

All risks are assessed either by internal control or by other departments (IT, HSE, quality, legal…) and are included in the URD.

As part of its continuous improvement approach, internal control manages the updating of the risk mapping to which the Group is structurally subject, in collaboration with the operational staff concerned, validating it with the Executive Committee and then reviewing it, at least once a year, with the Audit and Risk Committee.

The main risks identified and their management methods are listed in Section 2.1 of this Chapter, "Risk factors".

Control activity

Control activities, conducted at all hierarchical and functional levels, aim to reduce the risks described above. They are mainly based on the application of control systems, standards and procedures that help to ensure the implementation of the guidelines issued by Executive Management and to provide reasonable assurance that major risks are dealt with.

Control activities play a role in the prevention, detection and protection of major risks by acting on the causes, manifestations and consequences of these risks.

Internal Control carries out its control work with operational staff (process compliance tests, proof of evidence of first-level controls) according to the frequency planned in the annual deployment schedule.

These interventions lead to recommendations for changes in operating procedures. At the end of its work, the internal control unit will update its risk mapping and, if necessary, adapt its second-level control plan and its action plan.

Each of these controls is formalized and documented with a detailed control sheet. All of these documents are available for management and statutory auditors. All documents used for controls are archived in the Group internal control sharepoint.

In the event of an anomaly detected during a control, Internal Control notifies the operational staff concerned and recommends corrective action to implement immediately. Internal control stops its requests as soon as the anomaly is resolved and no longer repeated.

Annually, a compliance status report by process with the major findings and the action plans is presented to the Latecoere Group Audit & Risk Committee.

The purpose of internal control is to deploy the framework and its control systems to the subsidiaries via a self-assessment process with periodic audits carried out on site.

2.2.1.4. INFORMATION AND COMMUNICATION

As part of its information and communication approach, the internal control department distributes the manual of best practices by process to all staff in France and in the subsidiaries.

This manual includes the key or mandatory controls (about fifteen per process) applicable to all activities and all companies within the Group.

Employees are responsible for the level 1 controls for which they are responsible.

Internal control also follows a plan to raise the awareness of operational staff in relation to recruitment, deployment to subsidiaries and new acquisitions in order to ensure proper communication of the applicable rules and to reduce the risks of fraud and corruption.

2.2.2. GOVERNANCE BY THE BOARD OF DIRECTORS

The Board of Directors is found at the very top of the risk governance process. It namely intervenes through the Audit and Risks Committees, which submits its reports, work and recommendations to the Board of Directors, for the purposes of any decision regarding a major risk. The Audit and Risks Committee, created within the Board of Directors, has the following missions in particular:

a) In terms of accounting and finance:

- To review significant risks and off-balance sheet commitments, to evaluate the importance of malfunctions or weak points notified, and to inform the Board of Directors, if necessary;

b) in terms of internal audit, internal control and risk management, including *compliance*:

- To monitor the efficacy of the risk management and internal control system and, if necessary, of the internal control system in regard to procedures for the drafting and processing of accounting and financial information within the Group; For this purpose, the Committee ensures that there is a risk management and internal control system which enables the identification, analysis, management and control of risks, namely those likely to have a negative impact on accounting or financial information or *compliance*;
- To regularly receive, from Executive Management, information on the organisation and functioning of risk management and internal control systems;
- To periodically review the results of the risk management and internal control systems;
- To ensure that the appropriate action plans have been implemented to resolve or alleviate any malfunctions or weak points identified;
- To analyse the internal control reports and the intervention plans issued by the Auditors;
- To follow up on questions regarding the control and the drafting process for accounting and financial information, as well as on any responses from Executive Management;
- To check that internal procedures for the collection and control of information have been defined, guaranteeing the quick relaying and reliability of such information;
- To review any questions submitted to it by the Board of Directors regarding internal control, risk management or internal audit.

The Audit and Risks Committee principally discusses all of these questions with the Group's Executive Management, the Finance Division, the Legal Division, Insurance, Ethics and Compliance, and the Auditors.

Based on the reports drawn up and communicated by the Audit and Risks Committee after each of its meetings, the Board of Directors makes all decisions in regard to risk management, particularly concerning financial, operational, strategic and internal control risks.

It regularly reviews the Group's risks and opportunities, based on the work carried out by Executive management and the Executive Committee, and namely during each review of the budget, the annual or half-yearly accounts, or during the review of a strategic project.

3 CORPORATE GOVERNANCE AFR

Since May 17, 2010, the Company has referred to the Middlenext Corporate Governance Code for Small and Mid-Cap Companies of December 2009, as revised in September 2021 (the “Middlenext Code” available on the website: www.middlenext.com), the application of whose recommendations is presented in Section 3.4. A cross-reference table in Section 8.1.4 lists the sections that include the information in the Corporate Governance Report provided for in Article L. 225-37 of the French Commercial Code.

3.1. MANAGEMENT BODIES

3.1.1. EXECUTIVE MANAGEMENT

OPERATION METHODS OF THE COMPANY'S EXECUTIVE MANAGEMENT

The Company is a French limited liability company (société anonyme) with a Board of Directors (hereinafter the "Board") with a separation between the functions of Chairman of the Board and Chief Executive Officer. The Chairman organizes and manages the work of the Board and gives an account thereof to the Shareholders' Meeting. He ensures that the Company’s bodies are functioning correctly and that the Directors are able to perform their duties. Nick Sanders, Chairman of the Board since December 30, 2024, does not carry out any duties in addition to those conferred by law. André-Hubert Roussel has been appointed Chief Executive Officer of the Company with effect from November 14, 2024.

EVOLUTION OF THE COMPANY'S EXECUTIVE MANAGEMENT

At its meeting on November 14, 2024, the Board decided to appoint André-Hubert Roussel as Chief Executive Officer, replacing Greg Huttner with immediate effect.

Furthermore, following the appointment of Nick Sanders as a new director by the Annual General Meeting of December 30, 2024, the Board met on the same day and decided to appoint Nick Sanders as Chairman of the Board, replacing Thierry Mootz, who remains a director.

ANDRÉ-HUBERT ROUSSEL

Chief Executive Officer

NATIONALITY: French

AGE: 59

DATE OF FIRST APPOINTMENT: 2243/11/14

NUMBER OF SHARES HELD: 0

BUSINESS ADDRESS: 135 rue de Périole 31500 Toulouse

Biography

André-Hubert Roussel is an experienced and respected leader in the aerospace and defence industry with a reputation for building strong teams and running complex engineering and manufacturing organizations. He brings over 20 years of experience in the aerospace and defence industry, having most recently served as the CEO of ArianeGroup, the prime contractor for Ariane satellite launchers and the French nuclear deterrence missiles. He was previously Head of Operations at Airbus Defense and Space where he successfully turned around the delivery of the A400M aircraft. In both of those roles André-Hubert gained experience managing global teams and working with a broad range of international customers. Prior to this role, André-Hubert was Head of Engineering, Operations and Quality for the Space Systems business line inside Airbus Defense and Space. He also has experience driving innovation having originally started his career in Research, Technology & Development and has been driving the innovation agenda at Airbus Defense & Space. André-Hubert is a French national and holds a degree in Engineering from École Polytechnique and École Nationale Supérieure des Télécommunications.

Main offices and positions held

Main position held

- Chief Executive Officer of LATECOERE

Other current offices and positions held in any company

- Madates within subsidiairies
- President of Roussel Conseils (*SASU)*

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- Chief Executive Officer of ArianeGroup and mandats in this group's affiliates

POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is vested with the widest possible powers to act under all circumstances in the name of the Company, within the limits imposed by the corporate purpose and subject to those limits defined by law and by the bylaws and/or by the Internal Regulations. He represents the Company with regard to third parties and before the courts.

The Chief Executive Officer communicates regularly with the members of the Board on the Group's activities at each Board meeting or whenever the context so requires.

However, in accordance with the Board's Internal Regulations, as revised on July 26, 2023, the Chief Executive Officer must obtain the prior approval of the Board, voted by a simple majority of the members in attendance, deemed to be in attendance, or represented, to:

- any merger, de-merger, or partial spin-off involving the Company or its subsidiaries or any other transaction that has a similar effect;
- the disposal, by the Company or its subsidiaries, of any material investments or strategic assets;
- the creation by the Company or its subsidiaries of any material joint venture;
- the acquisition, transfer or disposal (including via an option or lease management, as applicable) of (i) all assets, legal entities or business interests for an individual amount in excess of ten million euros (€10,000,000)[1] or (ii) any acquisition of control or majority interest by the Company and/or its subsidiaries;
- the creation or closure of a business contributing over ten million euros (€10,000,000) to the annual revenue generated by the Latecoere Group (the "Group"), or any significant change in, or modification to, the Group's core activities[1];
- the proposed delisting of the Company;
- the approval and modification of the Group annual budget, including inter alia the investment budget and the Business Plan;
- any deed via which a Group company grants or abandons a pledge, guarantee or security of any other kind or form of collateral concerning a commitment made by such company or by a third party, other than in the ordinary course of business and unless, with regard to the granting of this security or form of collateral, this has been specifically authorized on the basis of an existing loan and facility agreed by the relevant Group company;
- any decision related to the hiring or dismissal of an employee appointed as a member of the Executive Committee, a Director or an executive corporate officer of the Company;
- any substantial modification of the employment contract of the Company's executive corporate officers or members of the Company's Executive Committee, in particular regarding the waiver or modification of any non-competition or non-solicitation commitments;
- the authorization or modification of (i) any profit-sharing agreement or other similar material incentive scheme (ii) any redundancy or early retirement program for Group employees within any Group company, and any decision leading to an increase in the Group's total workforce of more than 4.5%, other than a decision resulting from the mandatory annual negotiations applicable in the ordinary course of business;

POWERS OF THE DEPUTY CHIEF EXECUTIVE OFFICER(S)

On the recommendation of the Chief Executive Officer, the Board may appoint one or more individuals to assist him or her, with the title of Deputy Chief Executive Officer, it being specified that the number of Senior Executive Vice-Presidents may not exceed five. Deputy Chief Executive Officer. have the same powers as the Managing Director. In application of the Board's internal regulations, the above restrictions on the powers of the Chief Executive Officer apply to the Deputy Chief Executive Officer.

(1) Do not require prior authorization from the Board when already covered by the approval of the Group's annual budget.

3.1.2. EXECUTIVE COMMITTEE

COMPOSITION OF THE EXECUTIVE COMMITTEE

The Executive Committee is a support body of the Executive Management. As a body dedicated to discussion, consultation and operational management, it is comprised of members appointed by Executive Management on the basis of their operational or functional responsibilities within the Group. Its assignment consists of examining current issues facing the Group and strategic projects (development and organization of business). It meets at least once a month. The table below shows the composition of the Company's Executive Committee as of December 31, 2024.

	Nationality	*Group seniority*	*Job Title*
André-Hubert ROUSSEL	FR	2024	Chief Executive Officer
Gérar BEDDIS	UK	2024	Chief Purchasing Officer
Samuel BEGUE	FR	2001	Chief Operations Officer Interconnection Systems
Hervé BLANCHARD	FR	2014	Chief Human Resources Officer
Stéphane BOUZAT	FR	2000	Chief Innovation and R&T Officer
Gary CLEAVER	UK	2023	Chief Financial Officer
Thierry EFTYMIADES	FR	1992	Chief Engineering Officer
Cécile HOUDET BAI	FR	2024	Head of Special Products & Services Division (SPS)
Cecilia MATTSON	SWE	2024	Chief Transformation Officer
Sam MARNICK	UK/US	2024	President Latecoere Americas
David OLIVEIRA	FR	2021	Chief Sales & Programs Officer
Jean-Luc VINCENT-FRANC	FR	2023	Chief Information Officer
Mathieu VON WEBSKY	FR	2022	Group General Counsel
Yves Yemsi	FR	2025	Group Chief Operations Officer and President EMEA

GENDER DIVERSITY IN THE EXECUTIVE COMMITTEE AND IN THE TOP 10% OF POSITIONS OF RESPONSIBILITY

At its meeting on March 11, 2025, the Nominations and Remunerations Committee made the following observations, which were submitted to the Board and discussed by the latter on March 19, 2025:

- at the end of 2024, the breakdown of the Company's top management was as follows: 89% men, 11% women;
- the proportion of women in the aerospace sector remains generally low;
- an action plan is in place in terms of recruitment, training, compensation and promotion;
- the need for balanced representation of men and women on the Executive Committee and Management Committees;
- in 2024, Cécilia Mattson and Cécile Houdet and Samantha Marnick joined the Executive Committee.

3.2. BOARD OF DIRECTORS

3.2.1. COMPOSITION OF THE BOARD

In accordance with article 14.1 of the Company's Articles of Association, the Board comprises between three and eighteen members appointed for a four-year term (or any different maximum number resulting from a change in current legal requirements), it being specified that directors representing employees are not taken into account when determining the minimum and maximum number of directors. By way of exception, the Articles of Association stipulate that the Annual General Meeting may appoint certain directors for a term of two or three years, in order to allow the staggering of directors' terms of office. The term of office of the Chairman of the Board may not exceed his or her term of office as director.The term of office of the directors representing employees appointed in accordance with Article L. 225-27-1 of the French Commercial Code was also set at four years by a decision of the Annual General Meeting of May 13, 2019, with the current term of office expiring at its initial term. At December 31, 2024, the Board comprised nine members, including one director representing employees, in accordance with Article L. 225-27-1 of the French Commercial Code.With the exception of the director representing employees, directors are appointed by the Annual General Meeting on the recommendation of the Board and the Appointments, Compensation and CSR Committee. Directors are eligible for re-election. In accordance with legal provisions, in the event of a vacancy arising from the death or resignation of one or more directors, the Board may, between two Shareholders' Meetings and on the recommendation of the Appointments, Compensation Committee, make provisional appointments. Directors may be dismissed at any time by the Annual General Meeting. The current term of office of the employee director will expire at the end of four years from the date of his appointment. In the event of a vacancy for any reason whatsoever in the term of office of a director representing employees, the vacant seat is filled under the conditions laid down by law, i.e. in accordance with the same procedures that led to the appointment of the director representing employees whose seat is vacant. If the statutory conditions for the application of the employee representation system within the Board are no longer met, the term of office of the director(s) representing the employees will be terminated early at the end of the Board meeting at which the Board acknowledges that the Company no longer falls within the scope of the law. In addition, following approval by the Annual General Meeting of July 26, 2023, the bylaws provide for the possibility of the Board appointing a Censor, whose role will be defined at the time of the 1st appointment. At its meeting on July 25, 2024, the Board of Directors decided to appoint André Benhamou as censor on behalf of the French State. In this capacity, André Benhamou shares his analysis of the Latecoere Group's situation with the French State authorities, particularly with the Ministry of Finance and Industry. He is granted access to the minutes of the Board of Directors and, more broadly, to any document relating to the Group's strategy or strategic considerations. He also ensures proper monitoring of the various commitments made by the Latecoere Group under its industrial plan and associated roadmap. Finally, he alerts the relevant authorities in the event of any significant deviation from the commitments made and expresses his opposition where appropriate.

The table below summarizes the changes in the composition of the Board during the 2024 financial year and since the start of the 2025 financial year, and its composition at the date of this document:

Composition of the Board as of January 1, 2024	***Departure(s)***	***Renewal(s)***	***Appointment(s)***	***Composition of the Board as of the present Document***
Thierry Mootz *(Chairman of the Board and Independet director)*	-	-	**Nick Sanders** *(GM 2024-12-30)*	**Nick Sanders** *(Chairman of the Board and Director)*
Thierry Mootz *(Director)*	-	-		**Thierry Mootz** *(Director)*
Fabienne Lelandais *(Director representing employees)*	-	-	**Fabienne Lelandais** *(CSE 2023-09-13)*	**Fabienne Lelandais** *(Director representing employees)*
Thomas De Canniere *(Director)*	-	-	-	**Thomas De Cannière** *(Director)*
Caroline Catoire *(Director)*	2024-04-25	-	**June du Halgouët** *(Board 2024-04-26)*	**June du Halgouët** *(Director)*
Laurence Dors *(Independent Director)*	-	GM 2024-12-30	-	**Laurence Dors** *(Independent Director)*
Helen Lee Bouygues *(Director)*	**Helen Lee Bouygues** *(2024-04-10)* **Samantha Marnick** *(2025-02-04)*	-	**Samantha Marnick** *(Board 2024-04-26 / GM 2024-12-30)* **Jenette Ramos** *(Board 2025-02-04)*	**Jenette Ramos** *(Director)*
Bernd Kessler *(Independant Director)*	-		-	**Bernd Kessler** *(Independent Director)*
Christophe Villemin *(Director)*	**-**	GM 2024-12-30	-	**Christophe Villemin** *(Director)*
			André BENHAMOU (Board 2024-07-25)	**André BENHAMOU** (Observer)
8 directors				**9 directors / 1 observer**

INDEPENDENCE OF DIRECTORS

Qualification of independence

In accordance with the recommendations of the Middlenext Code, the Company classes as independent all Directors who have no financial, contractual, family or other particularly close relationships which could compromise the exercise of their freedom of judgment. In particular, Directors are presumed independent when:

- they are not, and have not been over the course of the five previous years, employees or executive corporate officers of the Company or of any company in the Group;
- they are not, and have not been over the course of the two previous years, in any significant business relationship with the Company or its group (client, supplier, competitor, service provider, creditor, banker, etc.), it being stipulated that the assessment of whether the relationship between the Company or the Group is significant or not is debated by the Board of Directors and the quantitative and qualitative criteria having led to this assessment (continuity, economic dependency, exclusivity, etc.) are detailed in the Annual Report;
- they are not a reference shareholder of the Company or do not hold a significant percentage of voting rights;
- they do not have a close relationship or any close family ties with a corporate officer or a Lead shareholder;
- they have not acted as the Company's Statutory Auditor over the course of the previous six years.

Analysis of the independence of the Directors at the time of the appointment, co-option or renewal of Directors

In the context of its decisions to co-opt, appoint or renew a member, the Board refers to the recommendations of the Appointments and Compensation Committee and analyzes the independence of the applicant with regard to the independence criteria set out above.

During the 2024 financial year, this analysis was carried out for each renewal, appointment or co-option.

Analysis of the independence of Directors in the context of the preparation of the Annual Report

Pursuant to the Middlenext Code, a debate on the independence of the Directors in office takes place once a year. In this context, at the meeting of March 19, 2025 the Board reviewed the independence of its members at December 31, 2024, on the recommendation of the Appointments and Compensation Committee, and considered that it was made up of two independent Directors out of a total of seven Directors (since the Director representing employees is not taken into account), namely: Laurence Dors and Bernd Kessler.

The table below provides a summary, at the date of this Document, of the situation of the Company's Directors with respect to the independence criteria set forth in the Middlenext Code and adhered to by the Company.

INDEPENDENCE OF DIRECTORS AT THE DATE OF THIS DOCUMENT

	Employee/executive corporate officer in the last five years	Significant business relationships	Lead shareholder or significant % of voting rights	Close relationship or family ties	Statutory Auditors	Independent
Nick Sanders	-	-	-	-	-	NO
Thierry MOOTZ	X	-	-	-	-	NO
Thomas DE CANNIERE	-	-	X	-	-	NO
Laurence DORS	-	-	-	-	-	**YES**
June DU HALGOUET	-	-	-	-	-	NO
Bernd KESSLER	-	-	-	-	-	**YES**
Jenette Ramos						NO
Fabienne LELANDAIS	X	-	-	-	-	NO
Christophe VILLEMIN	-	-	X	-	-	NO

"- " indicates an independence criterion which has been met and "X" indicates an independence criterion which has not been met.

BALANCE IN THE COMPOSITION OF THE BOARD

As of December 31, 2024, and as of the date of this Document, three women sit on the Board of Directors, two of whom chair a Board Committee (Laurence Dors, Chair of the Audit, Risk and CSRD Committee, and June du Halgouët, Chair of the Nominations and Remunerations Committee). The Board has a female representation rate of 37.5% excluding the employee representative director, and 44.5% when including her in the calculation. The Company intends to maintain its efforts to diversify the composition of its Board.

DIVERSITY ON THE BOARD

Diversity of Director profiles

The members of the Board come from different backgrounds and have been chosen for their experience and expertise in various sectors, which guarantees a quality of judgment and a capacity for anticipation that helps them to act in the best interest of the Company. In addition, the presence of a Director representing employees enables the Board to benefit from their knowledge of the Group and its organization, business and expertise. The table below

("Summary of the Board and its committees at December 31, 2024 and at the date of this Document") summarizes the main areas of expertise and experience of the Directors serving on the Board. For detailed information on the appointments and duties performed by the members of the Board over the past five fiscal years, as well as their experience and skills, please see the sub-section entitled "Presentation of the Directors" below.

3

Diversity policy

At its meeting of December 5, 2018, the Board adopted a policy for diversity within the Board, examined and put forward by the Appointments and Compensation Committee.

The Board's diversity policy is based on five criteria that enable the Board to benefit from the experience, expertise and external approaches necessary to ensure the sound management of the Company and ensure the success of its strategy:

- preservation of gender equality in accordance with applicable regulations;
- plurality of skills and experience, particularly financial skills;
- internationalization of the Board in connection with the internationalization of the Company;
- maintaining the level of independence required by the Middlenext code.

In addition to gender diversity, this policy is aimed at continuous improvement of the functioning of the Board and the effectiveness of its management by ensuring that it has a wide range of skills, experience, independence and knowledge of the aeronautical industry.

On December 5, 2018, the Board set quantifiable objectives for diversity on the Board, structured around the five aforementioned criteria, based on the recommendations made by the Appointments and Compensation Committee.

The Appointments and Compensation Committee:

- ensures the implementation of the policy, particularly during the process of appointing Directors;
- assesses the results of the policy by evaluating the achievement of the objectives;
- measures the effectiveness of the diversity policy;
- reports to the Board on the results of this policy.

In this context, the Committee met on March 11? 2025 and reviewed the achievement of the objectives set for 2024 and proposed to maintain these objectives for 2025, which the Board approved.

Pursuant to Article L. 22-10-10 of the French Commercial Code, the table below describes the diversity policy applied by the Board, indicating the criteria taken into account, the objectives set by the Board, the implementation methods and the results achieved during fiscal year 2024.

Criteria used	Objectives	Implementation and Results Achieved in Fiscal Year 2024
Balanced representation of men and women	Ensure compliance with the legal minimum of 40% representation of women on the Board.	Given the various changes and developments in governance, the 40% ratio is currently not met, but it is expected to be taken into account during upcoming appointments/co-options to the Board. It should be noted that, as provided by legal provisions effective from June 30, 2026, by including the employee representative director, the proportion of women on the Board as of the end of 2024 (and as of the date of this Document) exceeds the legal minimum threshold (44.5%).
Plurality of skills and experience	Develop the skills of certain Directors, at their request, in relation to understanding the challenges, business, and aeronautics market.	Complete information for incoming Directors on their arrival concerning the challenges, strategy, business, and the aeronautics market through privileged discussions with the Chairman of the Board and the Chief Executive Officer.
	Maintaining the on-Boarding pathway for new Directors.	Site visits or in-person meetings at the head office in order to integrate and meet all members of the Board. Meetings with members of Management, discussions with the Chairman of the Board and certain longer-serving Directors.
	Maintaining a balance in the age diversity of Directors	As of December 31, 2024, the average age of Directors is 57. The age of Directors ranges from 36 and 69.
Finance	Provide training for Directors upon request and for Directors representing employees, on specific subjects to help them better understand the Group's strategy and the decisions made by the Board.	Internal training was provided to the employee representative director on the financial aspects of the Company’s operations to enable a better understanding of the Board of Directors’ financial decisions.An ESG training session was delivered to all Board members, including the Works Council representative invited to Board meetings.Several IFA training programs were offered to Fabienne Lelandais, the newly appointed employee representative director: • A training course on the rights and obligations of directors – delivered in the last quarter of 2023. • A training course on “Finance Fundamentals” to improve understanding of financial topics discussed during Board meetings – delivered in the first half of 2024. For co-opted or newly appointed directors, financial competencies are reviewed by the Nominations and Remunerations Committee.
Internationalization of the Board in connection with the internationalization of the Company	Maintaining or even increasing the number of external executives who are non-French nationals.	Monitoring by the Appointments, Compensation and CSR Committee, in the context of co-opting and appointments, of the presence of non-French candidates with international professional experience. As of December 31, 2024, 4 foreign Directors sat on the Board. As of the date of this document, the Board is composed of 4 foreign Directors.
Independence	Maintain the number of Independent Directors required by the Middlenext Code on the Board.	Monitoring of the achievement of this objective by the Appointments, Compensation and CSR Committee, in the context of the co-option appointment and renewal of Directors. As of December 31, 2024, the number of Independent Directors on the Board was 2.

SUMMARY PRESENTATION OF THE BOARD AND ITS COMMITTEES AS OF THE DATE OF THIS DOCUMENT

The composition of the Board and its committees as of the date of this Document is set out below. As of the date of this Document, the Company is not aware of any events likely to have a potentially significant impact on the governance of the Company, other than the resolutions relating to corporate offices submitted for approval to the Annual Shareholders' Meeting 2025.

LATECOERE
BOARD OF DIRECTORS

Nick Sanders
Chairman of the Board

Thierry Mootz
Director

June du Halgouët
(replacing Caroline Catoire since April 26, 2024)
Director

Jenette Ramos
(replacing Samantha Marnick since February 04, 2025)
Director

Thomas De Canniere
Director

Christophe Villemin
Director

Bernd Kessler
Independent Director

Laurence Dors
Independent Director

Fabienne Lelandais
Director representing employees

André Benhamou
Observer

Audit, Risk and CSRD Committee
Appointments and Compensation Committee

The table below summarizes the composition of the Board of Directors and its committees as at December 31, 2024 (in the interests of transparency regarding the attendance of Board members in office during the 2024 financial year), and the new directors who have joined the Board since January 1, 2025 and are still in office as at the date of this Document:

Directors	Age	Gender	Nationality	Profile	Mandates held inlisted companies *(excluding Latecoere)*	AR& CSRD	ACC	Start of first mandate	End of current mandate *(year of the GM)*	Number of years on the Board	Attendance
Nick SANDERS *Chairman of the Board as of 31 Dec. 2024*	64	M			0			2024	2028	<1	100%
Thomas DE CANNIERE	36	M			0	✓	✓	2023	2025	1	100%
Thierry MOOTZ *Chairman of the Board until 31 Dec. 2024*	62	M			0			2023	2027	1	100%
Laurence DORS ●	69	F			0	✓ *(Chair)*		2020	2028	8	100%
June DU HALGOUET *Chairman of the ACC as of 26 April 2024*	55	F			0	✓	✓ *(Chair)*	2024	2028	<1	100%
Bernd KESSLER ●	67	M			1			2023	2025	2	91%
Helen LEE *BOUYGUES* *Replaced by Sam Marnick as of 26 April 2024*	52	F			0	✓	✓ *(Chair)*	2019	2024	6	50%
Fabienne LELANDAIS	46	F			0			2023	2025*	2	91%
Samantha MARNICK *Replaced by Jenette RAMOS as of 4 Feb 2025*	54	F			0			2024	2025	<1	100%
Caroline CATOIRE *Replaced by June DU HALGOUET as of 26 April 2024*	68	F			1			2020	2024	4	50ù
Jenette RAMOS *Co-opted by the Board of Directors on 4 Feb 2025*	59	F			0			2025	2028	<1	N/A
Christophe VILLEMIN	68	M			0		✓ *(Chair)*	2024	9	89%	100%
André BENHAMOU	72				0			2024	2028	<1	N/A
Number of meetings						**5**	**2**				**10**
Attendance rate						**100 %**	**88 %**				**96 %**

**Fabienne LELANDAIS's term ends four years after her appointment by the Works Council (CSE).*

AR&CSRD: Audit, Risk & CSRD Committee / ACC: Appointments and Compensation Committee

- Experience with Latecoere's business lines
- International experience
- Banking/Finance/Risk Management
- Industry
- Strategy/M&A/Corporate restructuring and transformation
- Commercial
- Governance
- CSR
- ● Independent Director

PRESENTATION OF THE DIRECTORS AS OF DECEMBER 31,2024 AND AT THE DATE OF THE PRESENT DOCUMENT

NICK SANDERS

Director and Chairman of the Board

NATIONALITY: British
AGE: 64
DATE OF FIRST APPOINTMENT:
2024/12/30
START DATE OF OFFICE :
2024/12/30
TERM OF OFFICE EXPIRES:
GM called to rule on the accounts of financial year ending 31/12/2027
NUMBER OF SHARES HELD: 0
BUSINESS ADDRESS:
135 rue de Tériole 31500 Toulouse

Biography

Nick Sanders began his career in the aerospace division of British engineering company Rolls-Royce. Between 1992 and 2001, he worked for aerospace components manufacturer TRW Lucas Aerospace, where he was Chief Fuel Systems Engineer, then Group Operations Director. In 2002, Nick became CEO of global engineering and manufacturing company CompAir group, a position he held until 2009. From 2009 to 2015, he was a member of the management team at Better Capital, an early-stage venture capital firm, where he was responsible for the portfolio. He was also Executive Chairman of aerospace components manufacturer Gardner Aerospace between 2010 and 2019. Nick Sanders is a non-executive director of Elcogen plc, a hydrogen technology company, he is also a non-executive director of Doncasters and non-executive chairman of Walker Precision Ltd.

Skills

- Experience with Latecoere's business lines
- International experience
- Industry
- Commercial
- Governance

Main offices and positions held in 2024

Main position held

- None

Other current offices and positions held in any company

- None

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- Non-executive Chairman, Cashewglen Ltd.
- Non-executive Chairman, Sertec Group Holdings Ltd.
- Executive Chairman, Carclo plc.

ANDRÉ BENHAMOU

Observer

NATIONALITY: French
AGE: 74
START DATE OF OFFICE :
2024-07-25
TERM OF OFFICE EXPIRES:GM called to rule on the accounts of financial year ending 31/12/2027
NUMBER OF SHARES HELD: 0
BUSINESS ADDRESS:
135 rue de Périole 31500 Toulouse (France)

Biography

Until June 2014 André BENHAMOU was Managing Director and Technical Director "Air Management Systems" of the aerospace and transportation division of the LIEBHERR Group (Liebherr-Aerospace & Transportation SAS) - 1.4 Mds$ / 5000 p). Previously, from 1998 to 2011, he successively held the positions of Managing Director and Chairman of Liebherr-Aerospace Toulouse SAS. André BENHAMOU began his career as an expert in the development of digital computers, and gradually moved on to systems design for various sectors, including medical, defense and mainly aerospace. He holds an engineering degree from ENSEA (industrial electronics and medical electronics) and a DEA (post-graduate diploma) in information processing from Orsay University. Translated with DeepL.com (free version)

Skills

- Experience with Latecoere's business lines
- International experience
- Industry
- Strategy/M&A/Corporate restructuring and transformation
- Commercial

Main offices and positions held in 2024

Main position held outside the Company

- Founder and Chairman of AB Business Industriel SAS (ABBI), a strategy, organisation and management consultancy for senior management.

Other current offices and positions held in any company (excluding Latecoere subsidiaries)

- Chairman and CEO of IRDI CAPITAL CROISSANCE Investment fund dedicated to SMEs in Occitanie
- Director of IRDI - SORIDEC Investment fund dedicated to SMEs in Occitanie
- Founder and Honorary Chairman of the TOMPASSE association of major manufacturers in Occitanie for Aeronautics, Space and Embedded Systems
- Director of Cercle d'Oc

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- Chairman of the Occitanie Regional Council's economic analysis club (term of office expires: 2023)
- Director of the Aerospace Valley competitiveness cluster (term of office expires: 2023)
- Director of UIMM MP Occitanie (term of office expires: 2023)

THOMAS DE CANNIERE

Director
Member of the Audit, Risk & CSR Committee and Appointment & Compensation

NATIONALITY: Belgium
AGE: 36
START DATE OF OFFICE :
2023-12-19
TERM OF OFFICE EXPIRES:
GM called to rule on the accounts of financial year ending 31/12/2024
NUMBER OF SHARES HELD: 0
BUSINESS ADDRESS: SCP EPC UK Limited -15 Golden Square, 2nd Floor - London W1F9JG - United Kingdom

Biography

Thomas De Cannière is a managing director at Searchlight Capital Partners and brings over 10 years of investment experience across a number of sectors. He joined the Searchlight team in 2019 and has worked on several of the fund's significant investments in Europe, including Latecoere, Flowbird, Synergy Marine and Hyve. In particular, he played a key role in the recapitalization of Latecoere following the Covid crisis. Before joining Searchlight, he worked at Blackstone and J.P. Morgan, and graduated from the Solvay Brussels School of Economics and Management.

Skills

- Banking/Finance/Risk Management
- International experience
- Strategy/M&A/Corporate restructuring and transformation

Main offices and positions held in 2024

Main position held outside the Company

- Managing Director of Searchlight Capital Partners

Other current offices and positions held in any company (excluding Latecoere subsidiaries)

- Director of SCP SKN UK Holding I Ltd
- Director of SCP SKN UK Holding II Ltd
- Director of SCP SVT UK Holding I Ltd
- Director of SCP III EPC UK Ltd
- Director of Hyve Group Limited

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- None

LAURENCE DORS

Independent Director
Chair of the Audit, Risk & CSRD Committee

NATIONALITY French
AGE: 69
START DATE OF OFFICE
2020-06-11
TERM OF OFFICE EXPIRES:
the GM called to rule on the accounts for financial year ending December 31, 2027
NUMBER OF SHARES HELD: 0
BUSINESS ADDRESS: Latecoere 135 rue de Périole 31500 Toulouse

Biography
A graduate of the École Normale Supérieure and the ENA, Laurence Dors began her career as a senior civil servant in the Ministry of Finance then in the offices of the Minister of the Economy (1994-1995) and the French Prime Minister (1995-1997). She then held Executive Management positions in international industrial groups, notably in the aeronautics sector (Lagardère, EADS, Dassault Systèmes, Renault) before co-founding the consulting firm Theano Advisors (2012-2018). A specialist in governance issues, she sits on the Board of Directors of major listed companies such as Crédit Agricole SA and Capgemini SE, as well as unlisted companies such as Egis. She chairs the Foresight and Research Committee of the French Institute of Directors.

Skills
- Banking/Finance/Risk Management
- Experience with Latecoere's business lines
- International experience
- Industry
- Governance
- CSR

Main offices and positions held in 2024
Main position held outside the Company
- Independent Director

Other current offices and positions held in any company (excluding Latecoere subsidiaries)
- Director of ATTIJARIWAFA BANK
- Director (term of office expired at the date of this document) and Chair of the IFA's Foresight and Research Commission

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years
- Independent Director, CRÉDIT AGRICOLE S.A., Chair of the Compensation Committee, member of the Audit Committee and of the Appointments and Governance Committee
- Director and Chair of the Compensation Committee, member of the Audit and Risks Committee and of the Appointments and Governance Committee of CAPGEMINI SE.
- Director and Chair of the Remuneration Committee at Rallye
- Director and Chair of the Compensation Committee, member of the Commitments Committee at EGIS SA
- Member of the Strategic Orientation Council of IHEAL (*Institut des Hautes Études de l'Amérique Latine)*
- Member of the Steering Committee of the CEFA (Club Économique Franco-Allemand)
- Senior Partner, THEANO ADVISORS
- Director at the IFA (Institut Français des Administrateurs)

JUNE DU HALGOUET

Director *(Since 26/04/2024*

NATIONALITY : Irish
AGE: 55
START DATE OF OFFICE
2024-04-26
TERM OF OFFICE EXPIRES:
the GM called to rule on the accounts for financial year ending December 31, 2027
NUMBER OF SHARES HELD: 0
BUSINESS ADDRESS: Gustav Mahlerlaan 1017, Mahler 1000, 3rd floor, 1082 MK Amsterdam (The Netherlands)

Biography
June du Halgouet is currently the Executive Vice President, Transformation at KNDS, a leading European defence player. Previously she was Senior Vice President, Head of Corporate Strategy, M&A and post-merger integration at Airbus Group. During her 16 years at Airbus (and previously EADS) she worked on major M&A deals and worked on the group corporate strategy. June brings deep knowledge of the aerospace landscape and experience of striking M&A deals and driving successful integration. Prior to Airbus / EADS, she was at Ernst & Young for seven years and Grant Thornton for nine years.

Skills
- Experience with Latecoere's business lines
- International experience
- Industry
- Strategy/M&A/Corporate restructuring and transformation
- Banking/Finance/Risk Management

Main offices and positions held in 2024
Main position held outside the Company
- Executive Vice President, Transformation at KNDS *(ended as of the date of the present document)*

Other current offices and positions held in any company (excluding Latecoere subsidiaries)
- None

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years
- None

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BERND KESSLER

Administrateur indépendant

NATIONALITY: German

AGE : 67

START DATE OF OFFICE:
2023-09-18

TERM OF OFFICE EXPIRES:
GM called to rule on the accounts of financial year ending 31/12/2024

NUMBER OF SHARES HELD: 0

BUSINESS ADDRESS:
Burgstrasse 10, 82064 Strasslach (Germany)

Biography

Bernd Kessler was the CEO of SRTechnics AG, a private provider of maintenance, repair, and overhaul (MRO) services for aircraft, aerospace system components, and engines, from 2008 to 2010. He previously served as President and CEO of MTU Maintenance, a subsidiary of MTU Aero Engines AG, an aircraft engine manufacturer, from 2004 to 2007, where he played a key role in the company's successful initial public offering (IPO) on the Frankfurt Stock Exchange.

Prior to 2004, Bernd Kessler held various executive and management positions in the aerospace sector for 20 years at Honeywell International, Inc. and its predecessor AlliedSignal Corp.

Bernd Kessler is also Chairman of ProXES GmbH. Since 2010, he has served on the Board of Directors of Polaris Inc, one of the world's largest companies specializing in the design, engineering, and manufacturing of off-road vehicles (ORVs), including all-terrain vehicles (ATVs), side-by-side recreational and utility vehicles, motorcycles, small vehicles (SVs), boats, and snowmobiles. He chairs the Technology and Innovation Committee of Polaris Inc., a publicly traded company listed on the New York Stock Exchange.

He also serves on the Board of Directors of Fischer Tire GmbH and Incora Inc., a key player in the aerospace supply chain.

Skills

- Banking/Finance/Risk Management
- Experience with Latecoere's business lines
- International experience
- Industry
- Governance
- Strategy/M&A/Corporate restructuring and transformation
- Commercial

Main offices and positions held in 2024

Main position held outside the Company

- Chairman of ProXES GmbH

Other current offices and positions held in any company (excluding Latecoere subsidiaries)

- Director of Polaris Inc (société cotée sur NYSE)
- Director of Incora Inc.
- Director of Fischer Tire Tech GmbH

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- Chairman of the Board of RENA Technologies GmbH
- Director of The Packaging Group GmbH

FABIENNE LELANDAIS

Director representing employees

NATIONALITY: French

AGE: 46

START DATE OF OFFICE :
2023/09/13

TERM OF OFFICE EXPIRES:
2025-10-06

NUMBER OF SHARES HELD:
300 via FCPE

BUSINESS ADDRESS:
135 rue de Périole 31500 Toulouse

Biography

Fabienne Lelandais graduated from National Institute of Applied Sciences (INSA) with a Master's degree of environmental Management. After experiences in the automotive Industry and in the Construction Materials Industry, she joined Latecoere in 2016 as an Environmental Health and Safety Coordinator for Toulouse plant and currently for the entire Aerostructures Branch. Following the meeting of Latecoere's Social and Economic Committee on September 13, 2023, Fabienne Lelandais was designated as new director representing the employees and joined the Board at its meeting of September 18, 2023.

Skills

- Experience with Latecoere's business lines
- International experience

Main offices and positions held in 2023

Main position held outside the Company

- None

Other current offices and positions held in any company (excluding Latecoere subsidiaries)

- None

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- None

SAMANTHA MARNICK

Director

Member of the Audit, Risk & CSR Committee and of the Appointments & Compensation

NATIONALITY : American

AGE: 54

START DATE OF OFFICE
2024-04-26

TERM OF OFFICE EXPIRES:
the GM called to rule on the accounts for financial year ending December 31, 2024

NUMBER OF SHARES HELD: 0

BUSINESS ADDRESS:

135 rue de Périole

31500 Toulouse - France

Biography

Samantha Marnick served as President of Spirit AeroSystems' commercial division (which accounts for ~80% of Spirit AeroSystems, with approximately $5 billion in revenues) and Chief Operating Officer for the group in her last executive role.

During her 17 years at Spirit she worked across commercial, operations and human capital aspects of the business and will be able to bring to this extensive experience to the Latecoere team.

Prior to joining Spirit AeroSystems, Samantha was at Mercer Human Resources Consulting for nine years.

She joined the Group Executive Committee at the end of November 2024 to take charge of the Aerostructures business in the Americas.

Skills

- Experience with Latecoere's business lines
- International experience
- Industry
- Governance

Main offices and positions held in 2023

Main position held ithin the Group

- President of Aerostructures Americas (since end November 2024)

Main position held outside the Company

- Strategic Adviser and Consultat of M7 Consulting (ended during 2024)

Other current offices and positions held in any company (excluding Latecoere subsidiaries)

- Director of InTrust Bank
- Director of Magnera

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- None

THIERRY MOOTZ

Director

NATIONALITY: French

AGE: 62

DATE OF FIRST APPOINTMENT: 2023/07/26

START DATE OF OFFICE : 2023/07/26

TERM OF OFFICE EXPIRES:
GM called to rule on the accounts of financial year ending 31/12/2026

NUMBER OF SHARES HELD:
12.500 preference shares / 105.842 ordinary shares

BUSINESS ADDRESS:
135 rue de Périole 31500 Toulouse

Biography

A self-taught entrepreneur, Thierry Mootz set up his first company at the age of 21. He managed its development for 8 years before selling it. In 1992, he joined the world's leading aluminum producer Alcan / Rio Tinto / Constellium, where he managed several European and worldwide sales departments before taking over the general management of a division. He then led turnaround plans in Germany and Switzerland. He joined the Latecoere group in 2015 with the ambitious mission of driving the group's transformation. In January 2017, he was appointed COO of the group, he then headed the Aerostructures division from October 2019, then the Interconnect Systems division from March 2020, when he was also appointed deputy CEO of the group. Thierry Mootz becomes Group CEO in August 2021. He redefines the Group's raison d'être ("serving the aerospace sector with innovative solutions for a sustainable world") and creates the conditions for Latecoere's rebound, as it undertakes a series of structuring acquisitions in North America and Europe with a view to achieving critical mass. With a rich international career behind him, Thierry has extensive industry experience with both SMEs and major international groups. Particularly aware of sustainability issues in the aeronautical sector and supply chain support, he remains an active player in the aerospace, defense and space industries in France and abroad.

Skills

- Experience with Latecoere's business lines
- International experience
- Industry
- Commercial
- Governance

Main offices and positions held in 2024

Main position held

- Director of LATECOERE

Other current offices and positions held in any company

- Offices held in Group's affiliates

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- General Manager of SC THEMO

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JENETTE RAMOS

Director *(Replacing Samantha Marnick since 4 February 2025)*

NATIONALITY : American
AGE: 59
START DATE OF OFFICE
2025-02-04
TERM OF OFFICE EXPIRES:
the GM called to rule on the accounts for financial year ending December 31, 2027
NUMBER OF SHARES HELD: 0
BUSINESS ADDRESS:
SCP EPC UK Limited -15 Golden Square, 2nd Floor - Londres W1F9JG - UK

Biography

Having worked for Boeing for over 30 years, Jenette Ramos brings a wealth of experience in supply chain and operations within the aerospace industry. In her last position at Boeing, she was Vice President of Manufacturing, Supply Chain and Operations, reporting to the CEO, and a member of the Executive Board. As such, she has in-depth knowledge of the entire supply chain and operations, in both the commercial and defense segments. In particular, Jenette has a very sound knowledge of aerostructures and component manufacturing, thanks to her experience as Business Unit Manager, Integrated Aerostructures, and Vice-President of Manufacturing. Jennette is currently Vice-Chair of the Washington State University Board of Trustees and a Director of the Beneficial State Bank Board. She has also been recognized by her peers, industry and academia with several prestigious awards, including "Top 20 women in aerospace". With a Bachelor of Science from Washington State University and a Master of Commerce from Seattle Pacific University, Jenette has also completed Harvard Business School's School Advanced Management Program. Jenette is also an active mentor in a number of philanthropic organizations.

Skills

- International experience
- Banking/Finance/Risk Management
- Governance
- CSR

Main offices and positions held in 2024

Main position held outside the Company

- Chairman of C2A Conseil

Other current offices and positions held in any company (excluding Latecoere subsidiaries)

- Independent director of Roquette Group:
- Chairwoman of the Audit Committee and member of the Ethics and Sustainable Development Committee
- Independent director of Macquarie Capital France Independent director of Maurel et Prom, Chairwoman of the Appointments and Compensation Committee, Member of the Audit Committee

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- Chairwoman of the Investment and Risk Committee of Maurel et Prom
- Director and member of the Audit Committee of Maurel et Prom International
- Independent director of Crédit Agricole SA: member of the Audit Committee and the Risk Committee USA

CHRISTOPHE VILLEMIN

Director
Member and Chairman (*since 2024-04-26*) of the Appointments & Compensation

NATIONALITY: French
AGE: 56
DATE OF FIRST APPOINTMENT:
29/06/2015 (until 26/06/2019, date of his resignation)
START DATE OF CURRENT MANDATE: 17/03/2020
CURRENT TERM OF OFFICE EXPIRES: GM called to rule on the accounts of financial year ending 31/12/2023
NUMBER OF SHARES HELD: 0
BUSINESS ADDRESS:
SCP EPC UK Limited -15 Golden Square, 2nd Floor - London W1F9JG - United Kingdomi

Biography

Christophe Villemin joined the Alcan group in 1994 and held various management roles in the aluminum industry in Europe and the United States.

In 2002, he became Chief Executive Officer of Alcan Rolled Products in Switzerland (the former Alusuisse), before being appointed Chairman of Alcan's laminates business in 2005. In 2008, Christophe Villemin became Chairman of Alcan Global Aerospace, Transportation and Industry, and head of Innovation for the Group.

In parallel, he founded the ski design company Black Crows in 2006. He received the *Young Global Leader* award at the *World Economic Forum* in 2008.

Christophe Villemin was Chairman of Constellium Aerospace and Transportation and also ran the Group's Research and Technology Division.

He was an *Operating Partner* at Apollo Global Management and a Director of Latecoere from 2015 to June 2019. Since January 2020, Christophe Villemin has been an Operating Partner at Searchlight Capital Partners. On March 17, 2020 he rejoined the Board of Directors of Latecoere.

Skills

- Experience with Latecoere's business lines
- Banking/Finance/Risk Management
- Strategy/M&A/ Corporate restructuring and transformation
- Commercial
- Governance
- CSR

Main offices and positions held in 2023

Main position held outside the Company

- CEO and Managing Partner of Midi Management
- Operating Partner at Searchlight Capital Partners

Other current offices and positions held in any company (excluding Latecoere subsidiaries)

- Chairma of Black Crows
- Manager of CVi Partners
- Director of Radiooooo
- Director of Jacques Marie Mage
- Director of Midi Management SA
- Director of Easysmile SA

Offices and positions held in any company (excluding Latecoere subsidiaries) over the last five years

- Operating Partner Apollo Global Management
- Director, Airopack BV

3.2.2. PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

INTERNAL REGULATIONS

Since September 22, 2015, the Board of Directors has been governed by Rules of Procedure, which are regularly updated and available on the Company's website. These rules are intended to clarify the Board's operating procedures, supplementing applicable legal and regulatory provisions as well as the Company's Articles of Association. The most recent update, made by the Board on July 26, 2023, included the elimination of the Strategic Committee. The Audit, Risk and CSRD Committee and the Nomination and Remuneration Committee also have their own internal regulations. A review of these regulations was conducted in 2024 to reflect the reassignment of CSRD compliance oversight to the Audit and Risk Committee, thereby removing it from the scope of the Nomination and Remuneration Committee.

RULES OF OPERATION AND ORGANIZATION OF THE BOARD

Average convening notice for the Board

In accordance with the Internal Regulations, the Board meets at least once per quarter, on dates notified to each Director by the start of each corporate fiscal year at the latest, and at any other time when required in the interests of the Company.

Meetings of the Board are on average convened with approximately five working days' notice, which allows the Directors to read all information of use for the holding of the meetings.

Directors' representation

Directors may be represented at meetings of the Board by another Director; it being stipulated that each Director cannot represent more than one other Director at any one meeting. Power of attorney for such representation must be set out in writing.

Chairing of meetings

Meetings of the Board are chaired by its Chairman or, in his absence, by any potential Vice-Chairman or Director designated at the start of the meeting by the Board, on the basis of a simple majority of those Directors in attendance or represented.

Participation of Directors in deliberations

The Internal Regulations allow Directors to participate in the deliberations of the Board via all videoconference or conference call methods which enable their identification and guarantee their effective participation. They are then deemed present for the calculation of the quorum and majority, except for the adoption of the decisions provided for respectively in Articles L.232-1 and L.233-16 of the French Commercial Code, namely the preparation of the annual financial statements (parent company and consolidated) and the Management Report of Latecoere and the Group, except in the case of exceptional legal and/or regulatory provisions. If this procedure is to be used for certain meetings, this is indicated by the Chairman in the notice of meeting.

Decisions

The Board has a quorum only if at least one half of its members are in attendance or deemed to be in attendance, represented members not being taken into account. Decisions are made on the basis of a majority of the votes cast by those members in attendance, deemed to be in attendance, or represented.

The meeting Chairman never has a casting vote in the event of there being no majority.

Minutes of decisions

Minutes are taken of each meeting and signed by the meeting Chair and at least one other Director. The draft minutes of each Board meeting are sent or given to all Directors at the latest at the same time as the letter convening the meeting at which the approval of said minutes is to be discussed.

The deliberations of the Board shall record any technical incidents relating to the videoconferencing or means of telecommunication used where this has disrupted the normal course of the meeting. The minutes of Board meetings therefore provide a record of the work carried out by the Board.

Frequency and duration of meetings, and average attendance of Directors

The Board of Directors met 10 times during the 2024 fiscal year, and 7 committee meetings were held.

Throughout the year, the Chief Executive Officer attended all meetings at which the Board requested his presence. The frequency and duration of the Board sessions allowed for thorough review and discussion of matters within its remit.

The average attendance rate of Board members at meetings held during the 2024 fiscal year was 96%. Individual attendance rates for each Board member are presented in Section 3.2.1.

Invitees to the Board

During the 2023 fiscal year, the Group General Counsel, as Secretary of the Board, the Chief Executive Officer, a third-party observer from Searchlight Capital Partners and the Chief Financial Officer attended almost all of the Board's meetings. Other members of Group management usually intervene on specific agenda items. The representative of the Social and Economic Committee is invited to all Board meetings. The Company's statutory auditors are also invited to attend all meetings at which decisions are made that require their involvement, in particular for the issuance of reports.

INFORMATION PROVIDED TO DIRECTORS

Training provided to the Directors

New Directors of the Company are provided with training and benefit from interviews with Executive Management and the Chairman of the Board, enabling them to understand the Company's specificities, its business lines and its business segments. In addition, each year, the Director representing employees receives specific training tailored to the performance of her duties and defined by the Board, in line with legal requirements. As part of her appointment as a director representing employees, Fabienne Lelandais met with the General Counsel, the Human Resources Director and the Chairman of the Board to raise her awareness of various issues relevant to the performance of her duties. Discussions with Executive Management took place during fiscal 2024. In addition, on the recommendation of the Appointments, compensation and CSR Committee, and on the decision of the Board, Fabienne Lelandais attended a training course run by the IFA (Institut Français des Administrateurs) to raise awareness of her rights and obligations as a director representing employees. Finally, prior to each scheduled Board meeting, and when schedules permit, a preparatory meeting is held with the Human Resources Director and the Legal Officer and/or Group Legal Director. The representative of the Social and Economic Committee is also invited.

Information provided to Directors

In the context of the work carried out by the Board, each Director receives and may obtain disclosure of all the information necessary for the performance of his or her assignment. As such, the Directors are sent, in average and, except in an emergency, at least 48 hours prior to the meeting, a file covering all items featured on the agenda which require specific analysis and advance consideration, whenever this is not prohibited by non-disclosure rules. This file contains, among other things, the minutes of the meetings of the committees and certain financial information. Any Director who has not been allowed to deliberate in full knowledge of the facts must inform the Chairman of the Board of this fact and may request any documentation deemed necessary or useful by the Board for the performance of his or her assignment.

The Chairman of the Board discloses on a permanent basis to the Directors any information concerning the Company of which he becomes aware and which he deems it appropriate to disclose. The Chairman also maintains regular contact with Executive Management and, in this context, ensures that information concerning the Company is disclosed to the Board.

RIGHTS AND OBLIGATIONS OF THE DIRECTORS

The internal regulations set out the obligations with which the Directors must comply. These obligations designed in particular to (i) ensure that the Directors are familiar with the provisions applicable to them, (ii) avoid conflicts of interest, (iii) ensure that they devote the necessary time and attention to their duties, in accordance with the legal provisions applicable to the holding of multiple corporate offices, and (iv) with regard to non-public information, confirm that the Directors consider themselves bound by a genuine obligation of confidentiality, which goes beyond the simple obligation of discretion provided for by the law. They also remind Directors that, despite the fact that they may also be shareholders on an individual basis, they represent the shareholders as a body and must act in the corporate interest under all circumstances. Directors are also bound by a duty of loyalty.

Moreover, the members of the Board have an obligation to stay fully informed. For this purpose, the Chairman of the Board provides Directors with all of the information and documents necessary to enable them to perform their assignment fully.

As compensation for their activities, the Shareholders' Meeting may award a fixed annual amount to the Directors which is distributed by the Board to its members. The Board may also award exceptional compensation to Directors for the assignments or roles entrusted thereto. The compensation paid to executive corporate officers is determined by the Board, on the basis of the opinion submitted by the Appointments, Compensation and CSR Committee. For further details regarding the compensation paid to Directors and executive corporate officers, please see Section 3.3. of this chapter "Compensation of the Group's corporate officers".

Board members are not required to own shares in the Company during their term of office. However, Article 5 of the Internal Regulations requires those Directors who hold shares in the Company to register their shares.

Since November 2017, the Board has had a Financial Markets Code of Ethics in relation to trading in financial instruments and compliance with French legislation on insider trading and insider trading offenses, aimed in particular at governing any trading in the Company's financial instruments by the Directors, executive corporate officers, and members of the Executive Committee, or by any individual who may come to hold inside information. The Code of Ethics takes into account the entry into force of EU Market Abuse Regulation 596/2014 of July 3, 2016 and the publication on October 26, 2016 of Position-Recommendation 2016-08 on permanent inside information and the management of inside information by the Autorité des Marchés Financiers (French Securities and Exchange Commission). In accordance with Article 5 of the Internal Regulations, each Director must comply strictly with the provisions of this Code of Ethics which forms an integral part of the Internal Regulations.

In this respect, the Directors must maintain the confidentiality of information deemed sensitive and confidential as well as information classified as privileged within the meaning of the regulations in force. They are also required to refrain from carrying out or attempting to carry out any transactions in the Company's shares during "blackout periods", in particular those relating to the publication of annual, half-yearly and quarterly financial information.

ASSIGNMENTS ENTRUSTED TO THE BOARD

The Board of Directors, a collegial body mandated by the shareholders, has the primary responsibility of defining the Company's strategic direction and ensuring its implementation.

Subject to the powers expressly granted to the Shareholders' Meetings and within the limits of the Company's corporate purpose, the Board addresses any matter concerning the proper functioning of the Company and makes decisions on issues within its remit.

In accordance with applicable legislative, regulatory, and statutory provisions, as well as the Rules of Procedure, the Board is notably responsible for:

- Convening Shareholders' Meetings and setting their agenda;
- Approving the parent company and consolidated financial statements, preparing the Management Report and forecast management documents;
- Authorizing regulated agreements and commitments;
- Appointing and dismissing corporate officers and setting their compensation;
- Establishing a succession plan for corporate officers and key Group executives;
- Appointing members of its committees;
- Determining the terms for allocating directors' compensation;
- Transferring the registered office within France, subject to ratification by the next Ordinary Shareholders' Meeting;
- Authorizing guarantees, endorsements, and sureties;
- Preparing the Corporate Governance Report;
- Authorizing the CEO for decisions requiring prior Board approval, as outlined in the Board's Rules of Procedure and in Section 3.1.

The Board is also kept informed of market developments, the competitive environment, and key issues, including those related to the Company's social and environmental responsibility.

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3.2.3. WORK OF THE BOARD AND ASSESSMENT OF ITS OPERATION IN 2024

During the 2024 fiscal year, the main subjects submitted to the Board related to:

- the Group's financial position, cash flow and commitments, including:
  - the presentation by the Statutory Auditors of the parent company and consolidated financial statements for the 2023 fiscal year, as well as the interim consolidated financial statements for the period ending June 30, 2024,
  - the preparation of the Group's corporate and consolidated financial statements for FY 2023,
  - the examination of the income for the first half of 2024, the forecasts for the second half of 2024 and the outlook for the 20245fiscal year,
  - the establishment of the Management Report and the Notes thereto for the 2023 fiscal year,
  - an examination of the quarterly figures and income and the 2024 forward-looking management documents,
  - the currency hedging policy,
  - the continuation of the liquidity agreement,
  - the review and annual authorization of caution, endorssment and guarantees;
- the monitoring of all key strategies, in particular:
  - the discussion of acquisitions, investments, and any strategic transactions under consideration,
  - changes in the industry and in the Group's strategic focuses,
  - an update on developments in the markets and the competitive environment;
- executives' compensation, and in particular:
  - the variable part of the CEO's compensation for 2023,
  - examination of the compensation policy for the CEO and the Deputy CEO for the 2024 and of any adjustments thereto during the year, and the corresponding report,
  - examination of the compensation policy for the Chairman of the Board for the 2024 and of the corresponding report,
  - the proposed compensation policy for Directors and committee members,
  - the proposed compensation for 2024 for members of the Executive Committee,
  - a study of the succession and development plans for the Group's key executives;
  - the implementation of a profit-sharing plan via a capital increase limited to a category of Group managers,
- corporate governance and internal control, in particular:
  - the Board's communication with minority shareholders,
  - the examination of the Directors' situation with regard to the independence criteria adopted by the Internal Regulations,
  - a review of the main risks to which the Group is exposed,
  - an evaluation of the functioning of the Board of Directors and its committees for 2024,
  - a review of the Board's diversity policy,
  - a review of the gender balance on the Executive Committee and of gender balance in the top 10% of executive positions,
  - the drafting of the Corporate Governance Report,
  - a review of the provisions of the Middlenext Code ("*Comply or Explain*") and a review of the points for particular attention set out in the Middlenext Code,
  - the adaptation of the Internal Regulations;
  - Adaptation of the Audit and Risk Committee's Rules of Procedure to assign it responsibility for CSRD oversight.
- other questions, and in particular:
  - the examination of strategic business decisions and positions,
  - the convening of an Ordinary and Extraordinary Shareholders' Meeting of Shareholders (including finalizing the draft resolutions and the Board's Report presenting the resolutions),
  - the review of related-party agreements that are still being executed,
  - analysis of new agreements subject to authorization, including amendments to the employment contracts of executive corporate officers,

- the examination of draft press releases,
- the training proposal for the Director representing employees.

SUCCESSION PLAN

The assignments entrusted to the Appointments and Compensation Committee include that of drawing up a succession plan for the Chairman of the Board, the Chief Executive Officer, and the Executive Committee members.

A succession plan for all members of the Executive Committee (including the Chief Executive Officer), is reviewed on a regular basis by the Appointments and Compensation Committee.

This succession plan covers:

- an immediate and temporary succession (case of an unforeseen and/or sudden succession);
- a succession in the medium term (further to an immediate and temporary succession, or in the event of an early succession);
- through internal and/or external recruitment.

This work made it possible to carry out the following changes in the Company's management during the 2024 financial year:

- the change of Chief Executive Officer
- the change of Chairman of the Board of Directors following the 2024 Annual General Meeting.

Furthermore, following the change in Chief Executive Officer and changes in the roles and individuals appointed to the Group Executive Committee, a review of the succession plan for the entire Executive Committee will be conducted in 2025.

ASSESSMENT OF THE FUNCTIONING OF THE BOARD

In accordance with the Middlenext Code, an evaluation procedure is carried out each year, covering the Board's operating methods, composition and organization, and to verify that the Board's discussions are properly organized and conducted.

The evaluation of the Board is carried out each year in the context of a discussion between the Directors at a Board meeting, prepared by the Appointments, Compensation and CSR Committee. An assessment may be also carried out on an ad hoc basis with the help of a specialist consulting firm.

The evaluation is carried out by questioning each Director in advance in order, in particular, to obtain his or her assessment of the functioning of the Board and any suggestions for potential improvements, as well as to assess the individual contribution made by each Director to the work of the Board. The subjects raised included the information provided to Directors, the structure and composition of the Board, its organization, the skills and profiles of the Directors, the internal dynamics within the Board, decision-making by the Board, communication within the Board and the level of commitment shown by the Directors, as well as the overall functioning of the committees.

Given the changes in the composition of the Board, notably the appointment of a new Chairman as of December 30, 2024, it was decided to postpone this evaluation to 2025.

3.2.4. THE BOARD'S SPECIAL COMMITTEES

The Board is supported by two committees designed to improve the way it operates and to contribute effectively to the preparation of its decisions by issuing recommendations or advisory opinions to the Board. The work of the various committees during fiscal 2024 is presented to the Board in the form of reports.

As of December 31, 2024, the composition, responsibilities, and activities of the committees were as follows:

APPOINTMENTS AND COMPENSATION COMMITTEE

Composition

The composition of the Nomination and Remuneration Committee remained unchanged during the 2024 fiscal year. It is composed of three members, including one independent member. The table below summarizes its composition as of December 31, 2024, as well as the attendance of its members throughout the year.

COMPOSITION DECEMBER 31, 2024	ATTENDANCE
June du Halgouët *(President)*	100%
Thomas De Cannière	100%
Christophe Villemin	100%

Helen Lee Bouygues was replaced by Sam Marnick as a member of the Committee on April 26, 2024, and Christophe Villemin was appointed Chairman of the Committee. On November 14, 2024, Sam Marnick was replaced by June du Halgouët.

The Chief Executive Officer (and the Human Resources Director) is invited to each meeting of the Committee and is involved in the Committee's work when it reviews the compensation policy for the Group's main executives who are not corporate officers. The Chairman of the Board, the Chief Executive Officer, and the Head of Human Resources do not take part in the discussions and work relating to their own positions and compensation.

Duties

In accordance with its Internal Regulations, the committee's duties include:

a) in relation to governance:

- issuing an opinion on whether the positions of Chairman of the Board of Directors and Chief Executive Officer should be held jointly or individually;

b) in relation to selection and appointment:

- issuing an opinion on the proposed appointment or dismissal of the Chairman of the Board,
- issuing an opinion on the proposed appointment or dismissal of the Chief Executive Officer and the Deputy Chief Executive Officer(s) by the Board, and may also put forward its own candidates,
- being consulted on the proposed appointment or dismissal of Division Managers, and more generally on their succession plans,
- making proposals on the selection of Directors and committee members and, more generally, on the composition of the Board and its committees; where applicable, the services of an external expert/firm may be called upon,
- drawing up a succession plan and assisting the Board with selecting and assessing its Chairman, the Chief Executive Officer, and the Deputy Chief Executive Officer or Officers, as applicable,
- examining the independence of the Directors and candidates for the role of Director or member of a committee with regard to the standards and recommendations applicable in France and on the regulated market on which the Company's shares are admitted to trading, as well as the principles of corporate governance referred to by the Company;

c) in relation to compensation:

- making all recommendations to the Board in relation to the compensation and leaving bonuses awarded to the Chief Executive Officer or Deputy Chief Executive Officer(s).
- these recommendations relate to all elements making up the compensation paid to the Chief Executive Officer or Deputy Chief Executive Officer(s), including the allocation of share subscription options, share purchase options, or free shares, together with compensation and benefits of all kinds (including benefits relating to pensions and leaving bonuses), paid by the Company,
- examining and making recommendations on the definition of the quantitative and qualitative criteria associated with the variable portion of the compensation paid to the Chief Executive Officer or Deputy Chief Executive Officer or Officers.
- for each corporate fiscal year used as a reference, the committee examines and issues an opinion on the achievement by the Chief Executive Officer or Deputy Chief Executive Officer(s) of the targets connected with the aforementioned quantitative and qualitative criteria for said fiscal year, and the corresponding amount of the variable part of their compensation. The committee examines and makes recommendations related to updating the aforementioned quantitative and qualitative criteria and on the annual re-assessment of the associated targets set for the Chief Executive Officer or Deputy Chief Executive Officer(s),
- being consulted on the definition of the quantitative and qualitative criteria associated with the variable part of the compensation paid to Division Managers.
- For each corporate fiscal year used as a reference, the committee is consulted on the degree of achievement, by the Division Managers, of the targets linked to the quantitative and qualitative criteria for said fiscal period, and on the corresponding portion of the variable part of their compensation,
- ensuring that the elements making up the compensation paid to the Chief Executive Officer, the Deputy Chief Executive Officer(s), and the Division Managers, are consistent with their annual performance reviews and with the Company's strategy, and then monitoring the application of these rules,

- ensuring that the compensation and other commitments made to the Chief Executive Officer, the Deputy Chief Executive Officer(s), and the Division Managers are in line with the provisions of the bylaws, as well as with the corporate governance principles referred to by the Company,
- being consulted by the Board on all plans concerning the profit-sharing policy for the Group's executive managers (corporate officers of subsidiaries and Executive Committee members) which could lead to the allocation, in favor of the latter, of share subscription options, share purchase options, or even free shares, or, more generally, to the implementation of any other range of measures enabling access to the Company's share capital,
- being informed about the policy drawn up by the Company's Executive Management in relation to the compensation paid to the Group's executive managers (corporate officers of subsidiaries and Executive Committee members), in particular in relation to the principle of and procedures for awarding the variable parts of compensation linked to results.

The Committee's work in 2024

The committee met 2 times in 2024.

During these meetings, the Committee have in particular:

- reviewed the independence of the Directors;
- reported the results of the in-house assessment of the functioning of the Board and the Committees for 2023 and initiated work for the next assessment;
- implemented and monitored compliance with the Board's diversity policy;
- examined the results of the diversity policy within the Board and prepared for the adoption of the targets for 2025;
- reviewed the employee profit-sharing plan with a view to its deployment at Group level;
- examined the conditions of the capital increase limited to a category of managers and in particular (i) the list of eligible managers and (ii) the terms and conditions for the allocation of free preferred shares and free ordinary shares;
- re-examined the succession and development plan for the Chief Executive Officer and members of the Executive Committee, particularly following the changes in Management end of 2024;
- reviewed the *"Comply or Explain"* table in application of the Middlenext Code;
- examined the draft 2023 Corporate Governance Report;
- examined diversity and equality within the Group. The committee heard from the Human Resources Director on the key figures relating to diversity, gender equality, employees with disabilities, as well as on the Group's expectations, challenges and targets in relation to diversity;
- studied the issue of Directors' compensation;
- studied and proposed the compensation policy for the Chief Executive Officer, the Deputy Chief Executive Officer ("*Say on Pay ex-ante*") and the Chairman of the Board for fiscal year 2024, particularly with regard to the variable portion and proposed changes following the change in the appointment of a new Chief Executive Officer;
- reviewed the Report on the compensation paid or granted to executive corporate officers during the year ended December 31, 2023 ("*Say on Pay ex-post*");
- issued proposed resolutions on the compensation of corporate officers in preparation for the General Shareholders' Meeting;
- studied the compensation paid to members of the Executive Committee and reviewed, when the situation arose, any changes to the responsibilities and compensation proposed to the Board;
- studied the training proposals for Board members and for the representative of the Central Employee Representation Committee participating without voting rights in the meetings of the Board;
- studied changes to its internal regulations to incorporate CSR assignments and to change, in accordance with this new remit, the wording of the Committee's designation;
- reviewed proposed changes to the employment contracts of executive corporate officers, which are also subject to the procedure for regulated agreements.

AUDIT, RISK AND CSRD COMMITTEE

Composition

The table below summarizes the composition of the Committee at December 31, 2024 and the attendance of its members during the year.

COMPOSITION AU 31 DÉCEMBRE 2024	ATTENDANCE
Laurence Dors *(Chairwoman and independent director)*	100%
Thomas De Cannière	100%
June du Halgouët	100%

Helen Lee Bouygues was replaced on April 26, 2024 by Sam Marnick as a member of the Committee. On November 14, 2024, Sam Marnick was replaced by June du Halgouët.

In accordance with the recommendation of the Middlenext Code, as set out in the Committee's Internal Regulations, the Committee is chaired by an Independent Director. The Chief Executive Officer is not a member of the Committee but may be invited to its meetings.

When appointed, the members may if necessary be given training on the specific accounting, financial, and operational aspects relating to the Company and the Group.

All of the current members of the Committee have accounting and financial expertise as a result of their academic or professional careers (detailed information on the experience of the members of the Committee in Section 3.2.1);

Duties

In accordance with Article L.823-19 of the French Commercial Code and with the Internal Regulations, the Committee is tasked in particular with:

a) **in relation to the financial statements:**

- ensuring the relevance, permanence, due implementation of and compliance with the accounting policies adopted for the compilation of the parent company and consolidated financial statements as well as for the appropriate processing of all material transactions at the level of the Group's entities,
- ensuring the monitoring of legal oversight of the annual financial statements and consolidated financial statements by the Statutory Auditors upon finalization of the financial statements, proceeding with a preliminary examination thereof and issuing an opinion on the draft financial statements prepared by the Finance Division, prior to their presentation to the Board. To this end, draft accounts and any other useful document or information must be communicated to committee members prior to meetings. In addition, the examination of the financial statements by the Committee must be accompanied by (i) a note from the Statutory Auditors detailing the performance of their assignment and the conclusions of their work, which enables the committee to be informed of the key areas of risk or uncertainty in relation to the financial statements identified by the auditors, their approach to the audit, and any difficulties that may have been experienced in their assignment, and (ii) a presentation by the Chief Financial Officer, describing the exposure to risk and any material off-balance sheet undertakings made by the business as well as the accounting options retained. The committee interviews the Statutory Auditors, the Finance Division (if applicable, in the absence of the Executive Management), and Executive Management, in particular, on the depreciation and amortization, provisions, recording of excess amounts, consolidation principles, and accounting methods retained,
- examining the draft interim financial statements, the draft half-yearly report and activity and income report prior to publication, and all financial statements drawn up for the requirements of specific transactions (contributions, mergers, transactions in the financial markets, release for payment of interim dividends, etc.),
- examining the scope of the consolidated companies and, if applicable, the reasons why certain companies may not be included therein,
- examining the significant risks and off-balance sheet commitments, to evaluate the importance of malfunctions or weak points notified, and to inform the Board of Directors, if necessary,
- examining the accounting and financial recording of any acquisition or divestment transactions, as applicable, and examining all significant transactions in the context of which a conflict of interests may arise;

b) **in relation to internal audits, internal control and risk management**

- monitoring the effectiveness of risk management and internal control systems and, if applicable, the internal audit concerning procedures for the drafting and processing of accounting and financial information within the Group; For this purpose, the committee ensures that risk management and internal control systems are in place, allowing the identification, analysis, management and also continuous improvement of the prevention and management of all types of risk, in particular, risks liable to have an impact on the accounting and financial information, with which the Group may be faced in the context of its business activities, as well as adherence by the Group with the rules on compliance,
- receiving information on regular basis from Executive Management on the organization and functioning of the risk management and internal control systems,

- periodically reviewing the key risks identified by Executive Management, the results of the application of the risk management and internal control systems and the relevance of the risk monitoring procedures, and ensuring that appropriate action plans have been put in place to remedy any malfunctions or weaknesses revealed,
- being kept informed about the key malfunctions or weaknesses observed and the action plans defined by Executive Management,
- analyzing the internal control reports issued by the Statutory Auditors,
- ensuring that issues relating to control and the process used to compile the financial and accounting information are monitored,
- checking that internal procedures for the collection and control of information have been defined, to guarantee the quick escalation and reliability of such information; examining the Statutory Auditors' action plan,
- hearing on a regular basis the reports of the Group's external auditors on the detailed methods used in their work, as well as the responses from the Executive Management,
- reviewing and commenting on the section of the Management Report relating to the internal control and risk management procedures implemented by the Company;
- review any questions submitted to it by the Board of Directors regarding internal control, risk management or the internal audit; asking the Executive Management for any information;

c) in relation to the Statutory Auditors:

- assessing the degree of compliance with the rules, principles, and recommendations guaranteeing the independence of the Statutory Auditors and ensuring the monitoring of their independence, in particular, by examining with the Statutory Auditors the risks in relation to their independence and the safeguarding measures put in place to mitigate such risks,
- supervising the procedure by which the Statutory Auditors are selected or their appointments renewed, taking care that the best and not the cheapest candidates are retained, issuing an opinion on the fees charged for the performance of the legal control assignment, issuing a reasoned opinion on the choice of Statutory Auditors, and sharing its recommendations with the Board of Directors,
- obtaining disclosure of the fees paid by the Company and the Group to the firm and the network of Statutory Auditors, together with information on the services rendered in the context of work connected directly with the assignment entrusted to the Statutory Auditors, ensuring that the total or percentage represented by these fees as part of the total revenue of the firm and of the network of Statutory Auditors is not liable to jeopardize their independence,
- approving any services other than the certification of the financial statements;

d) in relation to financial policy:

- being kept informed by Executive Management about the Group's financial position, the methods and techniques used to define the financial policy; being kept informed on a regular basis about the Group's guidelines on financial strategy,
- examining, prior to circulation, all external announcements made by the Group on accounting and financial matters or which are liable to have an impact on the Group's financial position or outlook,
- giving an opinion on the resolutions presented to the Shareholders' Meetings and which relate to the Company's annual financial statements and to the Group's consolidated financial statements,
- at the request of Executive Management, giving an opinion on decisions relating to the allocation of resources which, either due to the beneficiaries thereof, or due to possible conflicts of interest, could generate interpretation difficulties as to their compliance with the law and statutory rules,
- examining all matters of a financial or accounting nature submitted to it to by the Chairman, the Board of Directors, Executive Management, or the Statutory Auditors, as well as any questions relating to conflicts of interest of which it becomes aware;

e) in relation to ESG and CSRD:

- In general, the committee is consulted and informed about the sustainability and CSR policy developed by Executive Management;
- Ensure that Executive Management conducts an analysis of internal and external factors related to CSR issues (risks and opportunities) that may impact the Group;
- Review the reporting, evaluation, and control systems to enable the Group to produce reliable and auditable non-financial information;
- Examine and monitor the ratings assigned to the Group by non-financial rating agencies, and provide an opinion on the proposed action plans;
- As part of the preparation of the Universal Registration Document, review the key findings and observations from the work of the independent third-party body conducted under the regulatory framework, assess them, and examine Management's action plans in response;
- The committee may be consulted to review the main lines of the Group's CSR communication to stakeholders and propose potential adjustments;
- Specifically regarding CSRD, and for the first year of application of the directive, the committee selected the certifying third party to be submitted for approval at the General Meeting of December 30, 2024, and ensured the proper organization of the work required to publish the first sustainability report (see Chapter 4).

f) in relation to other reviews performed in the course of its assignments:

- being kept informed by Executive Management and hearing regularly from the Financial Division about the Group's tax strategy and the implications thereof;
- being kept informed by Executive Management and hearing regularly from the IT Services Division on the Group's governance and policy in terms of IT security and cyber-security,
- carrying out a periodic review of the Group's policy in terms of Ethics and Compliance, including measures and procedures for the implementation thereof.

In addition, the Internal Regulations stipulate that the provision of any service in addition to the certification of the financial statements is subject, in accordance with the detailed methods set out in the French Commercial Code, to approval from the Audit and Risk Committee and to verification by the Statutory Auditor of its independence.

Regarding the committee's approval, this is required when any services other than the certification of the financial statements are provided by the Statutory Auditor, or members of its network, in France or abroad, to the Company, to the entities which control or are controlled by the Company as per I and II of Article L.233-3 of the French Commercial Code. For this, the committee examines the nature and scope of the services subject to its approval with regard to the laws and regulations governing the independence of the Statutory Auditors.

The committee's key points of contact are the Executive Management, the Finance Division, the Legal, Insurance, Ethics, and Compliance Divisions, as well as the Company's Statutory Auditors. These main contacts may be heard without the presence of the executive corporate officers, if the committee decides so. The committee may hear from third parties to the Company whose hearing is useful to it in the performance of its duties and may also call on external experts, as necessary, while ensuring their competence and independence, having previously informed the Chairman of the Board and the Chief Executive Officer thereof. The committee cannot at its own initiative examine any questions which would fall outside the scope of its assignment. The committee does not have the power to make decisions.

The Committee's work in 2024

The Audit, Risk and CSRD Committee met 5 times in 2024, with a 100% attendance rate.

During these meetings, the Audit and Risk Committee did the following, in particular:

- examined the draft financial statements for the period ending December 31, 2023;
- examined the financial statements for the first half of 2024 as well as the interim statements;
- reviewed all draft press releases containing financial information;
- examined the reports and heard the conclusions of the Statutory Auditors;
- examined the Management Report for the 2023 fiscal year;
- examined and approved any "non-audit" assignments entrusted to the Statutory Auditors;
- heard from the Finance Department on the Group's financial policy;
- monitored internal control and reviewed the Group's risk analysis;
- reviewed and analyzed the key risks and opportunities, particularly relating to cybersecurity and compliance issues;
- was regularly informed of the process of integrating new acquisitions;
- examined and monitored the call for tenders relating to the Statutory Auditor's mandate;
- reviewed and recommended approval of the new procedure for any "non-audit" services provided by the Statutory Auditors.

The work of the Audit, Risk and CSRD Committee was in line with the targets defined for it during the financial year. Sufficient time was provided for the finalization of the financial statements and the examination thereof. The work of the Audit and Risk Committee was facilitated by the presence of the Statutory Auditors and the Group's Chief Financial Officer at some of its meetings.

The presentations made by the Statutory Auditors mainly focused on the conclusions of their audit of the parent company and consolidated financial statements, to their limited review of the half-yearly financial statements, and to the validation of the work (methodology and quantification) carried out by the Audit and Risk Committee and the Finance Division on these subjects. They did not highlight any difficulties encountered in the conduct of their assignment.

The Audit, Risk and CSRD Committee did not express any reservations in relation to the parent company and consolidated financial statements or to the half-yearly documents presented to it.

3.2.5. STATEMENTS RELATING TO CORPORATE OFFICERS

CONFLICTS OF INTEREST

In order to avoid all potential conflicts of interest, the Internal Regulations impose compliance with strict obligations upon the Directors. In this respect, the Internal Regulations stipulate that:

- any Director concerned by a situation which suggests or could suggest the existence of a conflict of interests must as soon as possible inform the Chairman of the Board or, if the latter is involved, the Chairman of the Appointments, Compensation and CSR Committee;
- any Director concerned by a situation which suggests or could suggest the existence of a conflict of interests must abstain from taking part in discussions and voting on the corresponding resolution, must not attend meetings of the Board while in a conflict of interests situation or, in the event of an extreme conflict of interests situation, must resign from the Board;
- during his or her term of appointment, each Director shall not hold any position in any company which is a competitor of the Company or of a Group company without having obtained prior consent from the Chairman of the Board or, if the latter is involved, from the Chairman of the Appointments, Compensation and CSR Committee;
- each Director has an obligation to declare to the Chairman of the Board of Directors and, more generally, to the Board of Directors, within one month following the end of the fiscal year:

  (i) where this is paid, owed to, or to be charged to any company controlled by the Company:

  – any compensation, Directors' fees, or benefits of any kind whatsoever, including in the form of the allocation of capital shares or debt securities, of shares conferring access to the share capital or options, paid or to be paid on the basis of the past fiscal year, as applicable, making a distinction between the fixed, variable, and exceptional items of which it is made up, as well as the application criteria used for the calculation thereof or the circumstances under which these were established,

  – any benefits of any kind whatsoever corresponding to compensation, indemnities, or benefits ether due or liable to be due on the basis of the acceptance or termination of, or change in the duties entrusted or subsequently thereof, whether such benefits result from an employment contract or not,

  – any supplemental pension plan;

  (ii) any office held or duties performed within any other company during the fiscal year;

  (iii) over the last five (5) years, any office held outside of the Group controlled by the Company, any conviction for fraud, any incrimination and/or official sanction, and, in particular, any prohibition on acting in the capacity of a member of a management, administration or supervisory body of an issuer.

The Chairman of the Board was not aware in 2024 of any conflicts of interest, and the Appointments, Compensation and CSR Committee, at its meeting on March 11, 2025, concluded that there were no conflicts of interest with regard to the Company and board member's private interests and/or other duties during the fiscal year.

To the best of the Company's knowledge, as of the date of this Document, no conflicts of interest exist between the duties of its corporate officers with regard to the Company and their private interests and/or other duties.

The Internal Regulations, including the rules relating to the prevention of conflicts of interest, can be obtained via the Company website.

SERVICE CONTRACTS BETWEEN CORPORATE OFFICERS AND THE COMPANY OR ONE OF ITS SUBSIDIARIES

To the best of the Company's knowledge, as of the date of preparation of this Document, no service contracts have been concluded between corporate officers and the Company or its subsidiaries other than those listed in Section 3.5.2 of this Document.

OTHER STATEMENTS RELATING TO CORPORATE OFFICERS

In accordance with the provisions of the Internal Regulations, a Director must inform the Chairman of the Board, or if the Chairman himself is concerned, the Chairman of the Appointments and Compensation Committee, if he or she is contacted in relation to a role with a competitor company or one of the Group companies, in order to obtain prior consent for the holding of such office. In 2022, no Directors were offered a role in any competitor company or one of the Group companies.

To the best of the Company's knowledge, there are no family connections between members of the Board of Directors.

To the best of the Company's knowledge, and as of the date of this Universal Registration Document, over the last five years, (i) no corporate officer has been found guilty of fraud, (ii) no corporate officer has been associated with a bankruptcy, the placing of assets in escrow, or liquidation, (iii) no guilty verdict and/or official public sanction has been handed down in relation to a corporate officer by the statutory or regulatory authorities (including designated professional bodies), and (iv) no corporate officer has been prohibited by the courts from acting in the capacity of member of a Board of Directors or of a Management or Supervisory Board of an issuer or from taking part in the management or conduct of business of an issuer.

With the exception of the legal, regulatory, or statutory restrictions or those stipulated by the Financial Market Code of Ethics described in Section 3.2.2, to the best of the Company's knowledge, and on the date of this Universal Registration Document, there are no restrictions accepted by the corporate officers concerning the assignment, after a certain period time, of their investment in the share capital of the Company, with the exception of those provided for in the non-concerting shareholders' agreement between SCP SKN Holding I SAS (*Searchlight*) and, in particular, the Chief Executive Officer and the Chief Operating Officer of the Company, the main clauses of which were the subject of a specific publication in accordance with Article L. 233-11 of the French Commercial Code (Declaration no. 222C0929 of April 26, 2022 available on the website of the *Autorité des marchés financiers*).

It is however stipulated that, as indicated in Section 3.3, the Chief Executive Officer is bound by certain retention obligations.

As part of the change of reference shareholder in favor of SCP SKN Holding I SAS, then the success of the takeover bid initiated by the latter, directors were appointed by *Searchlight*.

As of December 31, 2024, five directors appointed by *Searchlight* were on the Board: s, Thomas De Cannière, Christophe Villemin, Thierry Mootz, JUne du Halgouët and Samantha Marnick.

There is no arrangement or agreement with clients or suppliers pursuant to which any one of the former could have been selected as a Director or member of the the Company's Executive Management.

3.3. COMPENSATION OF CORPORATE OFFICERS

3.3.1. COMPENSATION POLICIES FOR CORPORATE OFFICERS FOR FISCAL YEAR 2024 (EX ANTE VOTE)

A. GENERAL PRINCIPLES

By way of an introduction, it should be recalled that the corporate officers' compensation policy as detailed below and established in application of Article L.22-10-8 of the French Commercial Code describes all component parts of the compensation awarded to the corporate officers of Latecoere on the basis of their appointments and explains the process adopted for its definition, distribution, revision and implementation.

The policy regarding the compensation awarded to the corporate officers of Latecoere is as follows:

- the compensation policy applicable to the Chairman of the Board,
- the compensation policy applicable to the Chief Executive Officer,
- the compensation policy applicable to the Deputy Chief Executive Officer, and
- the compensation policy applicable to the Directors.

Each of these policies is submitted for approval to the General Shareholders' Meeting in application of Article L. 22-10-8 II of the French Commercial Code *(ex ante vote)*. The compensation policy approved in year N applies to any person holding a corporate office in year N. The compensation policy described below will therefore be submitted for approval to the 2024 Annual Shareholders' Meeting. Moreover, when a corporate officer is appointed between two Shareholders' Meetings, his or her compensation is then defined in application of the provisions of the compensation policy applicable thereto, as approved by the most recent General Shareholders' Meeting.

Accordingly, in the development and determination of its executive compensation policy, the Company is guided by the following seven principles: comprehensiveness, balance, benchmarking, consistency, readability, prudence and lastly, transparency, and with this in mind takes into account the corporate interest, market practices and executive performance.

The Company measures compensation as a whole, considering every item granted or paid to executives, including the benefit represented by the severance pay they may receive. The components of their compensation are complementary and meet different objectives.

A balanced distribution between these various component parts is also sought in order for the compensation policy to act as an incentive over the long term, to remain competitive so as to guarantee the retention of talent, and to be in line with the corporate interest while enabling the implementation of the Company's strategy and contributing to the long-term application thereof.

The Board and the Appointments and Compensation Committee ensure the prevention and management of any conflicts of interest that could arise in this decision-making process in accordance with the Company's policy on the prevention of conflicts of interest.

In accordance with the applicable regulations, the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executive Officer or Officers do not take part in the deliberations or the voting on the compensation or commitments relating to them submitted to the Board.

In the context of its assignment, the Appointments and Compensation Committee invites the Group's Head of Human Resources to each of its meetings and involves the latter in its work when examining the compensation policy applicable to corporate officers.

The Appointments and Compensation Committee ensures that the compensation policy is applied in accordance with the quantitative performance criteria on which it is based, that the performance criteria envisaged are consistent and relevant to the Company's strategy, and that the financial impact of the recommended compensation policy is measured.

Certain details concerning the application of the compensation policy, such as the performance criteria applicable to the variable part of the annual compensation paid to the Chief Executive Officer and the Deputy Chief Executive Officer(s), are defined each year by the Board on the basis of recommendations made by the Appointments and Compensation Committee.

After having consulted the Appointments and Compensation Committee, the Board may decide to grant temporary exceptions with regard to the compensation policy applicable to the Chief Executive Officer and the Deputy Chief Executive Officer(s) in the event of exceptional circumstances and to the extent that the changes made are in line with the corporate interest and necessary in order to guarantee the sustainability and success of the Company's strategy.

The components of compensation which may be waived are the annual fixed compensation and the annual and long-term variable compensation (stock options and/or allocation of free ordinary and/or preferred shares). Exemptions may consist of an increase or decrease in the compensation concerned and, in the case of exemptions relating to variable compensation, they may relate to the modification of the performance conditions governing the acquisition of all or part of these elements of compensation and, in particular, the adjustment, both upwards and downwards, of one or more of the parameters attached to the performance criteria (weighting, triggering thresholds and objectives). Events liable to lead to an exception to the compensation policy applicable to the Chief Executive Officer and Deputy Chief Executive Officer(s) are, by way of an example, exceptional external growth transactions or a major change in strategy.

The purpose of the Appointments and Compensation Committee is to align the performance criteria applicable to the variable portion of the annual compensation paid to the Chief Executive Officer and the Deputy Chief Executive Officer(s) with those applicable to the variable portion of the compensation of the Company's key managers, namely the members of the Executive Committee, in particular with regard to quantitative criteria. This also applies to long-term compensation paid in shares.

The aim of the compensation policy in ordinary or preference shares is to give employees and corporate officers an interest in the implementation of the Company's long-term strategy and its long-term future. The Board, on the recommendation of the Appointments and Compensation Committee, may, if it sees fit, set a number of performance conditions attached to share-based compensation, ensuring that it is aligned with the Company's long-term performance.

Allocations of ordinary shares are subject to a condition of presence at the end of the period over which the performance conditions must be met, if applicable. If performance conditions are provided for in the applicable plan rules, failure to satisfy or partial satisfaction of the performance conditions is sanctioned by the loss of all or part of the initial allocation. The performance conditions applicable to shares already granted may not subsequently be modified.

Allocations of preferred share are subject to a condition of presence on the date of acquisition and to performance conditions at the date of conversion into ordinary shares, as well as to a presence condition in accordance with the terms and conditions attached to the Company's bylaws.

The policies presented below were reviewed and proposed by the Appointments and Compensation Committee on March 11, 2025 and approved by the Board at its meeting on March 19, 2025 and will be submitted for approval to the 2024 Annual General Shareholders' Meeting (*ex-ante vote*)

B. COMPENSATION POLICY FOR THE CHAIRMAN OF THE BOARD

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General presentation

On March 19, 2025, the Board of Directors, acting on a proposal from the Appointments, compensation and CSR Committee, set the compensation policy applicable to the Chairman of the Board for the 2025 financial year, which is the subject of a draft resolution submitted to the 2024 Annual Shareholders' Meeting for approval (ex ante vote).

Annual fixed compensation

The maximum annual fixed compensation is set at 200,000 euros, payable in 12 equal monthly instalments and calculated, where applicable, on a pro rata basis.

Exceptional bonus

An exceptional bonus may be paid to reward the involvement of the Chairman of the Board in special circumstances affecting the Company or the Group. Payment of this bonus is subject to approval from the Shareholders' Meeting (*ex-post* vote).

Long-term compensation

The Chairman of the Board is eligible for the performance-based incentive plans that the Company makes available to Group employees and executives, including stock subscription or purchase options and awards of performance shares (ordinary and/or preferred shares). Shares awarded on performance encourage those eligible to achieve the Group's long-term objectives and create value that should flow to the shareholders. Allocations of performance shares to the Chairman of the Board are decided after taking into account:

- the fulfillment of a condition of presence;
- the achievement of ambitious stock market and economic performance conditions set by the Board on the recommendation of the Appointments, Compensation and CSR Committee, and the acknowledgment of the fulfillment of these conditions by the Board on the basis of the work carried out by the Appointments, Compensation and CSR Committee.

The Chairman of the Board is subject, while still in office, to a retention obligation imposing the holding of a number of registered shares in the Company corresponding to 5% of the shares acquired, in application of the provisions of Article L.225-197-1 II of the French Commercial Code.

The Chairman of the Board may also be granted preferred shares subject to the terms and conditions set out in the Notes to the Company's bylaws. The conversion ratio of preferred shares into ordinary shares is determined on the basis of performance criteria set out in the Notes to the bylaws. The preferred shares will vest at the end of a vesting period of one year from the date of their allocation (unless otherwise specified in the plan regulations), subject to compliance with a presence condition; they will then be subject to a holding period expiring on the second anniversary of their grant date (subject to exceptions specified in the plan regulations).

Compensation due or that might become due as a result of termination of office

Severance pay may be granted to the Chairman of the Board should their service be terminated at the Company's initiative.

The amount of the payment is calculated on the basis of the total compensation received by the beneficiary of the payment during the fiscal year preceding that in which they ceased to hold office.

Non-compete commitment

In the event of termination of his duties, and if he were to leave the Group within 12 months following the end of his term, the Chairman may be subject to a non-compete obligation for a maximum duration of 12 months. This obligation would restrict his ability to work for a direct competitor in any capacity, including as an employee, corporate officer, or independent consultant.

If applicable, this non-compete restriction would be accompanied by financial compensation, paid in installments, the total amount of which may not exceed 50% of the fixed remuneration received during the 12 months preceding his actual departure from the Company in connection with his mandate.

It is also specified that the Board may waive the enforcement of this non-compete obligation at the time of the Chairman's departure. The payment of this compensation is excluded:

(i) if the Chairman is otherwise eligible for non-compete compensation under an employment contract with the Company or any Group entity; and (ii) if the Chairman claims retirement benefits, in accordance with Article R.22-10-14 III of the French Commercial Code.

Benefits in kind

Health expenses

The Chairman of the Board benefits from the Company's coverage of his or her mutual or private health insurance.

Supplementary pension and protection plans

The Chairman of the Board may benefit from the payment by the Company of a supplementary pension. They may also be affiliated with a pension plan paid for by the Company.

Other benefits

The Chairman of the Board may have the use of a company car.

The Company may also pay some or all of the Chairman of the Board's relocation costs in first assuming his or her duties in the Group.

C. COMPENSATION POLICY FOR THE CHIEF EXECUTIVE OFFICER

General presentation

At its meeting on March 19, 2025, the Board of Directors, acting on a proposal from the Appointments, Compensation and CSR Committee, set the elements of the compensation policy applicable to the Chief Executive Officer in respect of the 2024 financial year, a compensation policy which is the subject of a draft resolution submitted to the Annual General Meeting 2025 for approval (ex ante vote).

Compensation items	Form of payment	Maximum amount	Ceiling	Performance conditions for allocation	Performance indicators	Relative weight of the indicator	Ceiling applicable to the annual variable part
Annual fixed part	Amount paid in cash over calendar year N in 12 monthly payments	600,000 euros	Not applicable	no	Not applicable	Not applicable	Not applicable
Annual variable part	Amount paid in cash during calendar year N+1 following approval by the General Shareholders' Meeting N+1 *(ex-post vote)*	Amount of between 0 and the ceiling applicable to the annual variable part (amount set by the Board)	150% of the annual fixed part	yes	Recurring Ebitda M€ (constant rate and constant perimeter)	25%	150%
					Cash flow from operating activities (before financing) M€	20%	150%
					Workplace accident frequency rate (with lost time)	5%	175%
					Individual criteria	50%	150%
					TOTAL ANNUAL VARIABLE PART	**100%**	**150%**
Exceptional part		Set by the Board	100% of the annual fixed part	no	Not applicable	Not applicable	Not applicable
Long-term variable part	Provision of preferred shares subject to the terms and conditions provided for in the Company's bylaws	Set by the Board	Not applicable	*At grant time*: no *At time of conversion into ordinary shares*: yes	At grant time: Not applicable At time of conversion into ordinary shares: yes (see Terms and Conditions attached to the Company's bylaws and Note 13.3. Section 5.7.7)	Not applicable	Not applicable
	Delivery of ordinary shares subject to performance conditions, after a vesting and/or holding period.	Set by the Board	100% of ceiling applicable to the annual compensation (fixed and variable)	no	Section 6.2.2. for more details.		Not applicable

Annual fixed part

The annual fixed component is reviewed each year by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee. It is payable in 12 equal monthly installments and, where applicable, is calculated on a pro rata temporis basis.

Annual variable part

The purpose of the variable portion of the annual compensation is to reflect the Chief Executive Officer's personal contribution to the Company's development and the growth in its earnings.

The variable portion is balanced and determined as a percentage of the fixed annual reference portion. For the 2025 financial year, the Board has decided to set this percentage at 150% for collective objectives and 150% for individual objectives), with a target of 100% and a trigger level of 40%.

The collective and individual objectives applicable to the CEO's variable compensation are set by the Board each year N, for the current year, by the Board, on the proposal of the Appointments, Compensation and CSR Committee, and take into account ambitious quantitative and qualitative, financial and non-financial criteria, in line with Group strategy.

Each year, the Board may, on the recommendation of the same Committee, amend these criteria in order to adapt them and bring them into line with the Company's situation and prospects and the trend of its results.

Each year, at the same time as the financial statements for fiscal year N-1 are closed, the Appointments, Compensation and CSR Committee assesses the achievement of the objectives related to quantitative and qualitative criteria on the basis of factual and numerical information provided by the Finance Department and Executive Management. It then reports on its work to the Board, which assesses the Chief Executive Officer's performance criterion by criterion and records the size of the variable portion of their annual compensation for the past fiscal year based on the rate of achievement of objectives. In accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, the variable compensation components for fiscal year N-1 will only be paid in year N after approval by the General Shareholders' Meeting (*ex post* vote).

For reasons of confidentiality, the required level of achievement (target) for the quantitative criteria and the details of the qualitative criteria, although precisely pre-determined, cannot be made public. These criteria are always assessed taking into account performance at Group level.

The table below describes the criteria applicable to the Chief Executive Officer's annual variable compensation for the year 2025:

Annual variable part	Ceiling *(% of the annual variable part)*	Criteria	Relative weight of the indicator	Explanation of the relevance of the indicators and detailed implementation methods
Collective targets	50%	Recurring EBITDA € millions	25%	These indicators show the quality of the financial and economic management of the Group, from various complementary angles. The Group's financial performance is assessed through the three indicators referred to over, recorded as of December 31 of each year. The method consists in comparing the level of each of these indicators recorded as of December 31 of the past year (N) with that set by the Board for year N in the context of the budget and in acknowledging the corresponding discrepancy. A bonus is associated with each indicator, the amount of which depends on the difference between the level of achievement and the Budget for the corresponding indicator.
		Operating cash flow € millions	20%	
		Workplace accident frequency rate (with lost time)	5%	Maintain and improve the Group's performance in terms of workplace safety
Individual targets	50%	Defense and Space	10%	Strengthen and expand defense and space operations.
		On Quality & On Time	10%	Improve the quality of delivered products and on-time deliveries.
		Synergies	10%	Implement all necessary actions to strengthen synergies across the Group's various business activities.
		Services and India	10%	Strengthen the Services business and develop Indian sourcing.
		Restructure unprofitable activities and introduce New Product Initiatives *(NPI)*.	10%	The Group has already initiated a profitability improvement policy and intends to continue this effort in the 2025 fiscal year. Obtain qualification for New Products and successfully ramp up their production.

Exceptional compensation

The Chief Executive Officer may receive, on the decision of the Board, on the advice of the Appointments and Compensation Committee, exceptional compensation up to a maximum of 100% of his or her annual fixed compensation.

The amount will be set by the Board after consulting the Appointments and Compensation Committee. In accordance with the provisions of Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, the exceptional compensation of the Chief Executive Officer for fiscal year N-1 may only be paid in year N after approval by the Ordinary Shareholders' Meeting (ex post vote).

Long-term compensation

The Chief Executive Officer is eligible for the performance-based incentive plans that the Company makes available to Group employees and executives, including stock subscription or purchase options and awards of performance shares (ordinary and/or preferred shares). Shares awarded on performance encourage those eligible to achieve the Group's long-term objectives and create value that should flow to the shareholders. Allocations of performance shares to the Chief Executive Officer are decided after taking into account:

- the fulfilment of a condition of presence;
- the achievement of ambitious stock market and economic performance conditions if such conditions are provided for in the plan regulations approved by the Board.

The Chief Executive Officer is subject, while still in office, to a retention obligation imposing the holding of a number of registered shares in the Company corresponding to 5% of the shares acquired, in application of the provisions of Article L.225-197-1 II of the French Commercial Code.

Payment on assumption of duties

The Chief Executive Officer may at the time of his/her hiring be awarded a signing bonus to make up for the loss of benefits he or she used to enjoy but must relinquish on joining the Company. The amount of such payment will be set by the Board, upon the advice from the Appointments, Compensation and CSR Committee.

The purpose of such a signing bonus would be notably to enable the Company to recruit experienced, competent executives in a highly competitive environment and give them an incentive to join the Group.

Compensation due or that might become due as a result of termination of office

A severance payment may be made to the Chief Executive Officer should he or she terminate his or her service at the Company's initiative or be forced to leave the Group.

No severance shall be paid should the Chief Executive Officer terminate his or her service at the Company's initiative or be forced to leave the Group on the grounds of gross misconduct or negligence or if the Chief Executive Officer resigns their position and leaves the Group on his or her own initiative (unless such a departure can be considered, in view of the surrounding circumstances, as a forced departure).

The payment may only be made with the prior acknowledgment by the Board that the conditions it imposed have been met.

The amount of the indemnity is calculated on the basis of the total gross remuneration - fixed, variable and benefits in kind - received during the last twelve (12) months prior to the termination of his duties.

Non-compete commitment

In the event of termination of their duties, and in the event that they leave the Group within twelve months of the end of their term of office, the Chief Executive Officer may be bound by a non-compete obligation for a minimum period of 12 months, restricting their freedom to work for a competitor as an employee or corporate officer or to carry out consulting assignments directly or through an intermediary legal entity. This prohibition of competition would, where applicable, be accompanied by financial compensation paid in instalments, the amount of which may not exceed 50% of the fixed and variable compensation due during the twelve months preceding their effective departure from the Company in respect of their mandate.

It is also specified that the Board may waive the implementation of this commitment upon the departure of the Chief Executive Officer. The payment of this indemnity is excluded (i) if the Chief Executive Officer is also eligible for a non-compete indemnity under an employment contract with the Company or a Group company, and (ii) if the Chief Executive Officer exercises their retirement rights, in accordance with Article R.22-10-14 III of the French Commercial Code.

Compensation for duties as a Director

If the Chief Executive Officer also sits on the Board, he or she does not receive any compensation for these duties.

Benefits in kind

Unemployment insurance

The Company may take out private unemployment insurance for the Chief Executive Officer (a policy type known by the French acronym GSC). In addition, the Company may agree to offer him or her special compensation in the absence of payment by the private insurer should there be a waiting period or if the circumstances of his or her termination do not enable him or her to receive the coverage subscribed. This specific compensation can be cumulated with the compensation due or likely to be due on account of the termination of the duties.

Health expenses

The Chief Executive Officer benefits from the Company's coverage of his or her mutual or private health insurance.

Supplementary pension and protection plans

The Chief Executive Officer may benefit from the payment by the Company of a supplementary pension. They may also be affiliated with a pension plan paid for by the Company.

Other benefits

The Chief Executive Officer may have the use of a company car.

The Company may also pay some or all of the Chief Executive Officer's accomodation during his or her duties in the Group.

D. COMPENSATION POLICY FOR THE DEPUTY CHIEF EXECUTIVE OFFICER (AND, WHERE APPLICABLE, ANY OTHER EXECUTIVE CORPORATE OFFICERS)

The Deputy Chief Executive Officer may receive compensation comprising a fixed annual portion, a variable annual portion and a long-term portion identical to that of the Chief Executive Officer - as set out in Section 3.3.1.C. above. The principles for determining this compensation are established according to the same principles, taking into account industry practice for companies of a similar size to Latecoere.

E. COMPENSATION POLICY FOR DIRECTORS

As part of the total compensation package for Board Directors authorized by the Shareholders' Meeting, the terms on which payments are made to Directors are approved by the Board upon proposal by the Appointments, Compensation and CSR Committee.

The rules for compensating Directors were amended by the Board on December 5, 2018, principally to reflect their attendance rate and were adjusted, concerning the Chairman of the Audit and Risks Committee's compensation, as approved by the 2023 Annual Shareholders' Meeting.

The allocation of the annual fixed sum decided by the Shareholders' Meeting among the members of the Board is freely decided by the Board, it being specified that, the maximum amount attributable to each member is €50,000 per year, excluding the specific compensation of committee chairs.

By way of exception, no compensation shall be paid to (i) members of the Board who are employees or corporate officers of a shareholder of the Company or of any legal entity directly or indirectly associated with a shareholder of the Company, (ii) the representative of shareholding employees, (iii) the Chief Executive Officer, (iv) the Deputy Chief Executive Officers, or (v) the Chairman of the Board, bearing in mind that the Chief Executive Officer and the Chairman of the Board each receives specific compensation, set by the Board, for their duties as senior executives.

The allocation voted by the Board primarily reflects the attendance by each member of the Board and the time the member devotes to his or her responsibilities, including any work done on the committees. Directors' compensation includes a fixed annual amount, calculated pro rata temporis for appointments which come to an end during the course of the fiscal year, to which a variable portion is added, awarded by the Board on the basis of attendance by Directors at meetings of the Board and of those committees of which they are members.

The exception to this rule concerns Committee Chairmen who, unless they also hold the position of Chairman of the Board, receive, in addition to their remuneration as directors, an additional fixed annual remuneration of:

- Chairman of the Appointments, Remuneration and CSR Committee: €10,000
- Chairman of the Audit and Risks Committee: €20,000.

Certain members of the Board may occasionally be entrusted with specific assignments by the Board for which they are remunerated on a case-by-case basis.

Lastly, all members of the Board are entitled to reimbursement, upon submission of receipts, for travel expenses incurred in the performance of their duties.

The maximum overall annual compensation awarded to the Directors had been set at €480,000 by the General Shareholders' Meeting of June 29, 2015.

3.3.2. INFORMATION ON EMPLOYMENT AND/OR SERVICE CONTRACTS CONCLUDED BETWEEN CORPORATE OFFICERS AND THE COMPANY AT THE DATE OF THE PRESENT DOCUMENT

- **Thierry Mootz, Chairman of the Board (termination of the suspended employment contract)**

On March 29, 2024, Latecoere signed an agreement to terminate the suspended employment contract Thierry Mootz, Chairman of the Board of Directors at the date of signature of this agreement. agreement. At its meeting on March 28, 2024, Latecoere's Board of Directors authorized the conclusion of this agreement, after considering that it was within the terms of the agreement. agreement after considering that it was in the Company's best interests. Thierry Mootz, who has a direct interest interested in the agreement, left the meeting and consequently took no part in the deliberations nor in the vote of the Board of Directors authorizing the conclusion of the agreement. Board of Directors authorizing the conclusion of this agreement.

- **Fabienne Lelandais, Director representing employees**

She has an open-ended employment contract with the Company to perform the duties of n Environmental Health and Safety Coordinator within the Aerostructures business unit. Her employment contract provides for a notice period in accordance with the applicable legal and contractual provisions and may be terminated in accordance with the law and case law.

3.3.3. COMPENSATION OF CORPORATE OFFICERS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023 AND PREVIOUS FISCAL YEARS (*EX POST* VOTE)

The compensation paid or awarded by the Company to its corporate officers in respect of the year ended December 31, 2024, as decided by the Board on March 19, 2025 on the recommendation of the Appointments and Compensation Committee on March 11, 2025, must be approved, for the 2024 financial year, by the 2025 Annual Shareholders' Meeting in accordance with the applicable legal and regulatory provisions, is presented below.

A. COMPENSATION OF THIERRY MOOTZ, CHAIRMAN OF THE BOARD UNTIL DECEMBER 30, 2024

A.1 Compensation for the period ended December 31, 2024

In accordance with the Chairman of the Board's compensation policy approved by the General Meeting held on December 30, 2024 (16th resolution), the gross fixed compensation paid by Latecoere to Thierry Mootz for the 2024 fiscal year amounted to €199,452, calculated pro rata temporis based on an annual fixed amount of €200,000*.

In accordance with that same policy, no benefit in kind, variable or exceptional compensation, grant of stock purchase or subscription options, grant of performance shares or Directors' fees was paid to the Chairman of the Board for their office. Neither was any compensation paid or awarded by a company within the scope of consolidation of the Company. Neither did he receive an exceptional bonus or payment for termination of employment. Since this compensation does not include any variable component, the remuneration granted to Thierry Mootz for the 2024 fiscal year is not directly linked to the Company's performance.

A.2 Summary table of the components of variable and exceptional compensation of Thierry Mootz for the fiscal year ended December 31, 2024 and subject to approval by the 2025 Annual General Shareholders' Meeting

In accordance with Articles L.22-10-8 and L.22-10-34 of the French Commercial Code, the components of compensation voted on *ex ante* must be submitted to the approval of the shareholders every year. Payment of the items of variable and exceptional compensation is conditioned on the approval of the General Shareholders' Meeting (*ex post* vote).

The shareholders are asked in the resolution submitted to the 2024 Annual General Shareholders' Meeting to vote on the fixed, variable or exceptional items of the total compensation and the benefits of any kind paid or granted in respect of the fiscal year ended December 31, 2024 to Thierry Mootz, Chairman of the Board, as presented below (*ex-post* vote):

Items of the compensation of Thierry Mootz paid or granted for the fiscal year ended December 31, 2024	Amounts or carrying value put to the vote *(in €)*	Comments
Fixed compensation	199,452 (amount paid)	-
Exceptional bonus	None	-
Compensation due or that might become due as a result of termination of office	None	-
Stock options and performance shares	547,400*	-
Benefits in kind	None	-

A.3 Compensation for the period ended December 31, 2023

In accordance with the Chairman of the Board's Compensation Policy approved by the 2023 Annual Combined General Meeting, the gross fixed compensation paid by Latecoere to Pierre Gadonneix and Thierry Mootz for the 2023 fiscal year amounted to €200,000, in proportion to the duration of their respective terms.

A.4 Change in the compensation of the Chairman of the Board of Directors over the last two fiscal years

The following tables show the compensation paid and granted as well as the free shares granted to Thierry Mootz during the last two fiscal years.

SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES ALLOCATED TO PIERRE GADONNEIX (AMF TABLE 1)

In euros	2023	2024
Compensation for the year	42,425*	199,242**
Valuation of multi-year variable compensation granted during the year	-	-
Valuation of stock purchase options granted during the year	-	-
Value of performance shares granted during the year	-	547,400
TOTAL	**42,425**	**746,642**

* *Pro rata temporis for the term period, i.e., from July 26, 2023 to December 31, 2023, based on an annual fixed compensation of €200,000.*

** *Pro rata temporis for the term period, i.e., from January 1, 2024 to December 30, 2024, based on an annual fixed compensation of €200,000.*

SUMMARY TABLE OF TIERRY MOOTZ'S COMPENSATION (AMF TABLE 2)

	2023		2024	
In euros	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	42,425	42,425*	199,452*	199,452*
Annual variable compensation	-	-	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation for duties as a Director	-	-	-	-
• *o/w paid by Latecoere*	-	-	-	-
• *o/w paid by controlled companies*	-	-	-	-
Benefits in kind	-	-	21,652	21,652
TOTAL	**200,000**	**200,000**	**221,104**	**221,104**

* *Pro rata temporis for the term period, i.e., from January 1, 2024 to December 30, 2024, based on an annual fixed compensation of €200,000.*

3

A.5 Employment contracts, supplementary pension plan and indemnities (AMF Table 11)

	Employment contract	Supplemental pension plans	Compensation or benefits due or likely to be due owing to termination or change of office	Payments in relation to a non-compete clause
	NO [(1)]	NO	NO	NO
Thierry Mootz Chairman of the Board: 2023/07/26 to 2024/12/30 First appointed as Chairman: 2023/07/2026 First appointed as Director: 2023/07/26 End date of term as Director: General Meeting called to vote on the financial statements for the fiscal year ended December 31, 2026				

(1) Thierry Mootz's employment contract was terminated through a mutual agreement during the first half of 2024.

A.6 Equity Ratios

In accordance with the provisions of Article L.22-10-9 of the French Commercial Code, set out below are the (i) ratios between the compensation awarded to the Chairman of the Board of Directors and, firstly, the mean full-time equivalent compensation paid to employees of the Company excluding corporate officers and, secondly, the median full-time equivalent compensation aid to employees of the Company excluding corporate officers, as well as changes in this ratio over the last five fiscal years (L. 22-10-9, I., 6°) as well as (ii) the annual change in compensation, the Company's performance, the mean full-time equivalent compensation of the Company's employees excluding executives and the aforementioned ratio over the course of the last five fiscal years (L. 22-10-9, I., 7°).

This presentation was prepared in order to comply immediately with the new transparency requirements concerning executive compensation.

It may evolve depending on any subsequent official instructions or positions made known to companies.

€ thousand	2020	2021	2022	2023	2024
Company performance **Net income for the year** [(1)]	**(189,566)**	**(110,975)**	**(127,088)**	**6,159**	**(60,550)**
Change as a %	-476.9 %	41,5 %	-14,5%	104.85%	-1,083.11%
Compensation of the Chairman of the Board [(2)]	200	200	200	163.21	221.1
Change as a %	0 %	0 %	0 %	-18%	135.5%
Average full-time equivalent compensation of the Company's employees [(3)]	48,9	50,1	60,8	66.77	58.44
Change as a %	1,54 %	2,45 %	21,38 %	9.80 %	-12.47%
Average compensation ratio	**4,1**	**4**	**3,29**	**2.44**	**3.78**
Median full-time equivalent compensation of the Company's employees [(3)]	46,2	45,1	48,9	51.86	50.26
Change as a %	5,25 %	2,3 %	8,5%	5.97%	-3.08%
Median compensation ratio	**4,3**	**4,43**	**4,09**	**3.15**	**4.39**

(1) Group consolidated net income (in thousand euros)

(2) This compensation includes the total fixed remuneration paid in year N *to individuals who received compensation for their* Chairman mandate *(namely* Thierry Mootz from January 1, 2024 to December 30, 2024, *and* Nick Sanders from December 30, 2024 to December 31, 2024*), as well as* benefits in kind granted to Thierry Mootz

(3) This compensation relates to the employees of the Latecoere SA structure and includes the fixed and variable amounts, any top-up amount paid, amounts received on the basis of profit-sharing, the valuation (fair value) of the performance shares awarded, and all benefits in kind.

B. COMPENSATION OF NICK SANDERS, CHAIRMAN OF THE BOARD SINCE DECEMBER 30, 2024

B.1 Compensation for the year ended December 31, 2024

In accordance with the Chairman of the Board's compensation policy approved by the General Meeting held on December 30, 2024 (16th resolution), the gross fixed compensation paid by Latecoere to Nick Sanders for the 2024 fiscal year amounted to €1,515, calculated pro rata temporis based on an annual fixed compensation of €200,000.

In line with the same policy, no benefits in kind, variable or exceptional compensation, stock options, performance shares, or compensation as a director were granted to the Chairman of the Board in connection with his mandate. However, free allocations of ordinary shares and performance shares were awarded.

No compensation was paid or granted by any company within the Group's consolidation scope.

Furthermore, no exceptional bonus or severance payment was received in connection with the termination of his duties.

As this compensation does not include any variable component, the remuneration granted to Nick Sanders for the 2024 fiscal year is not directly linked to the Company's performance.

B.2 Summary table of the variable and exceptional Compensation of Nick Sanders in respect of the financial year ended December 31, 2024 submitted for the approval of the 2025 Annual General Meeting

n accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, Compensation items that have been subject to an *ex ante* vote must be submitted to shareholders for approval each year. The payment of variable and exceptional Compensation is subject to the approval of the General Meeting (*ex-post* vote).

At the 2024 Combined Annual General Meeting, shareholders will be asked to approve the fixed, variable, and exceptional components of the total compensation and benefits in kind paid or awarded to Thierry Mootz, Chairman of the Board, for the fiscal year ended December 31, 2023, as presented opposite (ex-post vote):

Elements of Nick Sanders's Compensation paid or awarded in respect of the financial year ended December 31, 2024	Amounts or book value put to the vote	Comments
Fixed Compensation	1,515 (amount paid)	-
Exceptional bonus	None	-
Compensation due or likely to be due on termination of functions	None	-
Stock options and performance shares	None	-
Benefits of any kind	None	-

B.3 Compensation paid to the Chairman of the Board of Directors over the last two financial years

The tables below show the Compensation paid and awarded to Nick Sanders as well as the free shares awarded to him over the last two financial years.

B.4 Summary of Compensation, stock options and performance shares granted to THIERRY MOOTZ (AMF table no. 1)

In euros	2023	2024
Compensation due in respect of the financial year	-	1,515*
Valuation of multi-year variable Compensation awarded during the financial year	-	-
Valuation of stock options granted during the year	-	-
Valuation of performance shares granted during the year	-	-
TOTAL	**-**	**1,515***

* *prorata temporis over the term of office, i.e. from December 30, 2024 to December 31, 2024, on the basis of a fixed annual Compensation of €200,000*

B.5 Summary of Compensation paid to Nick Sanders (AMF table No. 2)

	2023		2024	
In euros	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed Compensation	-	-	1,515*	-
Variable annual Compensation	-	-	-	-
Multi-year variable Compensation	-	-	-	-
Exceptional Compensation	-	-	-	-
Compensation for directorship	-	-	-	-
• *of which paid by Latecoere*	-	-	-	-
• *of which paid by controlled companies*	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	**-**	**-**	**1,515***	**-**

* *prorata temporis over the term of office, i.e. from December 30, 2024 to December 31, 2024, on the basis of a fixed annual Compensation of €200,000*

B.6 Employment contract, supplementary pension scheme and indemnities (AMF table n° 11)

	Employment contracts	Supplementary pension schemes	Indemnities or benefits due or likely to be due as a result of termination or change of function	Indemnities relating to a non-competition clause
	NO	NO	NO	NO
Nick Sanders Chairman of the Board since 2024/12/30 1re appointment as director: 2024/12/30 1re appointment as Chairman of the Board: 2024/12/30 End of term of office as Director and Chairman of the Board: AGM called to approve the financial statements for the year ending 31/12/2029				

C. COMPENSATION OF GREG HUTTNER, CHIEF EXECUTIVE OFFICER FROM JANUARY 1, 2024 TO NOVEMBER 14, 2024

C.1 Compensation for the period ended December 31, 2024

In accordance with the provisions of Article L. 22-10-34, II of the French Commercial Code, the General Meeting must decide on the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid or awarded to the Chief Executive Officer in respect of the 2024 financial year, in application of the remuneration policy for the Chief Executive Officer approved by the General Meeting. It should be noted that the payment of the variable and exceptional remuneration for 2024 and the termination benefit are subject to the approval of the 2025 Annual General Meeting.

Annual fixed compensation

In accordance with the Compensation Policy for the Chief Executive Officer approved by the Shareholders' Meeting of December 31, 2024 (17th resolution), Greg Huttner was paid fixed (gross) annual compensation of €435,616 in respect of the 2024 financial year.

Annual variable compensation

At its meeting held on November 14, 2024, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, decided to set the variable compensation due for the 2023 fiscal year in respect of Thierry Mootz's mandate as Chief Executive Officer at a lump sum of €32,386. This amount was calculated pro rata temporis for the duration of the corporate mandate during the 2023 fiscal year, based on 100% achievement of objectives.

Furthermore, given the termination of duties following the same Board meeting, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, set the variable compensation for the 2024 fiscal year at a lump sum of €150,000.

Exceptional compensation

No compensation was paid in respect of the 2024 fiscal year.

Long-term compensation - Stock options

No stock options were granted to Greg Huttner.

Long-term compensation - free shares

Greg Huttner benefited from free allocations of ordinary and preferred shares, the terms and conditions of which are detailed in Section 7 of this Document.

Compensation due or that might become due as a result of termination of office

As Greg Huttner's mandate ended during the fiscal year, the mechanism was triggered, and the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, set the severance payment at €650,000.

Non competition indemnity

It was decided not to enforce the non-compete obligation.

Benefits in kind

Greg Huttner received benefits in kind amounting to €4,104, corresponding to his company car..

No compensation for the Director position

No remuneration was paid to Greg Huttner in this respect.

Absence of compensation paid or awarded by a company within the scope of consolidation of the Company

No compensation was paid or awarded to Greg Huttner by a company within the scope of consolidation of the Company.

C.2 Summary table of the components of variable and exceptional compensation paid or granted to Greg Huttner for his role a corporate officer for the fiscal year ended December 31, 2024 and subject to approval by the 2025 Annual General Shareholders' Meeting

In accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, compensation elements subject to an ex-ante vote must be submitted to shareholders for approval each year.The payment of variable and exceptional compensation is conditional upon the approval of the 2025 Combined Annual General Meeting (ex-post vote).

As part of the 2024 Combined Annual General Meeting, shareholders are invited to vote on the fixed, variable, and exceptional components of the total compensation and benefits of any kind paid or awarded to Greg Huttner, Chief Executive Officer, for the fiscal year ended December 31, 2024, as presented opposite (ex-post vote):

Items of the compensation of Greg Huttner paid or granted for the fiscal year ended December 31, 2024	Amounts or carrying value put to the vote	Comments / details
Fixed compensation	**€435,616** (paid)	see Section 3.3.3 sub-section C, paragraph C.1
Variable compensation	**€150,000** (1)	
Exceptional compensation	**None** (1)	
Payment on assumption of duties	**None**	
Compensation due or that might become due as a result of termination of office	**€650,000**	
Compensation for duties as a director	**None**	
Stock options and performance shares:		
• *o/w stock options*	**None**	
• *o/w performance shares*	**None**	
Benefits in kind		
• *o/w private unemployment insurance*	**None**(2)	
• *o/w set-up costs*	**None**	
• *Company car*	**€4,104**	

(1) Payment subject to approval at the 2025 Annual General Meeting.

(2) The GSC private unemployment insurance scheme could not be activated for Greg Huttner due to the fact that the waiting period had not expired at the date of his departure. By decision of the Board of Directors on November 14, 2024, it was decided to pay Greg Huttner the amount he would have received if the GSC insurance scheme had applied, i.e. €250,000 net, paid in twelve monthly installments and subject to the condition of not returning to work (cf. line "of which compensation corresponding to the amount of private unemployment insurance").

C.3 Changes in Greg Huttner's compensation over the last two fiscal years

The following tables show the compensation paid and granted as well as the options and shares granted to Greg Huttner during the last two fiscal years.

SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES GRANTED TO GREG HUTTNER (AMF TABLE 1)

In euros	2023	2024 [1]
Compensation for the year	155,346	600,621
Valuation of multi-year variable compensation granted during the year	-	-
Valuation of stock purchase options granted during the year	-	-
Value of performance shares granted during the year)	498,960	- [2]
TOTAL	**654,306**	**600,621**

(1) Payment of the variable and exceptional remuneration due in respect of the 2023 financial year is subject to approval of these items by the 2024 Annual General Meeting.

(2) No performance shares were allocated during the financial year in question.

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SUMMARY TABLE OF GREG HUTTNER'S COMPENSATION (AMF TABLE 2)

	2023		2024	
In euros	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	107,955	107,955	435,616	435,616
Annual variable compensation [1]	32,386	-	150,000	32,386[3]
Multi-year variable compensation	-	-	-	-
Exceptional compensation [1]	-	-	-	-3)
Compensation for duties as a Director	-	-	-	-
• *o/w paid by Latecoere*	-	-	-	-
• *o/w paid by controlled companies*	-	-	-	-
Benefits in kind [3]	15,005	15,005	4,104	4,104
TOTAL	**155,346**	**122,960**	**589,720**	**472,106**

(1) The payment of variable and exceptional remuneration due in respect of the 2024 financial year is subject to the approval of these items by the 2025 Annual General Meeting.

(2) Private unemployment contribution and company car

(3) Amount due in respect of the 2023 financial year paid in 2024 following approval by the 2024 Annual General Meeting.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FISCAL YEAR TO GREG HUTTNER (AMF TABLE 4)

None

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY GREG HUTTNER (AMF TABLE 5)

None

FREE SHARES GRANTED DURING THE FISCAL YEAR TO GREG HUTTNER (AMF TABLE 6)

None

FREE SHARES THAT BECAME AVAILABLE TO GREG HUTTNER DURING THE FISCAL YEAR (AMF TABLE 7

Number and date of the plan	Number of shares becoming available during the fiscal year	Vesting conditions
ADP 2023 Plan of 2023/12/21	39,999,963	See Terms and Conditions appended to the Company's Articles of Association and Note 13.3 Section 5.7 of this Document.
ADP 2023 Plan of 2023/12/21	2,000	

HISTORY OF ALLOCATION OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS, INCLUDING SPECIFICALLY TO GREG HUTTNER – INFORMATION ON SHARE SUBSCRIPTION OR PURCHASE OPTIONS (AMF TABLE 8)

None

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TEN HIGHEST-PAID EMPLOYEES WHO ARE NOT CORPORATE OFFICERS, AND OPTIONS EXERCISED BY THEM (AMF TABLE NO 9)

None

HISTORY OF FREE SHARE ALLOCATIONS, INCLUDING SPECIFICALLY TO THE CHIEF EXECUTIVE OFFICER – INFORMATION ON FREE SHARES ALLOCATED (AS OF 31/12/2021) (AMF TABLE NO 10)

Number and date of the plan	Number of shares becoming available during the fiscal year	Vesting conditions
ADP 2022 Plan of 2022/04/21	10,000	N/A
ADP 2023 Plan of 2023/12/2023	39,999,963	N/A
ADP 2023 Plan of 2023/12/21	2,000	N/A

C.4 Employment contracts, supplementary pension plans and indemnities (AMF Table 11)

	Employment contract	Supplemental pension plans	Compensation or benefits due or likely to be due owing to termination or change of office	Payments in relation to a non-compete clause
	NON	NO	YES[1]	YES[1]
Greg Huttner Chief Executive Officer since 2023/10/13 First appointment as Chief Executive Officer: 2023/10/13 Date of end of the term of office of Chief Executive Officer: 2024/11/14				

(1) The terms and conditions of this indemnity are detailed in Section 3.3.1 B above.

C.5 Equity Ratios

In accordance with the provisions of Article L.22-10-9 of the French Commercial Code, set out below are the (i) ratios between the compensation awarded to the Chief Executive Officer and, firstly, the mean full-time equivalent compensation paid to employees of the Company excluding corporate officers and, secondly, the median full-time equivalent compensation aid to employees of the Company excluding corporate officers, as well as changes in this ratio over the last five fiscal years (L. 225-37-3, I., 6°) as well as " the annual change in compensation, the Company's performance, the mean full-time equivalent compensation of the Company's employees excluding executives and the aforementioned ratio" over the course of the last five fiscal years (L. 225-37-3, I., 7°). This presentation was prepared in order to comply immediately with the new transparency requirements concerning executive compensation. It may evolve depending on any subsequent official instructions or positions made known to companies.

€ thousand	2020	2021	2022		2024
Company performance **Net income for the year**[1]	**(189,566)**	**(110,975)**	**(127,088)**	**6,159**	**(60,550)**
Change as a %	-476.9 %	41.5 %	-14,5%	104.85%	-1,083.11%
Compensation of the Chief Executive Officer[2]	1,028.6[4]	538.3[4]	1,087.4[2]	1,844,17	472.1
Change as a %	-6.6 %	-47.76%	102.01%	69.59%	-74.4%
Average full-time equivalent compensation of the Company's employees [3]	48.9	50.1	60.8	66.77	58.44
Change as a %	1.54 %	2.45 %	21.38%	9.80%	-12.47%
Average compensation ratio	**21.0**	**10.7**	**17.9**	**27,6**	**8.08**
Median full-time equivalent compensation of the Company's employees [3]	46.2	45.1	48.9	51.86	50.26
Change as a %	5.25 %	2.30 %	8.50%	5.97%	-3.08%
Median compensation ratio	**22.2**	**11.9**	**22.2**	**35.6**	**9.39**

(1) Group consolidated net income (in thousands euros)

(2) This compensation includes the fixed amount paid in year N, the variable amount paid on the basis of year N-1 in year N, the value of any shares granted in year N on the basis of long-term compensation and all benefits in kind.

(3) This compensation relates to the employees of the Latecoere SA structure and includes the fixed and variable amounts, any top-up amount paid, amounts received on the basis of profit-sharing, the valuation (fair value) of the performance shares awarded, and all benefits in kind.

3

D. COMPENSATION OF ANDRE-HUBERT ROUSSEL, CHIEF EXECUTIVE OFFICER, FROM NOVEMBER 14, 2024

D.1 Compensation for the period ended December 31, 2024

In accordance with Article L. 22-10-34, II of the French Commercial Code, the General Meeting must vote on the fixed, variable, and exceptional components of the total compensation and benefits of any kind paid or awarded to the Chief Executive Officer for the 2024 fiscal year, in accordance with the CEO compensation policy approved by the General Meeting held on December 30, 2024.

It is noted that the payment of the 2024 variable compensation is subject to the approval of the 2025 Combined Annual General Meeting.

Annual fixed compensation

In accordance with the Chief Executive Officer Compensation Policy approved by the General Meeting held on December 30, 2024 (17th resolution), gross annual fixed compensation was paid to André-Hubert Roussel for the 2024 fiscal year, amounting to €65,754.

Annual variable compensation

At its meeting held on March 19, 2025, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, confirmed that the collective and individual performance criteria had been met for the 2024 fiscal year.As a result, the variable compensation due for 2024 in respect of André-Hubert Roussel's mandate as Chief Executive Officer was set at €65,754.

Exceptional compensation

No compensation was paid in respect of the 2024 fiscal year.

Long-term compensation - Stock options

No stock options were granted to André-Hubert Roussel.

Long-term compensation – free shares

André-Hubert Roussel did not receive any free allocations of ordinary or preferred shares, the terms and conditions of which are defined in Section 7 of this Document.

Compensation due or that might become due as a result of termination of office

As André-Hubert Roussel's mandate did not end during the fiscal year, this mechanism was not triggered.

Non competition indemnity

As André-Hubert Roussel's mandate did not end during the fiscal year, this mechanism was not triggered.

Benefits in kind

André-Hubert Roussel received benefits in kind amounting to €412 corresponding to his accomodation.

No compensation for the Director position

No remuneration was paid to André-Hubert Roussel in this respect.

Absence of compensation paid or awarded by a company within the scope of consolidation of the Company

No compensation was paid or awarded to André-Hubert Roussel by a company within the scope of consolidation of the Company.

D.2 Summary table of the components of variable and exceptional compensation paid or granted to André-Hubert Roussel for his role a corporate officer for the fiscal year ended December 31, 2024 and subject to approval by the 2025 Annual General Shareholders' Meeting

In accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, compensation elements subject to an ex-ante vote must be submitted to shareholders for approval each year. The payment of variable and exceptional compensation is conditional upon the approval of the 2025 Combined Annual General Meeting (ex-post vote).

As part of the 2024 Combined Annual General Meeting, shareholders are invited to vote on the fixed, variable, and exceptional components of the total compensation and benefits of any kind paid or awarded to André-Hubert Roussel, Chief Executive Officer, for the fiscal year ended December 31, 2024, as presented opposite (ex-post vote):

Items of the compensation of André-Hubert Roussel paid or granted for the fiscal year ended December 31, 2024	Amounts or carrying value put to the vote	Comments / details
Fixed compensation	€65,754 (paid)	see Section 3.3.3 sub-section D, paragraph D.1
Variable compensation	€65,754[(1)]	
Exceptional compensation	None	
Payment on assumption of duties	None	
Compensation due or that might become due as a result of termination of office	None	
Compensation for duties as a director	None	
Stock options and performance shares:		
• *o/w stock options*	None	
• *o/w performance shares*	None	
Benefits in kind		
• *o/w private unemployment insurance*	None	
• *o/w set-up costs*	None	
Accommodation	€412	

(1) Payment subject to approval at the 2025 Annual General Meeting.

3

D.3 Changes in André-Hubert Roussel's compensation over the last two fiscal years

The tables below show the compensation paid and awarded, as well as the options and shares granted to André-Hubert Roussel over the past two fiscal years.

SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES GRANTED TO GREG HUTTNER (AMF TABLE 1)

In euros	2023	2024 (1)
Compensation for the year	-	131,920
Valuation of multi-year variable compensation granted during the year	-	-
Valuation of stock purchase options granted during the year	-	-
Value of performance shares granted during the year)	-	-
TOTAL	**-**	**131,920**

(1) Payment of the variable and exceptional remuneration due in respect of the 2023 financial year is subject to approval of these items by the 2024 Annual General Meeting.

SUMMARY TABLE OF GREG HUTTNER'S COMPENSATION (AMF TABLE 2)

	2023		2024*	
In euros	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	-	-	65,754	65,754
Annual variable compensation (1)	-	-	65,754	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation (1)	-	-	-	-
Compensation for duties as a Director	-	-	-	-
• *o/w paid by Latecoere*	-	-	-	-
• *o/w paid by controlled companies*	-	-	-	-
Benefits in kind (3)	-	-	412	412
TOTAL	**-**	**-**	**131,920**	**66,166**

(1) Compensation under the corporate office of Chief Executive Officer held since November 14, 2024.

(2) The payment of variable and exceptional compensation due for the 2024 fiscal year is subject to approval of these items by the 2025 Annual General Meeting.

(3) Private unemployment insurance and company car.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FISCAL YEAR TO ANDRÉ-HUBERT ROUSSEL (AMF TABLE NO. 4)

None

STOCK SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY ANDRÉ-HUBERT ROUSSEL (AMF TABLE NO. 5)

None

FREE SHARES GRANTED DURING THE FISCAL YEAR TO ANDRÉ-HUBERT ROUSSEL (AMF TABLE NO. 6)

None

FREE SHARES THAT BECAME AVAILABLE DURING THE FISCAL YEAR FOR ANDRÉ-HUBERT ROUSSEL (AMF TABLE NO. 7)

None

HISTORY OF STOCK SUBSCRIPTION OR PURCHASE OPTION GRANTS INCLUDING THOSE SPECIFICALLY TO ANDRÉ-HUBERT ROUSSEL – INFORMATION ON STOCK SUBSCRIPTION OR PURCHASE OPTIONS (AMF TABLE NO. 8)

None

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TEN HIGHEST-PAID EMPLOYEES WHO ARE NOT CORPORATE OFFICERS, AND OPTIONS EXERCISED BY THEM (AMF TABLE NO. 9)

None

HISTORY OF FREE SHARE GRANTS INCLUDING THOSE SPECIFICALLY TO THE CHIEF EXECUTIVE OFFICER – INFORMATION ON FREE SHARES GRANTED (AMF TABLE NO. 10)

None

D.4 Employment contracts, supplementary pension plans and indemnities (AMF Table 11)

	Employment contract	Supplemental pension plans	Compensation or benefits due or likely to be due owing to termination or change of office	Payments in relation to a non-compete clause
André-Hubert Roussel Chief Executive Officer since 2024/11/14 First appointment as Chief Executive Officer: 2024/11/14	NON	YES	YES[1]	YES[1]

(1) The terms and conditions of this indemnity are detailed in Section 3.3.1 C above.

D.5 Equity Ratios

In accordance with the provisions of Article L. 22-10-9 of the French Commercial Code, the following are presented below: (i) the ratios between the Chief Executive Officer's compensation and, on the one hand, the average full-time equivalent compensation of the Company's employees other than corporate officers, and on the other hand, the median full-time equivalent compensation of the Company's employees other than corporate officers, as well as the evolution of this ratio over the past five fiscal years (L. 225-37-3, I., 6°); (ii) the annual evolution of compensation, Company performance, average full-time equivalent compensation of the Company's employees other than executives, and the aforementioned ratio over the past five fiscal years (L. 225-37-3, I., 7°).

This presentation has been prepared in an effort to comply immediately with the new transparency requirements regarding executive compensation. It may evolve depending on future clarifications and official positions issued to companies. Given the appointment date of André-Hubert Roussel (November 14, 2024), the equity ratio table has not been prepared, as doing so would result in information lacking any meaningful basis. Reference is therefore made to the table relating to Greg Huttner's compensation in Section C.5 above.

E. COMPENSATION OF NON-EXECUTIVE CORPORATE OFFICERS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022 AND PREVIOUS FISCAL YEARS

The compensation paid to each Board Director for the 2024 fiscal year is given in the following table. The Directors received no other compensation or benefit in respect of 2024 for their position as directors. The Directors were granted no stock subscription or purchase options or performance shares. None of them hold stock subscription or purchase options. The compensation paid for their corporate office for the 2023 fiscal year, the amount of which was validated by the Appointments and Compensation Committee at its meeting on March 11, 2025 and approved by the Board on March 19, 2025, will be paid in 2025.

SUMMARY TABLE OF COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

The non-executive directors do not receive any compensation from the Company other than the compensation indicated in the table below, with the exception of Mrs. Fabienne Lelandais, who only receive compensation under their employment contracts. The compensation presented in the table below is gross compensation.

	Compensation due (for the fiscal year) for the office of Director		Compensation paid (for the fiscal year) for the office of Director	
In €	**2023**	**2024**	**2023**	**2024**
Current Directors				
Fabienne Lelandais[1]	-	-	-	-
Christophe Villemin	44,000	44,500	49,000	44,000
Thomas De Cannière	-	-	-	-
Bernd Kessler	13,315	45,000	-	13,315
Laurence Dors	62,000	68,000	49,000	62,000
Samantha Marnick	-	42,233	-	-
June du Halgouët	-	-	-	-
Thierry Mootz	-	-	-	-
Previous Directors				
Ralf Ackermann	-	-	-	-
Philip Swash	28,726	-	41,500	28,726
Laure Matignon[1]	-	-	-	-
Helen Lee Bouygues	60,000	13,445	58,500	60,000
Caroline Catoire	42,000	7,808	39,000	42,000
TOTAL COMPENSATION DUE FOR DIRECTORSHIPS AND OTHER COMPENSATION	**250,041**	**260,719**	**237,000**	**250,041**

(1) The salaries of Fabienne Lelandais and Laure Matignon, Director representing employees are not mentionned in the above table.

3.4. CORPORATE GOVERNANCE CODE

Since May 17, 2010, the Company has referred to the Middlenext Code. In addition, the Board's Internal Regulations are amended as soon as necessary in order to comply with the Middlenext Code.

The Middlenext Code can be examined on the Middlenext website.

The Company's practices are in line with the recommendations set out in the Middlenext Code, which requires a detailed statement to be made on the application of its recommendations and explanations, if applicable, regarding the reasons why a company may not have implemented certain of these. For the 2024 fiscal year, this relates to the recommendations described in the table below.

Recommendations	Explanations
Chairing of the Committees by an independent member *(Recommendation 7 of the Middlenext Code)* It is important that the Chairmanship of the Special Committees be entrusted to independent "Board members", except in very specific duly motivated cases.	It was decided to appoint Christophe Villemin as Chairman of the Appointments and Compensation Committee following the departure of Helen Lee Bouygues, in view of his experience on the Committee and his knowledge of appointments and compensation matters in French listed companies. As Laurence Dors is already Chairman of another Committee, it is preferable, in the interests of good corporate governance, not to assign two chairmanships to the same person. Furthermore, as the other independent director has recently joined the Board of Directors, it has not been deemed appropriate, at this stage, to allocate the Committee's chairmanship to him.
Compensation of "Board members" in respect of their office *(Recommendation R12 of the Middlenext Code)* It is recommended that minimum compensation be awarded, in particular to independent "Board members". The distribution of compensation is determined by the Board and, in part, takes into account attendance by the "Board members" and the time devoted by them to their role, including potential attendance at committee meetings.	This recommendation has not been applied in that it concerns taking into account the assiduity demonstrated by the committee Chairmen, given the specific duties incumbent upon them. Given the effective participation by the committee chairs in meetings of the various committees during the 2024 fiscal year (100%), modifying this point has not been considered necessary.

3.5. OTHER INFORMATION

3.5.1. AUTHORIZATIONS FOR SURETIES, ENDORSEMENTS AND GUARANTEES – ART. R. 225-28 OF THE FRENCH COMMERCIAL CODE

By decision dated November 20, 2024, the Board of Directors authorized the Chief Executive Officer, for a period of 12 months, to issue, on behalf of the Company, guarantees, endorsements, and sureties up to a maximum amount of €60 million, and to continue the guarantees, endorsements, and sureties previously issued.

During the 2024 fiscal year, the new commitments of this nature made by the Company's Chief Executive Officer were granted in favor of its direct and indirect subsidiaries, and for a total amount below the ceiling set by the Board of Directors.

3.5.2. AGREEMENTS REFERRED TO IN ARTICLES L. 225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

INTERNAL PROCEDURE FOR THE ASSESSMENT OF RELATED-PARTY AGREEMENTS AND DAY-TO-DAY AGREEMENTS ENTERED INTO UNDER ORDINARY TERMS AND CONDITIONS

In application of Law No. 2019-486 on the growth and transformation of companies dated May 22, 2019, known as the "Pacte" law, the Board of Directors, at its meeting on March 6, 2020, implemented an internal procedure (hereinafter the "Procedure") for use by Group employees and Board members, aimed at:

- Recalling the regulatory framework applicable to related-party agreements;
- Defining the criteria used within the Group to qualify an agreement as a related-party agreement and, where applicable, subject it to the legally required authorization procedure;

Describing the procedure established for the annual review of related-party agreements and the regular assessment of agreements involving routine transactions concluded under normal conditions, with the clarification that individuals directly or indirectly interested in any such agreement do not participate in the assessment.

A summary of the application of the Procedure regarding the identification of routine agreements concluded at the Company level is presented to the Audit and Risk Committee once a year. The Committee reports to the Board of Directors on the work carried out.

AGREEMENTS APPROVED BY THE SHAREHOLDERS' MEETING AND WHOSE IMPLEMENTATION HAS CONTINUED

Conciliation Protocol

As authorized by the Board on June 29, 2021, the Company and SCP SKN Holding I S.A.S. (a shareholder holding more than 10% of the Company's voting rights) were parties to the conciliation agreement signed on July 1er 2021 between the Company and all its financial creditors. This agreement was subject to the fulfillment of several conditions precedent, in particular its approval by the Toulouse Commercial Court. Under the terms of the settlement agreement, the Company has undertaken to carry out a capital increase, with preferential subscription rights, for a minimum amount of €162.5 million, the prospectus for which must be approved by the AMF. It also provides for the Company to obtain new state-guaranteed loans (PGE) in a principal amount of 130 million euros, to reschedule the repayment schedules of existing PGEs, and to extend the maturity of loans contracted with the European Investment Bank (EIB) to 2027.

Addendum to Thierry Mootz's employment contract

As authorized by the Board on March 15, 2022, an amendment to the employment contract of Thierry Mootz, Chief Executive Officer of the Company at the date of the decision, was signed on March 30, 2022. Thierry Mootz's employment contract has been suspended since his appointment as Chief Executive Officer (August 2, 2021). Under the terms of this amendment, Thierry Mootz will be entitled to a non-competition indemnity equal to 50% of the average gross monthly remuneration he would have received over the last 12 months under his employment contract, prior to his effective departure. Under the terms of this non-competition undertaking, in the event of termination of his employment contract for any reason whatsoever, he undertakes, for a period of one year from the effective date of his departure from Latecoere, (i) not to engage in any activities competing with those of Latecoere, and (ii) not to take any action likely to cause the Group's customers or suppliers to modify or terminate their business relationships with the Group. In any event, Latecoere reserves the right to waive this non-competition undertaking, in which case no non-competition indemnity will be payable. The agreement also includes a clause whereby Latecoere undertakes not to disparage the Company. In the event of dismissal, this indemnity would be increased to 60% of the average referred to above. In the event of suspension of the employment contract during the 12 months referred to above, the gross remuneration that the employee would have received under his employment contract if he had worked during the period in question will be retained in respect of these periods.

Technical services contract with SCP SKN HOLDING I S.A.S.

As authorized by the Board on September 19, 2022, the Company and SCP SKN Holding I S.A.S. (a shareholder holding more than 10% of the Company's voting rights) entered into a technical services agreement on September 30, 2022, with effect from October 1er 2022.

Under this agreement, the Company provides SCP SKN Holding I S.A.S. with accounting, financial management, tax and administrative services, in return for an annual fee of €40,000 (excluding tax).

For the year ended December 31, 2023, €40,000 (excl. VAT) was recognized as accrued income in respect of this agreement. At December 31, 2023, this agreement was still in force.

Consulting services contract with SCP SKN HOLDING I S.A.S.

As authorized by the Board on September 19, 2022, the Company and SCP SKN Holding I S.A.S. (a shareholder holding more than 10% of the Company's voting rights) entered into a consulting services agreement on September 30, 2022, with effect from October 1er 2022.

Under this agreement, SCP SKN Holding I S.A.S. makes members of its teams available to provide the Company with financial assistance (external growth, financing) and commercial assistance (relations with suppliers and customers) in return for a fixed annual fee of €500,000 (excluding tax).

Through this contract, the Company will benefit from the expertise and skills of these teams in the aeronautics industry, as well as their precise knowledge of the Company's organization and business, with a view to developing the Group's activities. As of December 31, 2024, this agreement was still in effect, with the clarification that the amount under this agreement was revised downward and, as of January 1, 2025, is set at €65,000 (excluding taxes).It is also noted that in the financial statements closed as of December 31, 2024, an amount of €500,000 (excl. VAT) was recorded as an expense under this agreement.

Conciliation Agreement

With the authorization of the Board of Directors dated May 12, 2023, the Company and SCP SKN Holding I S.A.S. (a shareholder holding more than 10% of the Company's voting rights) were parties to the conciliation agreement signed on June 9, 2023, between the Company and all of its financial creditors.

Under the terms of the conciliation agreement, the Company committed to carrying out a capital increase, with shareholders' preferential subscription rights maintained, for a minimum amount of €100 million. This capital increase is fully underwritten by SCP SKN Holding I S.A.S., part of which will be subscribed through the offsetting of the receivable it holds against Latecoere under the loan agreement dated May 15, 2023.

The agreement also provides for the Company to obtain, from certain of its lenders, in exchange notably for a "return to better fortune" clause, a debt write-off totaling €183 million in principal, as well as a restructuring of the State-guaranteed loans (PGE) that are maintained.

Given the Company's financial situation, entering into this agreement was in its best interest to ensure the continuation and sustainability of the Group's operations.

3

AGREEMENT CONCLUDED DURING THE 2024 FINANCIAL YEAR SUBJECT TO APPROVAL BY THE 2025 ANNUAL GENERAL MEETING

No agreement entered into during the 2024 fiscal year will be submitted for approval at the 2025 Annual General Meeting, it being specified that the mutual termination agreement of Mr. Thierry Mootz's suspended employment contract, signed on March 29, 2024, with the authorization of the Board on March 28, 2024, was approved by the General Meeting held on December 30, 2024.

AGREEMENT AUTHORIZED SINCE YEAR-END AND SUBJECT TO APPROVAL BY THE 2025 ANNUAL GENERAL MEETING

None

3.5.3. AGREEMENTS REFERRED TO IN ARTICLE L. 225-37-4, 2° OF THE FRENCH COMMERCIAL CODE

No agreements have been entered into, either directly or via a third party, between, firstly, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company, and, secondly, any other company in which the former holds more than one half of the share capital either directly or indirectly, other than agreements relating to day-to-day operations entered into under ordinary terms and conditions.

3.5.4. ELEMENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

Capital structure and direct or indirect shareholdings in the Company of which it is aware

As of December 31, 2022, DSCP SKN Holding I S.A.S. (Searchlight) held 74.72% of the share capital and 77.25% of the exercisable voting rights of the Company, it being recalled that Searchlight controls the Company since the successful completion of its public offer on the Company in 2019. The structure of the Company's share capital is detailed in Chapter 6, Section 6.4.1 "Distribution of share capital".

Statutory restrictions on the exercise of voting rights and the transfer of shares or clauses of agreements brought to the attention of the Company pursuant to Article L.233-11 of the French Commercial Code

The Company's bylaws (Article 8) impose a duty on the Company to provide information on any individual who holds or ceases holding a percentage equal to 0.5% of the share capital or voting rights of the Company or any multiple thereof, as from the date on which any one of these thresholds are crossed. This obligation ceases to apply if a shareholder, alone or in concert, holds more than 50% of the voting rights.

In the event of non-compliance with this information obligation and at the request of one or several shareholders holding 2% of the voting rights, those voting rights exceeding the percentage of the fraction which should have been declared cannot be exercised by any General Shareholders' Meeting which could be held up until the expiry of a period of two years following the date of regularization of the notification.

The rules applicable in relation to the crossing of thresholds are detailed in Chapter 6, Section 6.6.4, paragraph "Threshold crossing".

In addition, in accordance with the terms and conditions attached to the Company's Articles of Association, the preferred shares carry voting rights but are not entitled to double voting rights.

No other restrictions are imposed by the bylaws on the exercise of the voting rights.

To the best of the Company's knowledge, the managers who subscribed to the reserved capital increase of April 21, 2022, entered into a non-concurrent shareholders' agreement with SCP SKN Holding I S.A.S., the main clauses of which were published in accordance with article L. 233-11 of the French Commercial Code (Declaration no. 222C0929 dated April 26, 2022).

List of holders of any securities with special control rights

With the exception of the double voting right attached to ordinary shares registered for at least two years in the name of the same shareholder, there are no shares which grant special control rights. The double voting rights applicable to the Company's ordinary shares are detailed in Chapter 7, Section 7.1. of this Document.

Powers of the Board of Directors

In accordance with the resolutions adopted by the shareholders at the General Shareholders' Meeting held on May 11, 2022, the Board can implement the financial authorizations and delegations granted by this same General Shareholders' Meeting even during a public takeover bid launched by a third party for the Company's shares. These delegations and financial authorizations are described in Chapter 6, Section 6.6.3.

Agreements entered into by the Company which are amended or terminate in the event of a change of control of the Company unless this disclosure, other than in the case of a legal obligation to disclose, would seriously harm its interests

In the context of the loan agreed with the European Investment Bank, in the event of a change of control, the bank has the option to modify the terms and conditions of the agreement or, otherwise, to require early repayment of the loan. The general purchasing terms and conditions imposed by certain of Latecoere's clients include a clause stipulating the option to terminate the agreement in the event of a change of control over the Company.

Agreements providing for compensation for members of the Board or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid

The Chief Executive Officer receives a severance payment under the conditions described in Section 3.3.3 C (Paragraph C.4 above).

In addition, executive corporate officers have a clause in their employment contracts relating to severance pay, details of which are given in section 3.3.2 of this document.

Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights

To the best of the Company's knowledge, the managers who subscribed to the reserved capital increase of April 21, 2022 concluded, concomitantly with the completion of this transaction, a shareholders' agreement not in concert with SCP SKN Holding I S.A.S., the main clauses of which were the subject of a specific publication in accordance with Article L. 233-11 of the French Commercial Code (Declaration No. 222C0929 of April 26, 2022).

Control mechanisms foreseen for possible employee shareholding systems, when control rights are not exercised by employees

The voting rights attached to the Latecoere shares held by employees via the mutual fund (FCPE) are exercised by a representative appointed by the Supervisory Board of the mutual fund in order to represent the employees at the General Shareholders' Meeting.

The information relating to the shareholder employees is set out in Chapter 6, Section 6.4.4.

Rules applicable to the appointment and replacement of Directors and the amendment of the Company's bylaws

The rules applicable to the appointment and replacement of the members of the Board of Directors, and to the amendment of the Company's bylaws, are rules of law.

4 SUSTAINABILITY REPORT 2024

4.1. GENERAL INFORMATION

4.1.1. GOVERNANCE

4.1.1.1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-1)

Composition and diversity of the Board of Directors

Latecoere is a public limited company with a Board of Directors (hereafter referred to as the "Board"), where the roles of Chairman of the Board and Chief Executive Officer are separated. The Chairman of the Board organizes and directs the work of the Board and reports to the General Meeting. He ensures that the Company's bodies function properly and that the Directors are able to fulfil their duties. At its meeting on November 14, 2024, the Board of Directors decided to appoint André-Hubert Roussel as Chief Executive Officer, replacing Greg Huttner, effective immediately.

COMPOSITION OF THE BOARD OF DIRECTORS

Latecoere's Board of Directors comprises 9 members, including a Director representing the employees and a non-voting Director. All members of the Board of Directors are non-executive Directors.

DIVERSITY OF THE BOARD OF DIRECTORS

The Board of Directors comprises 3 women and 5 men, totalling 8 members (excluding the Director representing employees, in accordance with the law). Therefore, the proportion of women on the Board is 37.5% (the employee representative is not included in this calculation). Due to various changes and developments in governance, the 40% ratio has not yet been achieved, but it is planned to be met with the next appointment to the Board.

This topic is further developed in sections 3.1 and 3.2 of chapter 3 of the Universal Registration Document.

Composition of the Board of Directors as of December 31, 2024:

Chairman	***Nick Sanders***
Director representing employees	**Fabienne Lelandais**
Director	**Thomas De Cannière**
Director	**June Du Halgouët**
Independent Director	**Laurence Dors**
Director	**Samantha Marnick**
Independent Director	**Bernd Kessler**
Director	**Thierry Mootz**
Director	**Christophe Villemin**
Censor	**André Benhamou**

AGE OF DIRECTORS

As of December 31, 2024, the ages of the Directors ranged from 36 to 69, with an average age of 57, including the Director representing the employees.

INDEPENDENCE OF DIRECTORS

In accordance with the recommendations of the Middlenext Code, the Company considers as independent those Directors who have no significant financial, contractual, family, or close relationship that could compromise their freedom of judgment. In this context, at its meeting on March 19, 2025, the Board assessed the independence of its members as of December 31, 2024, based on the recommendations of the Appointments and Remuneration Committee. It was determined that the Board of Directors consisted of 2 independent Directors out of 7, namely Laurence Dors and Bernd Kessler. The employee Director is not included in this count.

SUSTANAIBILITY-RELATED SKILLS AND EXPERTISE OF THE BOARD OF DIRECTORS

The Board of Directors does not include a specialist in sustainability issues. However, the employee Director is a team member of the Corporate HSE unit, which is responsible for coordinating HSE (Health, Safety, and Environment) activities within the Latecoere Group. This inclusion provides an internal perspective on sustainability issues.

In January 2023, sustainability training was provided to Board members by a specialist external body. The aim of this training was to raise Directors' awareness of environmental, social, and governance issues, and to provide them with the knowledge they need to integrate these aspects into their strategic decisions. The training covered a range of topics, including best practices in sustainability, current regulations, and stakeholder expectations.

To maintain and deepen this expertise, a new training session is planned for 2025. This ongoing training reflects Latecoere's commitment to strengthening the sustainability skills of its Board of Directors and ensuring that decisions are aligned with the company's sustainability objectives.

In 2024, the Audit, Risk, and CSRD Committee extended its responsibilities to include the Corporate Sustainability Reporting Directive (CSRD). This extension means that the committee is now responsible for overseeing Latecoere Group's sustainability issues, ensuring that the company's practices and reporting meet the sustainability and transparency standards required by the CSRD. Additionally, the Appointments and Remuneration Committee focuses on Human Resources issues, particularly those relating to top management. This committee is responsible for managing the appointments, remuneration, and development policies of senior executives, ensuring that the Group's leadership is aligned with its strategic objectives and corporate values.

The IROs (Impacts, Risks, and Opportunities) below are overseen by various members of the Executive Committee and Company managers.

Description of the distribution of sustainability issues among the various management committees:

Member of the Executive Committee	IRO managed by an Executive Committee member
Environment Steering Committee	- Physical hazards (ESRS E1), - Mitigation of Scope 1, 2 and 3 emissions (ESRS E1), - Substances (ESRS E2), -Pollution (TS) (ESRS E2) - Environmental impact of the value chain (ESRS E2).
Safety Steering Committee	- Employee Health and Safety (ESRS S1)
Purchasing Director	- Raw materials and inputs (ESRS E5), - Working conditions of workers in the value chain (ESRS S2) - Relationships with suppliers and the supply chain (ESRS G1).
Human Resources Director	- People retention and development (ESRS S1) - Diversity (ESRS S1)
Quality Director	- Product quality and safety (ESRS S4).
Director of IT & R&T	- Cybersecurity (Entity-specific), - Innovation and technology (Entity-specific).

	Nationality	*Seniority Group*	*Title*
André-Hubert ROUSSEL	FR	2024	Chief Executive Officer - Managing Director
Gérard BEDDIS	UK	2024	Purchasing Director
Samuel BEGUE	FR	2001	Operational Director, Interconnection Systems
Hervé BLANCHARD	FR	2014	Human Resources Director
Stéphane BOUZAT	FR	2000	Director of Innovation and R&T
Gary CLEAVER	UK	2023	Chief Financial Officer
Thierry EFTYMIADES	FR	1992	Engineering Director
José GALINDO GOMEZ	ESP	2024	Vice-President, Aerostructures Europe
Cécile HOUDET BAI	FR	2024	Director of the Services and Special Products Division (SPS)
Cecilia MATTSON	SWE	2024	Director of Transformation
Sam MARNICK	US/UK	2024	President, Aerostructures Americas
David OLIVEIRA	FR	2021	Director of Sales and Programmes
Jean-Luc VINCENT-FRANC	FR	2023	Director of Information Systems and Data
Mathieu VON WEBSKY	FR	2022	Director of Legal Affairs and Compliance

GOVERNANCE OF SUSTAINABILITY ISSUES

The commitment to sustainability is monitored at the highest level by the Audit and Risk Committee, which reviews the results and actions undertaken to promote sustainability twice a year. Simultaneously, an operational committee, composed of members of the Executive Committee, oversees and manages the Group's initiatives. These initiatives are detailed in paragraph 4.1.3 of this Sustainability Statement.

Some targets are already monitored by governance bodies, such as the frequency rate tracked by the Safety Steering Committee and GHG emissions related to scope 1 & 2 monitored biannually by the Environment Steering Committee.

Performance indicators are defined to track progress and ensure transparency of results. Additionally, training and awareness programs will be implemented to engage all employees in this approach and ensure a shared understanding of sustainability objectives.

IRO MONITORING

Executive governance :

Executive Committee :

The Executive Committee comprises 14 executive members, including the Chief Executive Officer. It serves as an advisory, consultative, and operational management body. Its members are selected based on their operational or functional responsibilities within the Group. The Committee's mission is to address current issues affecting the Group, as well as strategic projects related to the development and organization of its businesses. The Committee meets at least once a month. The table below shows the current composition of the Executive Committee.

The main results achieved in the areas of ESG by the end of 2024 were communicated to the General Management during the preparation of the annual report and to the Board of Directors. These results were also presented to the members of the Executive Committee during the Company's management review and to the Social and Economic Committee in March 2025.

The first double materiality assessment, in line with CSRD requirements, was conducted in 2023. The conclusions were presented to the CEO in December 2024 and were also shared with the Audit and Risk Committee in March 2025.

The sustainability risks identified during this assessment are managed within the existing risk management frameworks at Latecoere.

4.1.1.2. INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY LATECOERE'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-2)

Sustainability matters can represent both risks and opportunities for Latecoere, and have impacts on the environment and society at large. Some of these Impacts, Risks, and Opportunities (IROs) are considered significant ("material") following the materiality assessment described in section 4.1.3. Material issues are addressed in this Sustainability Statement when they correspond to one or more significant IROs.

Information on material IROs and associated matters was presented to the CEO at a special meeting in December 2024. This information was communicated to General Management throughout the year, according to its criticality. It includes the main thrusts of the Sustainability policy, the actions and resources implemented to meet sustainability challenges and the priorities set by Executive Management, critical regulatory developments, significant interactions with stakeholders, major risks identified through risk management procedures, and key performance indicators.

Latecoere's Sustainability policy is based on the main issues of social responsibility and is aligned with the standards and norms in the field. It is structured around three pillars:

- Being a responsible employer: respecting and promoting human rights and social dialogue, prioritizing health and safety at work, encouraging diversity and equality, attracting and retaining talent, and developing employees' skills.
- Promoting sustainable production: certifying factories to the ISO 14001 standard, helping to mitigate climate change by measuring and improving the management of CO2 emissions, developing innovative products that reduce environmental impact, protecting biodiversity, participating in the circular economy, and minimizing our environmental footprint.
- Making a positive contribution to society and communities: engaging with and supporting communities, committing to impeccable business ethics, and ensuring high standards of governance to meet the expectations of key stakeholders

4.1.1.3. INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES (GOV-3)

Latecoere's incentive schemes and remuneration policies include the promotion and reward of sustainable practices within the company. These systems incorporate safety objectives for the members of the TOP 80 (i.e., the 80 management positions with the greatest impact on the Group's business), including members of the Executive Committee.

One of the objectives of this system is to reduce the Group Frequency Rate (FR) of lost-time accidents. To achieve this objective, Latecoere has introduced a bonus mechanism: if the Group manages to reduce the Lost Time Injury Frequency Rate to a predefined level, a 5% bonus is distributed to the members concerned. The bonus system is updated by the Human Resources department and the CEO, then validated by the Nomination and Remuneration Committee.

This bonus serves as a direct incentive for managers to improve safety conditions within the company. The target for the Lost Time Injury Frequency Rate was set at 1.8 by 2024.

Additionally, the bonus amount is reviewed annually. This annual review ensures that the objectives remain relevant and motivating, and that the financial incentives continue to encourage sustainable and safe practices.

Currently, Latecoere does not include environmental criteria in its remuneration and incentive system.

4.1.1.4. STATEMENT ON DUE DILIGENCE (GOV-4)

Concordance between the sustainability statement and due diligence

ESSENTIAL ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Incorporating due diligence into governance, strategy and the business model	4.1.1.2 Information provided to and sustainability matters addressed by LATECOERE's administrative, management and supervisory bodies (GOV-2))
	4.1.1.3 Integration of sustainability-related performance in incentive schemes (GOV-3)
	4.1.3.1 Material impacts, risks and opportunities and their link with the strategy and business model (SBM-3)
b) Collaborate with the relevant stakeholders at all stages of due diligence	4.1.1.2 Information provided to and sustainability matters addressed by LATECOERE's administrative, management and supervisory bodies (GOV-2))
	4.1.2.2 Interests and views of stakeholders (SBM-2)
	4.1.3.2. Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)
	4.2.1.2. Transition plan for climate change mitigation (E1-1)
	4.2.1.3. Policies related to Climate change mitigation and adaptation (E1-2)
	4.2.2.2 Policies related to pollution (E2-1)
	4.3.1.2. Policies related to own workforce (S1-1)
	4.3.1.3. Processes for engaging with own workforce and workers' representatives about impacts (S1-2)
	4.3.1.4. Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
	4.3.3.3. Policies related to consumers and end-users (S4-1)
	4.3.3.4. Processes for engaging with consumers and end-users about impacts (S4-2)
	4.3.3.5. Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)
	4.4.1.3. Management of relationships with suppliers
c) Identifying and assessing negative impacts	4.1.3.1 Material impacts, risks and opportunities and their link with the strategy and business model (SBM-3)
	4.1.3.2. Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)
d) Take measures to remedy these negative impacts	4.2.1.2. Transition plan for climate change mitigation (E1-1)
	4.2.1.4. Actions and resources relating to climate change policies (E1-3)
	4.3.3.6. Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)
e) Monitor and communicate the effectiveness of these efforts	4.2.1.5. Targets related to climate change mitigation and adaptation (E1-4)
	4.2.1.6. Energy consumption and mix (E1-5)
	4.2.1.7 Gross GHG emissions from Scopes 1, 2 and 3 and total GHG emissions (E1-6)
	4.3.1.6. Health and safety (S1-14)
	4.3.3.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

4.1.1.5. RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING (GOV-5)

Internal control is an essential element of Latecoere's global management system, which is committed to the construction and continuous improvement of its reference framework. This system, developed and applied by the management and staff of the Latecoere Group, aims to provide reasonable assurance that the company's objectives are being met. Complementing the Quality Management System (QMS), it plays a key role in the management of activities, the efficiency of operations, and the optimal use of resources.

The internal control and risk management system is applied throughout the Group, which is defined as the parent company Latecoere and all fully consolidated companies.

In the next update of the risk map, planned for the second quarter of 2025, the production of sustainability information will be considered a major risk for the Company and will be addressed. This means that the company recognizes the importance of transparency and accuracy of sustainability data. By treating this information production as a risk, the Company is committed to implementing rigorous measures to ensure that the information provided is reliable, complete, and compliant with regulatory standards. This proactive approach will minimize the risks associated with incomplete or inaccurate reporting, while increasing stakeholder confidence in the company's sustainability commitments.

4.1.2. STRATEGY

4.1.2.1. STRATEGY, BUSINESS MODEL AND VALUE CHAIN (SBM-1)

Latecoere's general strategy and business model

LATECOERE'S GENERAL STRATEGY

Alongside boldness and excellence, commitment is one of Latecoere's three core values, guiding the Group's decisions and actions. Implementing a sustainable development approach enhances Latecoere's overall performance and meets the expectations of its stakeholders.

In 2022, the Group defined and formalized its Sustainability policy. This policy crystallizes the Group's “raison d'être”: "To serve the aerospace sector with innovative solutions for a sustainable world." It is broken down into three main areas where Latecoere is taking action to make a positive contribution to society:

Area 1: **Being a responsible employer**

- Respecting and promoting human rights and social dialogue
- Prioritizing health and safety at work
- Encouraging diversity and equality
- Attracting and retaining talent
- Developing employee skills

Area 2: **Promoting sustainable production**

- Certifying its plants in accordance with the environmental standards set out in ISO 14001
- Helping to mitigate climate change by measuring and improving the management of CO2 emissions
- Developing innovative products that reduce environmental impact
- Protecting biodiversity
- Participating in the circular economy and minimizing environmental impact

Area 3: **Making a positive contribution to society and communities**

- Engaging with and supporting communities
- Committing to impeccable business ethics
- Ensuring high standards of governance to meet the expectations of key stakeholders

Latecoere's Sustainability policy is developed around these three strategic areas. Latecoere is a signatory to the United Nations Global Compact and has formally adopted the United Nations' 12 Sustainable Development Goals (SDGs) as a guideline for implementing its various actions.

Latecoere's strategy incorporates sustainability criteria aimed at limiting the environmental impact of its activities. A representative element of this strategy is the development of the After Sales Service activity. This activity aims to ensure that aircraft remain in excellent working order, thereby extending their useful life. By maintaining aircraft in good condition, Latecoere reduces the need to produce new aircraft, thus limiting the consumption of natural resources and minimizing production-related waste.

Latecoere also plays an active role in supporting its customers in terms of sustainable development. The company assists them in conducting life cycle analyses, which are essential for understanding and minimizing the environmental impact of their activities. Through these analyses, Latecoere's customers can identify opportunities to improve their environmental performance and achieve their sustainability objectives. In this way, Latecoere's strategy not only supports the company's growth but also promotes sustainable practices throughout the aerospace industry.

EMPLOYEES BY REGION

Zone	Workforce
Europe	2,299 of which 1,233 in France
Americas	1,674
Asia	201

LATECOERE PRODUCTS AND SERVICES

Latecoere is uniquely positioned to combine expertise in Aerostructures and Interconnection Systems. This broad range of skills gives the Group a global approach, a source of technical, commercial, and operational synergies. The Group is present across the entire aeronautical value chain and is the partner of choice for major aerospace programmes, thanks to its ability to offer customized solutions and to absorb high production rates.

Aerostructures: The Aerostructures Division provides design, industrialization, and production services for aircraft structural components, with several areas of expertise:

- **Aircraft doors**: Latecoere has unrivalled experience with this demanding equipment in terms of safety and performance, supporting aircraft manufacturers in the development, manufacture, certification, and in-service support of their aircraft doors.
- ·**Fuselage:** As a Tier 1 partner on most major aeronautical programmes, Latecoere is involved in both the commercial and military aviation sectors. It designs and produces fuselage components such as sections, tail cones, nose fairings, and watertight bulkheads.
- **Wing sub-assemblies:** Since acquiring Avcorp in 2022, Latecoere has manufactured the removable wing extensions for the F-35C, the airborne, conventional take-off and landing version of the Lockheed-Martin fighter.
- **Connecting rods:** Since 2021 and the acquisition of Technical Airborne Components, one of Europe's leading players in the market for connecting rods for the aerospace industry, Latecoere has been able to offer this range of products.

Interconnection Systems: Latecoere's Interconnection Systems business line is designed for the aerospace, defense, and aeronautics sectors, and must meet stringent environmental constraints. It has several areas of expertise:

- ·**EWIS & Space harnesses:** Latecoere has recognized experience in all types of electrical harnesses and in the entire aircraft (EWIS). With 400 harnesses in orbit (design and manufacture), Latecoere is Europe's number one manufacturer of satellite harnesses.
- **Avionics furniture**: Latecoere supports aircraft manufacturers in development, manufacture, certification, and in-service support.
- ·**Cameras, screens, data transmission solutions:** High-speed, hyper-secure solutions based on optical technologies–fibre or LiFi, point-to-point or networked, in kit form or installed, for embedded and/or harsh environments.
- ·**Test benches:** This "Test benches" division develops and manufactures test equipment (for testing systems, equipment, etc.), wiring testers (for harnesses and cabinets), and specific test equipment.
- ·**Electronics:** With the acquisition of MADES, Latecoere has become a European player in defense electronics and connectivity. Latecoere Interconnection Systems now offers precision electronics (network cards and equipment, etc.), optics (optoelectronic conversion, data multiplexing, etc.), and hardened harnesses for harsh environments.

LATECOERE BUSINESS MODEL

Set in 2017, the Group's values are: excellence, commitment, and boldness. Against a backdrop of intense pressure on the global aerospace supply chain, Latecoere is determined to provide its customers with products that meet the highest standards of quality, cost, and delivery.

Latecoere's business model is based on leveraging its various resources to create value for its stakeholders through the products and services offered as part of its development strategy. These resources mainly comprise financial capital, human capital, and productive capital.

Financial capital consists of shareholders' equity, while human capital is represented by the company's workforce, which plays a crucial role in value creation and amounts to 5,407 people, with over 22% based in France and 36% being women.

The aeronautical sector is characterized by a model of risk sharing between principals and equipment manufacturers on major programmes. Part of the risk is outsourced by the prime contractor to the equipment supplier, particularly the risk associated with production rates. The counterpart to this risk is the duration of the partnership, which is aligned with the life of the programme, giving the Group long-term visibility.

LATECOERE VALUE CHAIN

Latecoere is uniquely positioned thanks to its expertise in the fields of Aerostructures and Interconnection Systems. These diversified skills enable the Group to adopt a global approach, generating technical, commercial, and operational synergies. Present across the entire aerospace value chain, Latecoere is the partner of choice for major aerospace programmes, thanks to its ability to offer customized solutions and absorb high production rates.

The diagram below describes the Latecoere value chain:

Latecoere's value chain starts with raw materials, whose monetary values and tonnages are obtained via SAP and supplier data for Latecoere's legacy scope, and other information systems for the subsidiaries.

For suppliers, detailed values are requested from each site via a centralized collection file. The scope is exhaustive.

For inbound transport, there is no value available because deliveries are managed by suppliers, which prevents Latecoere from having easy access to the data.

For internal operations, several indicators are used, based on staff registration for HR indicators and data collection by site for other information. The Group is comprehensively covered.

Distribution, including internal and downstream logistics, is based on carrier data where available, and for others, calculated based on kilometres travelled, mode of transport, and weight transported. This information is accurate for Latecoere's legacy perimeter. An estimate is made on a pro rata basis of sales for subsidiaries where data is not available.

Finally, for end-users, the calculation of scope 3 for the use of products sold is estimated for civil and business aircraft. This is based on the weight of products integrated into aircraft. Sector data indicates CO_2 emissions of around 9 tonnes per kilogram of weight on board over the life of the aircraft, excluding the end-of-life of the aircraft. The aircraft dismantling and recycling process is not taken into account.

A VALUE-CREATING PROCESS

OUR RESSOURCES

Intellectual

15
patents in 2024

Industrial

28
sites

14
pays

Human

5407
employees

36 %
of women

16
ISO 45001-certified plants

82%
of staff on a 45001-certified plant

Environmental

17
ISO 14001-certified plants

86%
of staff on a 14001-certified plant

Health, safety and environment policy

Social

75 %
of TOP80 managers trained in the fight against corruption*

* *Scope of TOP80 managers (excluding Executive Committee)*

Financial

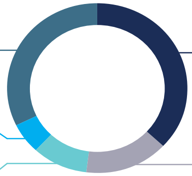
705,8 M€
revenues

25,7 M€
Recurring EBITDA

A CORE PURPOSE AT THE HEART OF OUR STRATEGY

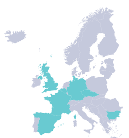
A diverse range of customers and markets

% OF SALES PER CUSTOMER



A strong industrial footprint

TURNOVER :



60 %
Europe
2299 employees
of which 1233 in France

38 %
Americas
1674 employees

2 %
Rest of the world
201 employés

Serving the aerospace sector with innovative solutions for a sustainable world

Our programmes

- Large commercial and regional floats
- Business Aircraft
- Military Aircraft
- Spatial - Satellite Programs harness

Our business lines and activities

% OF SALES PER DIVISION

59 %
Aerostrcture

41 %
Interconnection

Independent world N°1 in aircraft doors

N°1 World in avionics furniture

N°1 in Europe for satellite cabling

N°2 world in electrical harnesses

AEROSTRUCTURES

- Machining
- Surface treatment
- Assembly
- Inspection
- Painting operations
- Watertightness
- Final inspection
- Shipping

INTERCONNECTION SYSTEMS

- UV laser cutting and printing of cables
- Stripping and crimping the ends (head A)
- Routing
- Stripping and crimping the ends (head B)
- Electrical testing
- Final inspection
- Shipping

Our 2024 news

FEBRUARY

- Comtek has been selected by Pratt & Whitney Canada to design and produce a major structural assembly for the RTX hybrid electric flight demonstrator programme.

JUNE

- Eve Air Mobility (Embraer) has selected Latecoere to supply the doors for its electric vertical take-off and landing aircraft..

OCTOBER

- Comtek awarded contract to design and manufacture composite flooring for De Havilland Aircraft of Canada's DHC-6 Twin Otter Classic 300-G aircraft.

NOVEMBER

- André-Hubert Roussel appointed CEO of Latecoere
  Sam Marnick appointed President of Latecoere Americas

DECEMBER

- Comtek selected to design and produce composite flooring for De Havilland Aircraft of Canada's Canadair 515 aircraft. Yves Yemsi appointed COO of the Group and President EMEA

VALUE CREATION

Intellectual

3,5 %
of sales in R&T and R&D expenditure

Industrial

AEROSTRUCTURES

2 300
doors delivered

280
fuselage sections delivered

2 300
Structures sail area

480
Other structures

145 000
connecting rods delivered

INTERCONNEXION SYSTEMS

72 000
aviation harnesses

7 400
racks

500
harness in orbit

1 900
cameras & equipment

26,000
Cockpit panels

Human

2,5
Lost time injury frequency rate

Environmental

1
Fire in Hermosillo in Feb 2024

4.1.2.2. INTERESTS AND VIEWS OF STAKEHOLDERS (SBM-2)

In-depth work was carried out in 2023 to identify stakeholders and their expectations, ensuring they were properly considered in the Group's ESG challenges and approach. As a result of this exercise, a map of the Group's key stakeholders was drawn up, which remains valid today (2024).

Stakeholder expectations were taken into account to identify priority material issues. Issues corresponding to the expectations of internal and external stakeholders with a strong influence on the Group have been given greater weight.

Latecoere believes that the environmental, social, and societal challenges associated with the ecological transition must be tackled collectively. The Group is therefore implementing new forms of cross-functional cooperation with all regional players, particularly its stakeholders. These close relationships encourage constructive dialogue with all stakeholders, enabling the Group to better understand the changes, risks, and opportunities associated with sustainability. The table below shows how Latecoere engages with its eleven main stakeholder categories.

Stakeholders	Expectations	Dialogue with stakeholders	Factoring stakeholders into strategy
Employees	Health, safety and working conditions Diversity Attracting and retaining talent Social dialogue with trade unions	Annual engagement survey (Results shared with the Executive Committee)	Sharing the results of the annual engagement survey and action plan 24 agreements signed by 2024
Customers	Product quality	Customer satisfaction survey (Results shared with the Executive Committee)	Quality audit results Quality control
Suppliers	Sustainable commercial relations Payment terms	Communication and annual dialogue with key suppliers (Results shared with the Executive Committee)	Ethics and anti-corruption charter Qualified suppliers
Trade associations (GIFAS)	GIFAS: Latecoere's General Management is a member of the GEAD steering committee. Most of Latecoere's key functions take part in the committees: environment, safety, sales, quality, R&T, communication, etc.	Participation in GIFAS (Board members present)	GIFAS: Members expect operational and technical support on industry priorities and issues
Financial community: shareholders, investors and banks	Financial profitability	Press releases	Annual General Meeting
Civil society, press	Environmental risk management Support for local projects based on the issues facing each country Press: access to company managers and experts to explain the situation	Social networks	Communication on social networks, website, etc.
Public authorities (national regulators and public authorities, municipalities, departments and regions)	Financial statements and audits Contact with French institutions	Dialogue with French institutions	Compliance with laws and regulations Payment of taxes and contributions

4.1.3. THE GROUP'S MATERIAL SUSTAINABILITY STAKES

4.1.3.1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR LINK WITH THE STRATEGY AND BUSINESS MODEL (SBM-3)

Presentation of Impacts, Risks and Opportunities

The ESRS (European Sustainability Reporting Standards) distinguish between two types of materiality:

Impact materiality: This concerns the impacts, whether positive or negative, real or potential, on sustainability, linked to the company's activities;

Financial materiality: this refers to the financial risks and opportunities that the company faces as a result of its economic, social and natural environment.

Double materiality combines these two perspectives to assess a company's overall performance.

The themes that emerge as material from Latecoere's first double materiality assessment are presented in the table below. The list of material impacts, risks and opportunities and their grouping into themes are presented below.

Issues	*Impacts, Risks and Opportunities*	*Reference in the statement*	*Position in the value chain*		
ENVIRONMENT			Upstream	Own business	Downstream
Issue 1: Physical hazards	**Risk :**	§ E1	X	X	X
ESRS: E1	- One-off loss of profitability following an interruption in business continuity due to a climatic event.	§ E1.GOV-3			
	- Loss of value of Latecoere assets due to the increase in the number and intensity of climatic events: fires, floods (Ekodev))	§ E1.IRO-1			
	- Increase in insurance costs.	§ E1.SBM-3			
	- Risk of supply delays or disruptions (Ekodev)	§ E1-1			
	- Risk of higher operating costs due to rising temperatures (Ekodev)	§ E1-2			
		§ E1-3			
		§ E1-4			
		§ E1-5			
		§ E1-6			
		§ E1-7			
		§ E1-8			
		§ E1-9			
Issue 2: Scope 1 & 2 mitigation	**Negative impact:**	§ E1		X	
ESRS: E1	- Direct emissions: Latecoere's activities generate GHG emissions (energy consumption, use of refrigerants).	§ E1.GOV-3			
		§ E1.IRO-1			
		§ E1.SBM-3			
		§ E1-1			
		§ E1-2			
		§ E1-3			
		§ E1-4			
		§ E1-5			
		§ E1-6			
		§ E1-7			
		§ E1-8			
		§ E1-9			

Issues	Impacts, Risks and Opportunities	Reference in the statement	Position in the value chain		
Issue 3: Scope 3 mitigation **ESRS: E1**	**Negative impact:** - Upstream and downstream emissions linked to production: The extraction of raw materials, the machining of spare parts and transport upstream and downstream of Latecoere's activity generate GHG emissions. - Emissions linked to the use of products: Latecoere's products are intended to be fitted on aircraft whose use emits GHGs.	§ E1 § E1.GOV-3 § E1.IRO-1 § E1.SBM-3 § E1-1 § E1-2 § E1-3 § E1-4 § E1-5 § E1-6 § E1-7 § E1-8 § E1-9	X	X	X
Issue 4: Air pollution	**Negative impact:** - Airborne pollutant: Latecoere's activity generates VOC emissions in particular. Activities that may generate airborne pollutants include surface treatment, gas scrubbing and paint booth emissions.	§ E2 § E2.IRO-1 § E2-1		X	
	Risk : - Financial cost of compliance with stricter regulations on emissions (e.g. VOCs) or a ban on certain products.	§ E2-2 § E2-3 § E2-4		X	
Issue 5: Environmental impact of the value chain **ESRS: E2**	**Negative impact:** - Soil/water pollution/biodiversity linked to the value chain: Latecoere also has an indirect impact through its value chain, in particular through the extraction of resources (suppliers of raw materials) or the artificialisation of land (airports).	§ E2 § E2.IRO-1 § E2-1 § E2-2 § E2-3 § E2-4 § E2-5 § E2-6	X		X
Issue 6: Substances **ESRS: E2**	**Negative impact:** - Latecoere uses substances of high and very high concern, in particular products subject to REACH regulations. These products are also used at certain stages in its value chain.	§ E2 § E2.IRO-1 § E2-1	X	X	X
	Risk - Financial cost of compliance with a change in the law (REACH law, etc.) or due to a ban on certain products. - Break in the supply chain following production stoppage of certain products. - Cost of adapting the supply chain to new products.	§ E2-2 § E2-3 § E2-4 § E2-5 § E2-6	X	X	X

Issues	Impacts, Risks and Opportunities	Reference in the statement	Position in the value chain
Issue 7: Environmental pollution (TS)	**Negative impact:**	§ E2	X
ESRS: E2	- Soil/water pollution: Latecoere's activity has a direct impact, as it can lead to pollution accidents contaminating soil and water. Surface treatment plants in particular have a greater impact on the environment.	§ E2.IRO-1	
		§ E2-1	
		§ E2-2	
		§ E2-3	
		§ E2-4	
		§ E2-5	
		§ E2-6	
Issue 8: Raw materials and intrants	**Negative impact:**	§ E5	X
ESRS : E5	- Pressure on resources: Latecoere consumes materials that are extracted and not recycled (metals, copper, aluminium, etc.).	§ E5.IRO-1	
	Risk	§ E5-1	X
	- Rising raw material prices and costs linked to supply tensions. Costs associated with stricter regulations on the incorporation of recycled materials and reuse.	§ E5-2	
		§ E5-3	
		§ E5-4	
		§ E5-5	
		§ E5-6	
SOCIAL			
Issue 9: Attractiveness, retention and development of people	**Positive impact :**	§ S1	X
	- Latecoere contributes to accessing and maintaining employment. Latecoere also offers high added value jobs.	§ S1.SBM-2	
ESRS: S1	- Latecoere contributes to the employability of its employees through training and career support.	§ S1.SBM-3	
	Risk	§ S1- 1	X
	- Loss of profitability or financial costs linked to recruitment difficulties or major staff departures.	§S1- 2	
	- Reduced motivation due to poor working conditions.	§ S1- 3	
	- Increase in absenteeism.	§ S1- 4	
	- Reputational risk on Latecoere's social practices.	§ S1- 5	
	- Risk of loss of know-how within the Group's teams or delays in mastering new technologies, leading to possible business interruptions and loss of revenue.	§ S1- 6	
		§ S1- 7	
	- Risk of demotivation and departure	§ S1- 8	
		§ S1- 9	
		§ S1-10	
		§ S1-11	
		§ S1-12	
		§ S1-13	
		§ S1-14	
		§ S1-15	
		§ S1-16	
		§ S1-17	

Issues	Impacts, Risks and Opportunities	Reference in the statement	Position in the value chain		
Issue 10: Diversity **ESRS: S1**	**Negative impact:** - The potential failure to implement inclusion, diversity and fairness has a negative impact on employee well-being and engagement, contributing to discrimination and unequal and unfair working conditions: - Equal opportunities and discrimination - Unequal pay - employment and inclusion (+)	S1 § S1.SBM-2 § S1.SBM-3 § S1-1 § S1-10 § S1-11 § S1-12 § S1-13 § S1-15 § S1-16 § S1-17 § S1-2 § S1-3 § S1-4 § S1-5 § S1-6 § S1-7 § S1-8 § S1-9		X	
Issue 11: Employee health and safety **ESRS: S1**	**Negative impact:** - Increased costs (compensation for work-related accidents/illnesses, regulatory compliance, insurance premiums, disorganization) - Punctual interruption of the production line. - Damage to the Group's image - Financial penalty linked to a fine, a dispute (complaint or failure to comply with regulations)	§ S1 § S1-14		X	
	Risk : - Deterioration in the physical and mental health of employees - Work-related accidents and illnesses			X	
Issue 12: Working conditions for workers in the value chain **ESRS : S2**	**Negative impact:** - Value chain impact linked to working conditions (working hours, social dialogue, training, diversity, decent wages) for suppliers and service providers for Latecoere's various activities.	§ S2 § S2.SBM-2 § S2.SBM-3 § -1 § -2 § S2-3 § S2-4 § S2-5	X		X

Issues	Impacts, Risks and Opportunities	Reference in the statement	Position in the value chain		
Issue 13: Product quality and safety	**Negative impact:**	§ S4	X	X	X
ESRS: S4	- A product that does not conform or contains quality defects can lead to damage to aircraft, or even serious accidents.	§ S4.SBM-2			
	Risk :	§ S4.SBM-3	X	X	X
	- Market loss or loss of reputation due to poor product quality.	§ -1			
	- Loss of margin in the event of a drop in quality (increase in the number of scraps of products not meeting safety standards).	§ S4-2			
		§ -3			
		§ S4-4			
		§ S4-5			
GOVERNANCE					
Issue 14: Relationships with suppliers and the supply chain	**Risk :**	§ G1	X		
ESRS: G1	- Risk associated with poor or unfair management of supplier relations, which could lead to operational risks :	§ G1.GOV-1			
	- dance in relation to a single source could affect Latecoere's supply chain.	§ G1.IRO-1			
	- Poor supplier management could affect Latecoere's supply chain (shortage of raw materials, labour disruption, etc.).	§ G1-1			
	- Risks of not achieving environmental objectives and/or reputational risk for suppliers who do not meet the criteria required by the Latecoere Group.	§ G1-2			
		§ G1-3			
		§ G1-4			
		§ G1-5			
		§ G1-6			
Issue 15: Cybersecurity	**Risk :**			X	
ESRS : Z- Specific	- Business interruption following a cyber attack.				
	- Damage to the Group's image as a result of data leaks or cyber attacks.				
	- Condemnation or application of contractual clauses on non-protection of data.				
Issue 16: Innovation & Technology	**Risk :**			X	
ESRS : Z- Specific	- Loss of market and/or competitiveness due to technological lag.				
	Opportunity :			X	
	- Strengthen Latecoere's competitiveness by opening up new markets and sources of revenue through more efficient and sustainable products				

Interaction with the business model, value chain, strategy and decision-making process:

The material impacts, risks, and opportunities (IROs) identified shape the structure of Latecoere's business model and decision-making processes. These elements are essential in guiding the company's strategy and guaranteeing its long-term future. For several years, the Group has incorporated ESG (Environmental, Social, and Governance) criteria into its decisions, reflecting its commitment to sustainable and responsible practices. In 2024, the business plan was designed to ensure the company's long-term future. In 2025, a transition plan will be presented to the Executive Committee for integration into the 5-year plan.

These ESG criteria are supported by specific policies, such as those on the environment, ethics, anti-corruption, and purchasing. For example, the Environment policy aims to reduce the company's carbon footprint, while the Ethics Charter defines the framework and values upheld by Latecoere in its business model.

ESG criteria are regularly reassessed in the short, medium, and long term, enabling Latecoere to anticipate market trends and meet the expectations of stakeholders such as customers, investors, employees, and regulators. This proactive approach helps to strengthen the Group's resilience in the face of economic, environmental, and social challenges.

By adopting these practices, Latecoere not only improves its overall performance but also strengthens its reputation as a responsible and innovative company. This enables it to position itself favourably in the market, attract talent, and retain the loyalty of its customers and partners.

Strategic actions or plans to manage Impacts, Risks and Opportunities :

Action plans covering all activities have been put in place to ensure effective and responsible management of Latecoere's environmental, social, and governance challenges. On the environmental front, policies and actions related to climate change and the integration of ESG (Environmental, Social, and Governance) criteria strengthen the Group's ability to anticipate and manage these challenges. These initiatives include reducing carbon emissions, promoting renewable energies, and implementing sustainable practices in all operations.

Human resources policies and actions are designed to develop human capital, encourage social dialogue, promote diversity, improve the working environment, and optimize performance and remuneration. These efforts aim to create an inclusive and supportive workplace where every employee feels valued and supported. For example, ongoing training programs and regular feedback mechanisms are implemented to ensure the professional and personal development of employees.

In the area of corporate governance, policies and actions focus on ethics, the protection of whistleblowers, the fight against corruption, data protection, the prevention of financial crime, the regulation of market abuse, and the management of conflicts of interest. These measures ensure rigorous compliance with current regulations and reinforce the transparency and integrity of the Group's operations. Regular audits, ethics training, and confidential reporting systems are just some of the practices adopted to maintain high standards of corporate governance.

Latecoere's purchasing practices include transparent management of supplier relationships and payment practices, aiming to build sustainable partnerships and promote responsible supply chains.

These action plans are continually adjusted in line with market developments and stakeholder expectations, ensuring a proactive and adaptable approach to future challenges and opportunities.

Impacts on the environment and society :

The impact of the project on the environment and society is detailed in the thematic sections of this statement. Negative impacts can result from the Group's strategy and business model, such as the impact on resources and on soil, water, and air; however, the Group's activities can also have positive effects by contributing to the manufacture of new, more fuel-efficient aircraft.

Environmental impacts are observed when activities are examined on a gross basis, without taking into account the policies and action plans put in place to mitigate them. The Group has adopted various environmental policies and specific action plans to minimize these impacts. These initiatives aim to reduce the environmental footprint of the aeronautical sector, promote sustainable practices, and encourage companies to adopt responsible behaviour. For example, reducing energy consumption, developing more sustainable products, and certifying sites.

In conclusion, although Latecoere's activities can potentially result in environmental impacts, these effects are mitigated through a proactive strategy and rigorous policies. The Group continues to monitor and adjust its practices to ensure responsible management of environmental issues.

Resilience of strategy and business model :

Latecoere does not have a resilience analysis for 2024, but work has started with EKODEV on a climate risk analysis for 2025.

4.1.3.2. DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IRO-1)

The double materiality assessment is the foundation of the sustainability statement, as it identifies the material information published in it. This identification was carried out by assessing the material Impacts, Risks, and Opportunities (IROs) linked to the environmental, social, and governance issues listed in the various ESRS standards (summarized in Appendix A of ESRS 1). These IROs are identified both in the Group's own operations and within its value chains. Sustainability issues are analysed using two approaches: impact materiality and financial materiality.

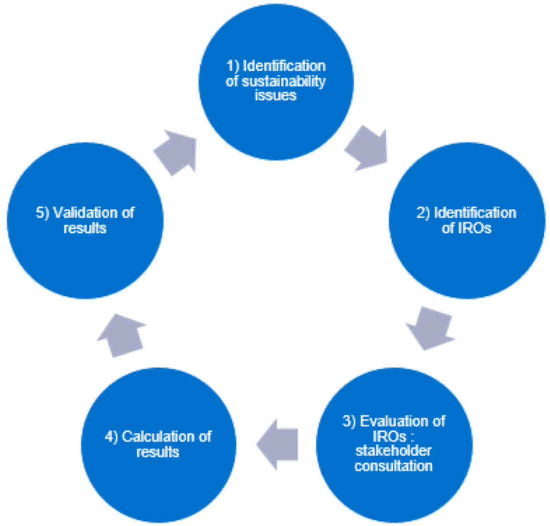
Impact materiality: This concerns the impacts, whether positive or negative, actual or potential, on sustainability, linked to the company's activities.

Financial materiality: This refers to the financial risks and opportunities that the company faces as a result of its economic, social, and natural environment.

This analysis is therefore a value-creation tool that helps to identify the importance of sustainability issues for companies in order to prioritize policies and actions on these issues. The results of the double materiality assessment are integrated into the business model and the enterprise risk management plan.

One of the fundamental principles of CSRD is to consider the entire value chain. This means analysing Latecoere's own operations as well as all its associated activities (upstream and downstream).

The double materiality assessment process is presented below.



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The work was carried out with the assistance of an independent third party in accordance with paragraph 3 of ESRS 1 entitled "Double materiality: the basis for sustainability reporting" and the EFRAG guide.

The list of Impacts, Risks, and Opportunities (IROs) is defined by Latecoere's management by capitalizing on the internal processes already in place within the Group (mapping of operational risks, work carried out on risks in relation to stakeholder expectations, etc.), taking into account the activities (aerostructures and interconnection systems), the Group's value chain, and the regulatory context. Certain risks have been identified based on identified impacts (e.g., a reputational risk may arise from the negative impact of the Group's activities on the climate). The list of IROs covers the current ESRSs and the specific themes identified by the Group, and may be updated to take account of any changes in the context, regulations, or scope of the Group's activities in future financial years.

Evaluation of IROs

In order to evaluate the IROs, a dozen interviews were conducted on the following subjects:

Environmental maintenance

Human Resources

Value chain maintenance

Impact on Customer Care

Business conduct

The ESRS set out the criteria to be considered in measuring materiality.

After obtaining the definitive list of impacts, risks, and opportunities, the Group assessed them from two angles:

Impact materiality: Assessed by its severity (magnitude, extent, irreparability) and probability of occurrence.

Financial materiality: Assessed by its severity and probability of occurrence.

Potential changes in the materiality of an issue over the medium or long term have been taken into account in the IRO assessment. This analysis is not simply static but also considers forward-looking aspects.

Impact materiality: The criteria and rating scales used to rate the materiality of impacts were defined by the external service provider. The criteria set out in chapter 3.4 of ESRS 1 were applied, using appropriate quantitative and qualitative thresholds to assess the materiality of current and potential impacts, based on severity and probability of occurrence (for potential impacts).

The result is a score out of 12 for the negative impact and a score out of 9 for the positive impact. For the sake of consistency and readability, the negative impact scores have been weighted to obtain scores out of 20.

Severity is the aggregate of the magnitude, extent, and misremediability scores (score out of 30). The scores are as follows:

Magnitude corresponds to the assessment of the severity of the negative/positive impacts on four scales (score from 1 to 4).

Scope/Extent corresponds to the evaluation of the extent of the negative/positive impacts on four scales (score from 1 to 4).

Irremediable nature means assessing whether and to what extent the negative impacts could be corrected on four scales (score from 1 to 4).

Probability of occurrence corresponds to the evaluation of the probability from 0 (low probability) to 1.

Financial materiality: The criteria defined in chapter 3.5 of ESRS 1 were applied, using appropriate quantitative and qualitative thresholds to assess severity and frequency. Each sustainability risk and opportunity has been assessed in terms of the potential severity of its short-, medium-, and long-term financial effects and its frequency of occurrence.

This results in a score out of 4. For the sake of consistency and readability, the financial materiality scores have been weighted to obtain a score out of 20.

Financial scale:

Where the financial effects were directly quantifiable, the severity corresponds to the assessment of the impact on the Group's EBITDA on four scales (score from 1 to 4).

When the financial effects were not directly quantifiable, the severity corresponds to the evaluation of the reputational, legal, operational, and human capital impact of the risks or opportunities on four scales (score from 1 to 4).

Probability of occurrence corresponds to the evaluation of the probability from 0 (low probability) to 1 (if the risk/opportunity is current or if it is very probable).

Rating scales are not prescribed by the ESRS. Once the rating for each impact, risk, or opportunity criterion has been finalized, a materiality score is calculated for each IRO and compared with the Group's materiality threshold. The materiality threshold is the score above which the impacts, risks, and opportunities are material. It should be noted that IROs are not prioritized in any order other than material/non-material.

In accordance with the regulations, the material impacts, risks, and opportunities must be updated each year to take into account any changes in the context, regulations, or scope that have occurred since then. This update focuses on the risks defined as material during the previous financial year and takes into account any changes in context that require the rating to be revised.

Sustainability risks are managed according to the same principles as other types of risk and are integrated into Latecoere's overall risk management process. Stakeholders who are likely to be affected have been consulted directly in the double materiality assessment process. The views of stakeholders have been taken into account directly in this exercise by capitalizing on the work carried out over several years in preparing the Extra-Financial Performance Declaration, which included a stakeholder consultation component, and on the many existing interactions.

4.1.3.3. DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE SUSTAINABILITY STATEMENT (IRO-2)

Requirements

Based on the double materiality assessment carried out and its gap analysis, Latecoere identified the material ESRS and the material information linked to them.

The table below lists the publication requirements and their location in this Sustainability Statement.

DR list	Reference
ESRS 2 - BP-1	1.4.1. General basis for preparation of the sustainability statement
ESRS 2 - BP-2	1.4.2. disclosure in relation to specific circumstances
ESRS 2 - GOV-1	1.1.1The role of the administrative, management and supervisory bodies
ESRS 2 - GOV-2	1.1.2. Information provided to and sustainability matters addressed by Latecoere's administrative, management and supervisory bodies
ESRS 2 - GOV-3	1.1.3. Integration of sustainability-related performance in incentive schemes
ESRS 2 - GOV-4	1.1.4 Statement on due diligence
ESRS 2 - GOV-5	1.1.5 Risk management and internal controls over sustainability reporting
ESRS 2 - SBM-1	1.2.1. Strategy, business model and value chain
ESRS 2 - SBM-2	1.2.2 Interests and views of stakeholder
ESRS 2 - SBM-3	1.3.1 Material impacts, risks and opportunities and their link with the strategy and business model
ESRS 2 - IRO-1	1.3.2. Description of the process to identify and assess material impacts, risks and opportunities
ESRS 2 - IRO-2	1.3.3. Disclosure requirements in ESRS covered by the sustainability statement
E1 - ESRS 2 - GOV-3	1.1.3. Integration of sustainability-related performance in incentive schemes
E1-1	2.1.2 Transition plan for climate change mitigation
E1 - ESRS 2 - IRO-1	2.1.1 Material impacts, risks and opportunities and their interaction with the strategy and business model
E1-2	2.1.3. Policies related to Climate change mitigation and adaptation
E1-3	2.1.4. Actions and resources in relation to climate change policies
E1-4	2.1.5. Targets related to climate change mitigation and adaptation
E1-5	2.1.6. Energy consumption and mix
E1-6	2.1.7 Gross GHG emissions from Scopes 1, 2 and 3 and total GHG emissions
E1-7	2.1.8. GHG removals and GHG mitigation projects financed through carbon credits
E1-8	2.1.9. Internal carbon pricing
E2 - ESRS 2 - IRO-1	2.2.1. Description of the processes to identify and assess material pollution-related impacts, risks and opportunities
E2-1	2.2.2 Policies related to pollution
E2-2	2.2.3. Actions and resources related to pollution
E2-3	2.2.4. Targets related to pollution
E2-4	2.2.5. Pollution of air, water and soil
E2-5	2.2.6. Substances of concern and substances of very high concern
E5 - ESRS 2 - IRO-1	2.3.1. Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunitie
E5-1	2.3.2 Policies related to resource use and circular economy
E5-2	2.2.3. Actions and resources related to resource use and circular economy

E5-3	2.2.4. Targets related to resource use and circular economy
E5-4	2.2.5. Resource inflows
S1 - 1	3.1.2. Policies related to own workforce
S1-2	3.1.3. Processes for engaging with own workforce and workers' representatives about impacts
S1-3	3.1.4 Processes to remediate negative impacts and channels for own workforce to raise concerns
S1-4	3.1.6.2 / 3.1.7.2 / 3.1.8.2 Actions and resources
S1-5	3.1.6.3 / 3.1.7.3 / 3.1.8.3 Targets
S1-6	3.1.5. Characteristics of Latecoere's employees
S1-8	3.1.7.4 Metrics
S1-9	3.1.7.4 Metrics
S1-10	3.1.8.4 Metrics
S1-12	3.1.7.4 Metrics
S1-13	3.1.8.4 Metrics
S1-14	3.1.6.4 Metrics
S1-15	3.1.8.4 Metrics
S1-16	3.1.8.4 Metrics
S1-17	3.1.7.4 Metrics
S2 - ESRS 2 - SBM-3	3.2.1 Material impacts, risks and opportunities and their interaction with strategy and business model
S2-1	3.2.3 Policies related to value chain workers
S2-2	3.2.4 Processes for engaging with value chain workers about impacts
S2-3	3.2.5 Processes to remediate negative impacts and channels for value chain workers to raise concerns
S2-4	3.2.6 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action
S2-5	3.2.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S4 - ESRS 2 - SBM-3	3.3.1 Material impacts, risks and opportunities and their interaction with strategy and business model
S4-1	3.3.3. Policies related to consumers and end-users
S4-2	3.3.4. Processes for engaging with consumers and end-users about impacts
S4-3	3.3.5. Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4-4	3.3.6. Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
S4-5	3.3.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
G1-1	4.1.2. Business conduct and corporate culture
G1-2	4.1.2 Management of relationships with suppliers
G1-6	4.1.2 Management of relationships with suppliers

The table below lists the data points arising from other EU legislation, as listed in the ESRS 2 :

Publication requirement and related data point	Reference CSRD standards	SFDR reference	Pillar 3 reference	Reference index regulation	Reference European climate law	Materiality	Reference Section Sustainability Statement
ESRS 2 GOV-1 Gender diversity in governance bodies	ESRS 2 GOV-1-21 d)	Indicator n° 1 3, table 1, annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816 (5) ;		Mandatory	
ESRS 2 GOV-1 Percentage of independent Directors	ESRS 2 GOV-1-21 e)			Annex II to Commission Delegated Regulation (EU) 2020/1816		Mandatory	
ESRS 2 GOV-4 Declaration on due diligence	ESRS 2 GOV-4-30	Indicator n° 10, table 3, appendix I				Mandatory	
ESRS 2 SBM-1 Participation in fossil fuel activities	ESRS 2 SBM-1-40 d) i)	Indicator n° 4, table 1, annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk.	Annex II to Commission Delegated Regulation (EU) 2020/1816		Mandatory	
ESRS 2 SBM-1 Participation in activities related to the manufacture of chemical products	ESRS 2 SBM-1-40 d) ii)	Indicator n° 9, table 2, appendix I		Annex II to Commission Delegated Regulation (EU) 2020/1816		Mandatory	
ESRS 2 SBM-1 Participation in activities related to controversial weapons	ESRS 2 SBM-1-40 d) iii)	Indicator n° 14, table 1, appendix I		Article 12(1) of Delegated Regulation (EU) 2020/1818 Annex II of Delegated Regulation (EU) 2020/1816		Mandatory	
ESRS 2 SBM-1 Participation in tobacco growing and production activities	ESRS 2 SBM-1-40 d) iv)			Delegated Regulation (EU) 2020 /1 818 Article 12(1) of Delegated Regulation (EU) 2020 /1 816, Annex II.		Mandatory	
ESRS E1-1 Transition plan to achieve climate neutrality by 2050	E1-1-14				Article 2(1) of Regulation (EU) 2021/1119	Material	
ESRS E1-1 Companies excluded from Paris Agreement benchmarks	E1-1-16 g)		Article 449a Regulation (EU) n°575 / 2013, Commission Implementing Regulation (EU) 20 22 / 2453, Model 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818		Material	

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Publication requirement and related data point	Reference CSRD standards	SFDR reference	Pillar 3 reference	Reference index regulation	Reference European climate law	Materiality	Reference Section Sustainability Statement
ESRS E1-4 **GHG emission reduction targets**	E1-4-34	Indicator n° 4, table 2, annex I	Article 449a Regulation (EU) n°575 / 201 3, Commission Implementing Regulation (EU) 2022 / 2453, Model 3: Banking book - Climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU)20 20 /1 818		Material	
ESRS E1-5 Consumption energy produced from fossil fuels broken down by energy source only sectors with a significant impact on the climate)	E1-5-38	Indicator no.° 5, table 1, and indicator no. 5, table 2, annex I				N/A	
ESRS E1-5 Energy consumption and mix	E1-5-37	Indicator n° 5, table 1, annex I				Material	
ESRS E1-5 Energy intensity of activities in sectors with a high climate impact	E1-5-40 to 43	Indicator n° 6, table 1, annex I				Material	
ESRS E1-6 **Scope 1, 2 or 3 gross GHG emissions and total GHG emissions**	E1-6-44	Indicators n° 1 and n° 2, table 1, appendix I	Article 449a of Regulation (EU) No 575 / 2013, Commission Implementing Regulation (EU) 2022/ 24 53, Model 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020 /1 818		Material	
ESRS E1-6 **Gross GHG emissions intensity**	E1-6-53 to 55	Indicator n° 3, table 1, annex I	Article 449a of Regulation (EU) No 575 / 2013, Commission Implementing Regulation (EU) 2022 / 2453 , Model 3: Banking portfolio - Climate change transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/818		Material	

Publication requirement and related data point	Reference CSRD standards	SFDR reference	Pillar 3 reference	Reference index regulation	Reference European climate law	Materiality	Reference Section Sustainability Statement
ESRS E1-7 GHG absorptions and carbon credits	E1-7-56				Article 2(1) of Regulation (EU) 2021/1119	Non-material	
ESRS E1-9 Benchmark portfolio exposure to physical climate-related risks	E1-9-66			Annex II to Delegated Regulation (EU) 2020 /1 818, Annex II to Delegated Regulation (EU) 2020 /1 816		Phase-in	
ESRS E1-9 Disaggregation monetary amounts by acute and chronic physical risk **ESRS E1-9 Location of significant assets exposed to significant physical risk**	E1-9-66 a) E1-9-66 c)		Article 449a of Regulation (EU) No 575 / 2013, Commission Implementing Regulation (EU) 2022 / 2453, paragraphs 46 and 47, model 5: Banking book - Physical climate change risk: exposures subject to physical risk.			Phase-in	
ESRS E1-9 Breakdown of the book value of the company's property assets by energy efficiency class	E1-9-67 c)		Article 449a of Regulation (EU) No 575 / 2013, Commission Implementing Regulation (EU) 2022 / 2453, paragraph 34, model 2: Banking book - Climate change transition risk: Loans secured by real estate - Energy efficiency of collateral			Phase-in	
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities	E1-9-69			Annex II to Commission Delegated Regulation (EU) 2020/1818		Phase-in	
ESRS E2-4 Quantity of each pollutant listed in Annex II of the E-PRTR regulation (European Pollutant Release and Transfer Register) released into the air, water and soil.	E2-4-28	Indicator no.° 8, table 1, annex I; Indicator no. 2, table 2, annex I; Indicator no. 1, table 2, annex I; Indicator no. 3, table 2, annex I				Material	
ESRS E3-1Aquatic and marine resources	E3-1-9	Indicator n° 7, table 2, appendix I				Material	
ESRS E3-1 **Policy in this area**	E3-1-13	Indicator n° 8, table 2, annex I				Material	

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Publication requirement and related data point	Reference CSRD standards	SFDR reference	Pillar 3 reference	Reference index regulation	Reference European climate law	Materiality	Reference Section Sustainability Statement
ESRS E3-1 **Sustainable practices for oceans and seas**	E3-1-14	Indicator n° 12, table 2, appendix I				Material	
ESRS E3-4 **Total percentage of water recycled and reused**	E3-4-28 c)	Indicator n° 6.2, table 2, annex I				Material	
ESRS E3-4Total water in m3 in relation to sales generated by own activities	E3-4-29	Indicator n° 6.1, table 2, annex I				Material	
ESRS 2- IRO 1 - E4 - 16 a) i)	ESRS 2 - IRO-1 - E4 - 16 a) i)	Indicator n° 7, table 1, appendix I				Mandatory	
ESRS 2- IRO 1 - E4 - 16 b)	ESRS 2 - IRO-1 - E4 - 16 b)	Indicator n° 10, table 2, appendix I				Mandatory	
ESRS 2- IRO 1 - E4 - 16 c)	ESRS 2 - IRO-1 - E4 - 16 c)	Indicator n° 14, table 2, appendix I				Mandatory	
ESRS E4-2 **Sustainable land/agricultural practices or policies**	E4-2-24 b)	Indicator n° 11, table 2, appendix I				Non-material	
ESRS E4-2 **Sustainable practices or policies regarding oceans/seas**	E4-2-24 c)	Indicator n° 12, table 2, appendix I				Non-material	
ESRS E4-2 **Policies to combat deforestation**	E4-2-24 d)	Indicator n° 15, table 2, appendix I				Non-material	
ESRS E5-5 **Waste not recycled**	E5-5-37 d)	Indicator n° 13, table 2, appendix I				Non-material	
ESRS E5-5 **Hazardous waste and radioactive waste**	E5-5-39	Indicator n° 9, table 1, annex I				Non-material	
ESRS 2- SBM3 - S1 **Risk of forced labour**	ESRS 2- SBM3 - S1 - 14 f)	Indicator n° 13, table 3, appendix I				Non-material	
ESRS 2- SBM3 - S1 **Risk of child labour exploitation**	ESRS 2- SBM3 - S1 - 14 g)	Indicator n° 12, table 3, appendix I				Material	
ESRS S1-1 **Commitments to a human rights policy**	S1-1-20	Indicator n° 9, table 3, and indicator n° 11, table 1, annex I				Material	

Publication requirement and related data point	Reference CSRD standards	SFDR reference	Pillar 3 reference	Reference index regulation	Reference European climate law	Materiality	Reference Section Sustainability Statement
ESRS S1-1 **Due diligence policies on matters covered by fundamental conventions 1 to 8 of the International Labour Organization**	S1-1-21			Annex II to Commission Delegated Regulation (EU) 2020/1816		Material	
ESRS S1-1 **Processes and measures to prevent human trafficking**	S1-1-22	Indicator n° 11, table 3, appendix I				Material	
ESRS S1-1 **Prevention policy or management system for accidents at work**	S1-1-23	Indicator n° 1, table 3, annex I				Material	
ESRS S1-3 **Mechanisms for handling disputes or complaints**	S1-3-32 c)	Indicator n° 5, table 3, appendix I				Non-material	
ESRS S1-14 **Number of work-related fatalities and number and rate of work-related accidents**	S1-14-88 b) et c)	Indicator n° 2, table 3, annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		Material	
ESRS S1-14 **Number of days lost due to injury, accident, death or illness**	S1-14-88 e)	Indicator n° 3, table 3, annex I				Material	
ESRS S1-16 **Unadjusted gender pay gap**	S1-16-97 a)	Indicator n° 12, table 1, appendix I		Annex II to Delegated Regulation (EU) 2020 /181 6		Material	
ESRS H1-16 **Excessive remuneration ratio for the Chief Executive Officer**	S1-16-97 b)	Indicator n° 8, table 3, appendix I				Material	
ESRS S1-17 **Cases of discrimination**	S1-17-103 a)	Indicator n° 7, table 3, appendix I				Material	
ESRS S1-17 **Non-compliance with the OECD guidelines on business and human rights**	S1-17-104 a)	Indicator no.° 10, table 1, and indicator no.° 14, table 3, appendix I		Annex II to Delegated Regulation (EU) 2020 /181 6, Article 12(1) of Delegated Regulation (EU) 2020 /1818		Material	
ESRS 2- SBM3 -S2 **Significant risk of child labour or forced labour in the value chain**	ESRS 2 - SBM3 - S2-11 b)	Indicators n° 12 and n° 13, table 3, appendix I				Non-material	

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Publication requirement and related data point	Reference CSRD standards	SFDR reference	Pillar 3 reference	Reference index regulation	Reference European climate law	Materiality	Reference Section Sustainability Statement
ESRS S2-1 **Commitments to a human rights policy**	S2-1-17	Indicator no.° 9, table 3, and indicator no.° 11, table 1, appendix I				Non-material	
ESRS S2-1 Policies relating to workers in the value chain	S2-1-18	Indicators n° 11 and n° 4, table 3, appendix I				Non-material	
ESRS S2-1 Non-compliance with the OECD guidelines on business and human rights	S2-1-19	Indicator n° 10, table 1, appendix I		Annex II to Delegated Regulation (EU) 2020 /1 816, Article 12(1) of Delegated Regulation (EU) 2020 /1 818		Non-material	
ESRS S2-1 **Due diligence policies on matters covered by fundamental conventions 1 to 8 of the International Labour Organization**	S2-1-19			Annex II to Delegated Regulation (EU) 2020 /1 816		Non-material	
ESRS S2-4 **Human rights issues and incidents identified up or down the value chain**	S2-4-36	Indicator n° 14, table 3, appendix I				Non-material	
ESRS S3-1 **Commitments to a human rights policy**	S3-1-16	Indicator n° 9, table 3, annex I, and indicator n° 11, table 1, annex I				Non-material	
ESRS S3-1 **Non-compliance with business and human rights guidelines, ILO principles and/or OECD guidelines**	S3-1-17	Indicator n° 10, table 1, annex I		Annex II to Delegated Regulation (EU) 2020 /1 816, Article 12(1) of Delegated Regulation (EU) 2020 /1 818		Non-material	
ESRS S3-4 **Human rights issues and incidents**	S3-4-36	Indicator n° 14, table 3, appendix I				Non-material	
ESRS S4-1 Consumer and end-user policies	S4-1-16	Indicator no.° 9, table 3, and indicator no.° 11, table 1, appendix I				Non-material	
ESRS S4-1 Non-compliance with the OECD guidelines on business and human rights	S4-1-17	Indicator n° 10, table 1, annex I		Annex II to Delegated Regulation (EU) 2020 /1 816, Article 12(1) of Delegated Regulation (EU) 2020 /1 818		Non-material	

Publication requirement and related data point	Reference CSRD standards	SFDR reference	Pillar 3 reference	Reference index regulation	Reference European climate law	Materiality	Reference Section Sustainability Statement
ESRS S4-4 **Human rights issues and incidents**	S4-4-35	Indicator n° 14, table 3, appendix I				Non-material	
ESRS G1-1 **United Nations Convention against Corruption**	G1-1-10 b)	Indicator n° 15, table 3, appendix I				Non-material	
ESRS G1-1 **Protection of whistleblowers**	G1-1-10 d)	Indicator n° 6, table 3, appendix I				Non-material	
ESRS G1-4 **Fines for breaches of anti-corruption and bribery legislation**	G1-4-24 a)	Indicator n° 17, table 3, appendix I		Annex II to Delegated Regulation (EU) 2020 /1 816		Material	
ESRS G1-4 **Standards for combating corruption and corrupt practices**	G1-4-24 b)	Indicator n° 1 6, table 3, annex I				Material	

4.1.4. METHODOLOGICAL ELEMENTS FOR PREPARATION OF THE FIRST ESRS SUSTAINABILITY STATEMENT

4.1.4.1. GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT (BP-1)

Preamble:

Directive (EU) 2022/2464 on Corporate Sustainability Reporting (CSRD) requires the publication of sustainability information in a separate section of the management report, called the Sustainability Statement. This sustainability statement replaces the Extra Financial Performance Statement, which has been a requirement since the 2018 financial year. The sustainability statement below forms an integral part of the Group's management report and has been prepared and drafted in accordance with the normative requirements, the CSRD, as well as Article 8 of Regulation (EU) 2020/852 for taxonomy in their version in force at the date of preparation of this sustainability statement.

The sustainability statement presented in chapter 4 below has been drawn up in the context of the first year of application of the CSRD provisions.

Latecoere has endeavoured to apply the normative requirements laid down by the ESRS, as applicable at the time the sustainability report was drawn up, based on the information available at the time the sustainability statement was drawn up.

Limits of first application :

This first report on the Group's sustainability is characterized by specific contextual factors linked to the first year of application of the CSRD requirements:

- The absence of established practices, particularly for analysing the impacts, risks, and opportunities on the value chain in greater depth.
- Some of the information also required by the ESRS standards could only be partially collected at the close of the present report due to operational constraints and internal data collection times. This is the case for DP G1-6 on payment times and DP E5 on quantitative data relating to incoming resources. The details of these exclusions and the associated improvement plans are specified in the parts "4.2.3.5. Incoming resources (E5-4)" and "Supplier relationship management and payment practices (G1-2 and G1-6)", section of "4.4.1. Conducting business (G1)".

In this context, based on market practices and recommendations and a better understanding of these new regulations and standards, the Group may need to review certain reporting and communication practices in future versions of its sustainability report.

The Group is committed to continuous improvement in this reporting and communication exercise.

Scope of sustainability statement :

Latecoere S.A., which specializes in the production of structural and wiring assemblies for major aircraft manufacturers, is drawing up this sustainability statement on a consolidated basis for the 2024 financial year. The scope of sustainability information on a consolidated basis is the same as that used for the consolidated financial statements (with the exception of Corse Composite, which is not included in this sustainability statement, as Latecoere does not have operational control over this entity). In addition, the sustainability statement covers all of Latecoere's own activities and the upstream and downstream value chains.

4.1.4.2. DISCLOSURE IN RELATION TO SPECIFIC CIRCUMSTANCES (BP-2)

Latecoere has respected the time horizons set by the CSRD (short term, medium term, long term) for the publication of sustainability information. The CSRD reporting covers the period from January 1, 2024, to December 31, 2024.

The changes between the 2023 and 2024 financial years are linked to the change in the reference framework for the Sustainability Statement. Since 2018, Latecoere has been preparing an Extra-Financial Performance Statement (DPEF). The two statements differ significantly due to changes in the regulatory framework governing them, particularly concerning the calculation of certain pre-existing indicators. The data relating to the 2023 financial year, based on reporting methods adapted to the DPEF, will not be included in this statement but will remain available for consultation in previous reports.

This Sustainability Statement does not provide value chain metrics. Additionally, certain quantitative metrics, such as carbon emission factors and country energy mixes obtained from public databases, involve measurement uncertainties due to the time lag between the data available and the reporting year.

Furthermore, the information requirements set out in other legislation and standards, such as the balanced representation of men and women on boards of directors, the energy audit, and the proportion of staff covered by an Environmental Management System compliant with the ISO 14001:2015 standard, are also included in this sustainability statement.

The information presented in the statement has not been verified by a third party, unless explicitly stated otherwise.

Incorporation by reference :

DP / DR list	Reference in the universal registration document	***Reference in the document***
GOV-1-21(a, b, d)	Chapter 3.2.1 Composition of the Board	4.1.1.1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-1) Composition and diversity of the Board of
GOV-1-21e	Chapter 3.2.1 Composition of the Board	4.1.1.1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-1 Indicators linked to the Board of Directors
GOV-1-21c **GOV-1-23(a, b)**	Chapter 3.2.1 Composition of the Board	4.1.1.1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-1) Powers of the Board of
GOV-1-22(a, b, c, d) **GOV-1-23(a, b)** **GOV-2-26(a, b, c)**	Chapter 3.2.4 The advisory specialist committees	4.1.1.1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-1) Role of the Board of Directors in monitoring Impacts, risks and opportunities
SBM-1-42(a, b)	Chapter 1.2.2 The business model	4.1.2.1. STRATEGY, BUSINESS MODEL AND VALUE CHAIN (SBM-1)

4.2. ENVIRONMENTAL INFORMATION

4.2.1. CLIMATE CHANGE (E1)

4.2.1.1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL (REMINDER ESRS 2 IRO-1 AND ESRS 2 SBM-3)

Latecoere's double materiality assessment has identified several material environmental issues, each associated with considerable impacts and risks. Physical hazard risks may lead to reduced profitability due to business and supply chain interruptions, asset devaluation from increased weather events, and rising insurance costs. Extreme climate changes, such as cyclones, hurricanes, floods, and other severe weather events, which are becoming more frequent and intense, can have a substantial material and financial impact on the Group.

Latecoere also faces the challenge of mitigating Scope 1 and 2 emissions, as its operations generate direct greenhouse gas (GHG) emissions primarily from energy consumption. Additionally, the Group contributes to negative impacts associated with emissions from raw material extraction, part machining, transportation, and product use, particularly in the aeronautical sector, which also emits GHGs. This situation exposes Latecoere to challenges related to Scope 3 emissions mitigation.

To address these challenges, Latecoere conducted a comprehensive analysis of risks and opportunities in 2023, in collaboration with the specialist consultancy EKODEV. This extensive effort involved a working group comprising various managers from across the company, including HSE teams, industrial managers, sales and program managers, as well as R&T and legal managers. In total, 31 risks and 22 opportunities were reviewed. Eight risks and eight opportunities were identified for inclusion in a focus triangle due to their high impact and likelihood of occurrence. The risk matrix was developed based on the severity of the impact and the probability, allowing for the prioritization of issues. These risks encompass transition risks (political, legal, technological, market transition, and reputation related to transition) and climate risks (both extreme and chronic).

Latecoere has also evaluated the exposure of its assets and business activities to identified climate hazards, following the TCFD reporting guidelines. The analysis considered various climate scenarios, including the IEA SDS scenario, which reflects a macroeconomic trend toward sustainable practices. This scenario was selected for its relevance to potential market and regulatory developments. It has allowed for the qualitative identification of risks and opportunities while underscoring the need for a more quantitative approach in future adaptation plans.

The identified climate risks span short-term (2025), medium-term (2030), and long-term (2050) timeframes. These risks include a contraction in the aviation market, supply delays or disruptions, fires, floods, increased operating costs due to rising temperatures, higher production costs, the obligation for industries to reduce emissions, and reputational risks.

Scenario analysis has also facilitated the identification and assessment of physical risks over short, medium, and long-term horizons. The results of this analysis have implications for other environmental issues, particularly in defining CO2 emission reduction targets for Scope 1 and 2, which are now aligned with a global warming scenario limited to 1.5°C, consistent with the RCP 1.9 and NZE scenarios.

Finally, Latecoere is committed to conducting a more comprehensive analysis of its resilience to climate-related issues, integrating the current findings from the risks and opportunities analysis into a more detailed site-by-site review planned for 2025. This analysis will encompass the entire Group and provide a more thorough assessment of each climate-related risk. At this stage, Latecoere is not yet in a position to disclose the estimated financial impact of significant physical and transitional risks, as well as the associated mitigation measures and resources.

Based on all the new analytical elements anticipated for 2025, Latecoere should also be able to clarify the capacity of its strategy and business model to adapt to climate change in the short, medium, and long term.

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3. The Group's material sustainability challenges.

4.2.1.2. TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION (E1-1)

A transition plan is currently being developed to structure and optimize Latecoere's actions for mitigating climate change. This plan is expected to be available later in 2025.

4.2.1.3. POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-2)

Latecoere has made climate change mitigation a core commitment of its sustainability and environmental policies. True to its mission of serving the aerospace sector with innovative solutions for a sustainable world, the company's sustainable development policy includes commitments aligned with 12 of the 17 United Nations Sustainable Development Goals. While the company acknowledges the importance of adapting to climate change, its actions primarily focus on mitigation. To strengthen this approach, Latecoere plans to update its Sustainability Policy to include explicit commitments to adaptation and the management of transitional and physical risks. The main objective of the policies outlined below is to limit Latecoere's environmental impact, including direct and indirect CO2 emissions.

Latecoere's environmental policy, grounded in the company's core values, aims to establish an environmental risk management program and foster a culture of environmental protection, engaging all employees, customers, suppliers, and partners wherever the Group operates. This policy applies to the entire Group, including recent mergers and acquisitions (M&A), ensuring that all Latecoere entities and activities comply with established environmental standards. The implementation of the environmental policy is the responsibility of the Managing Director, who is a direct signatory to the policy, affirming management's commitment to sustainability objectives.

In a spirit of continuous improvement and legal compliance, the objectives of this policy include adhering to the legal requirements of each country, responding to requests from interested parties, obtaining ISO 14001 environmental certification for the main production sites, estimating the CO2 footprint, and managing an improvement program. To achieve these objectives, the Group is committed to:

- Limiting its environmental impact and preventing pollution,
- Analysing serious incidents and sharing findings through an alert system,
- Implementing a program to assess environmental risks and impacts,
- Reducing significant impacts through an action plan managed by the sites.

As mentioned, Latecoere complies with various third-party standards and initiatives through the implementation of its policy, including ISO 14001 certification. The policy also considers the interests of key stakeholders, in line with ISO 14001 requirements. Since 2021, Latecoere has completed the CDP (formerly Carbon Disclosure Project) questionnaire, which evaluates companies on their climate change strategy and performance. Since 2024, Latecoere has also been responding to the EcoVadis questionnaire, which assesses the quality of the ESG (Corporate Social Responsibility) management system through its policies, actions, and results.

The implementation of the **Sustainability policy** is organized around three pillars that contribute to a positive societal impact. The environmental pillar promotes sustainable production by certifying all factories to ISO 14001 standards, helping to mitigate climate change, developing innovative products, contributing to biodiversity protection, and participating in the circular economy.

Under the guidance of the Board of Directors, operational governance is established at every level of the company to ensure that targeted actions are executed. Latecoere is also committed to sector initiatives, such as the transition to low-carbon aviation, and has joined the SpacEarth initiative to leverage space for the benefit of life on Earth. The company supports the 12 principles of the United Nations Global Compact concerning respect for human rights, international labour standards, environmental protection, and the fight against corruption.

The Group's environmental and sustainable development policies are accessible to various stakeholders. Internally, they are available to employees via the intranet and displayed at production sites. Externally, information on the policy can be found on the Latecoere website.

These two policies will be updated in 2025 to incorporate the monitoring of material impacts, risks, and opportunities, specify time horizons, and address transition risks. As the current policies predate the double materiality assessment conducted in 2024, they do not currently reference the identified material impacts, risks, and opportunities (IROs).

Finally, General Management commits to participating in the environmental steering committee to ensure the application of these policies and the achievement of the objectives.

4.2.1.4. ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES (E1-3)

Latecoere has implemented a series of structured and detailed actions to mitigate its impact on climate change, aligning with its target of limiting global warming to 1.5°C by 2030. While the formal transition plan is in progress and will be shared in 2025, several initiatives are already underway. These actions do not yet specify the associated greenhouse gas reduction targets and potentials, which will be addressed in the transition plan and the updates to the Environment and Sustainability policies.

Energy Reduction

Energy committees have been established at key sites to monitor consumption and implement local initiatives. Since January 2023, Latecoere has successfully supplied its sites in France, Hamburg, and the Czech Republic with 100% renewable electricity. In Canada, the energy used to power the production site comes from renewable hydroelectric sources. In 2024, 50% of the Group's total electricity and gas consumption was linked to renewable energies, an increase from 44% in 2023.

Additionally, solar panels have been installed in factories in Brazil, Bulgaria, and Spain to partially cover their electricity consumption. These actions aim to reduce the company's dependence on fossil fuels and lower its carbon footprint, with plans to continue these efforts in the coming years. By reducing its energy consumption, Latecoere is decreasing the greenhouse gas emissions associated with its production, transport, and use.

Innovation and Product Development

Latecoere is investing in research and development, allocating €16.1 million in 2024. An R&D centre dedicated to composite materials was established in 2023, focusing on developing more sustainable products. The company is also committed to enhancing the measurement of its emissions for scopes 1, 2, and 3 to obtain accurate data on its carbon footprint, which is essential for minimizing its environmental impact.

By developing parts and cables that use less material or materials with a lower environmental impact, Latecoere is improving its Scope 1 and 2 emissions. Additionally, by contributing to the production of low-carbon aircraft, Latecoere is addressing its Scope 3 emissions.

Use of Sustainable Biofuels

Latecoere has partnered with Air France to utilize sustainable aviation fuel (SAF), contributing to the reduction of Scope 3 emissions. This partnership aims to lessen the environmental impact of flight operations and promote more sustainable practices within the industry. The signed agreement ensures that the production of this biomass-based biofuel does not compete with agricultural land used for human consumption and emits less carbon than fossil fuels. In 2024, Latecoere avoided 32.6 tonnes of CO2 emissions through the SAF voluntarily purchased from Air France.

Systematic Environmental Analysis

An environmental analysis procedure is in place to identify significant environmental aspects at all sites. This analysis enhances understanding of material impacts and facilitates the development of appropriate action plans for each site. The transition plan scheduled for 2025 will incorporate these impacts and action plans.

Environmental Certification

Management is committed to maintaining ISO 14001 certification and organizing environmental committees twice a year at each site. The ISO 14001 standard assists organizations in identifying, assessing, and reducing their environmental impact, including greenhouse gas emissions, by establishing objectives and action plans. By promoting continuous improvement and employee involvement, it helps structure efforts to minimize the company's carbon footprint.

The certification plan aims for all sites with more than 50 blue-collar employees to achieve certification. In 2024, the Group continued its efforts to enable recently acquired sites to obtain certification as soon as possible, bringing the total number of certified sites to 17 by the end of 2024, covering 86% of employees.

- Toulouse HQ (France)
- Montredon (France)
- Gimont (France)
- Jacarei (Brazil)
- Prague (Czech Republic)
- Hermosillo: 2 LMX-A (aero) + LMX-I (wiring) units (Mexico)
- Plovdiv (Bulgaria)
- Hermosillo LMX-C (Mexico)
- Fouchana (Tunisia)
- Had Soualem (Morocco)
- Colomiers-IS (France)
- Liposthey (France)
- Belagavi (India)
- Liège TAC (Belgium)
- Malaga MADES (Spain)
- Hermosillo LMX-D (Mexico)
- Vendargues (France)

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	2023	2024 (completed)	2025 (target)
Number of ISO 14001 certified sites / Number of sites with more than 50 operators	15 / 18 sites	17 / 18 sites	18 / 18 sites
% of employees working on ISO 14001 certified sites	78%	86%	90%

All the actions described encompass the entire Latecoere Group. The company currently allocates significant financial resources to its environmental initiatives, although the exact amount of current and future resources has yet to be determined. A workshop is scheduled for later in 2025 to enhance the traceability of expenditures related to these environmental initiatives.

4.2.1.5. TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-4)

Latecoere has calculated its contribution to mitigating its impact on climate change and adapting to its effects, with assistance from a specialist external service provider. These targets align with the methods of the Science Based Targets Initiative (SBTi) and are part of a carbon trajectory consistent with the 1.5°C target of the Paris Agreement.

The company has set a target to achieve a 34% reduction in its greenhouse gas (GHG) emissions for scopes 1 and 2 by 2030, using a baseline of 26,056 tonnes of CO_2 equivalent from 2022. This target is expressed in absolute terms.

Latecoere's target trajectories were developed by comparing several reference trajectories, including those from the International Energy Agency (IEA), which were adapted to fit Latecoere's activities in industry and metallurgy. The -34% target aligns with the IEA's net-zero emissions (NZE) target trajectories for 2050, which corresponds to a global temperature increase of 1.5°C.

Additionally, Latecoere has set a target for a 57% reduction in its Scope 3 emissions, excluding emissions from the use of sold products, with a reference value of 418 tCO_2e per million euros of sales in 2022. This target is proportional to sales rather than absolute. The theoretical objective for reducing Scope 3 emissions in line with a 1.5°C global warming target has not yet been calculated.

The consistency of the GHG emission reduction targets with the limits of the GHG inventory has been ensured through a rigorous calculation of the Group's scope, which accounts for mergers and acquisitions. The methodology used to assess these targets is based on a carbon footprint for scopes 1, 2, and 3, audited by KPMG. Senior management has defined these targets, which are outlined in a roadmap that is reviewed annually, and their implementation is closely monitored to ensure achievement.

Latecoere has already made significant progress prior to the current reporting year, including establishing site energy committees, sourcing renewable energy, installing solar panels, and conducting energy audits. Between 2023 and 2024, Latecoere reduced its Scope 1 emissions by 12%, while its Scope 2 (market-based) emissions fell by 23% in absolute terms. These improvements are attributed to a significant reduction in gas consumption (8%) and an increase in the proportion of renewable electricity purchased.

Although no emission reduction target for 2050 has been defined yet, the company is committed to using representative data to establish its reference value, considering the activities covered and the influence of external factors.

The decarbonization levers identified by Latecoere to achieve its GHG reduction targets include energy efficiency, decarbonization, and increasing the use of renewable energies. Latecoere does not include GHG removals, carbon credits, or avoided emissions as methods for achieving its reduction targets. A precise transition plan is scheduled for 2025, and until then, detailed information on the reduction potential of the mentioned levers is not available.

For Scope 3 emissions, which encompass other indirect emissions, the planned actions include limiting business travel, improving quantitative purchasing reporting, reducing product mass, and producing as close as possible to customers to optimize logistics and minimize waste. Additionally, Latecoere aims to manage and engage its supply chain in this collective effort to reduce carbon emissions.

To support these initiatives, a carbon cost project is being studied for 2025, which will integrate environmental considerations into future projects with a carbon cost set at €150 per tonne for impact calculations.

These targets were established by Latecoere with the assistance of external experts and shared with various internal parties as part of the publication of its Sustainable Development policy. However, there was no specific consultation with stakeholders in setting the reduction targets.

4.2.1.6. ENERGY CONSUMPTION AND MIX (E1-5)

Latecoere provides comprehensive information regarding its energy consumption and mix, in compliance with established requirements. The company reports only the energy consumed in relation to the processes it owns or controls, using the same perimeter as that applied for the declaration of greenhouse gas (GHG) emissions for scopes 1 and 2. Raw materials and fuels that are not burned for energy purposes are excluded from this declaration, although steam consumed by the Prague site is included in the calculations.

All quantitative energy data is reported in megawatt-hours (MWh) of net calorific value. If raw data is available in other energy units, it is converted to MWh using appropriate conversion factors. Energy consumption is reported as final consumption, which refers to the actual amount of energy consumed by the company. Latecoere ensures that fuel consumption is not double-counted when reporting self-generated energy consumption.

The published information includes total energy consumption in MWh related to clean operations, broken down by type of source. This encompasses total energy consumption from fossil, nuclear, and renewable sources. For renewable sources, the breakdown includes consumption of fuel from renewable sources, electricity, heat, steam, and cooling purchased or acquired from renewable sources, as well as consumption of self-generated non-combustible renewable energy.

It is also noteworthy that Latecoere is not classified within sectors that have a high climate impact.

Energy consumption and mix	**2024**
1) Fuel consumption from coal and coal-based products (in MWh)	0
2) Fuel consumption from crude oil and petroleum products (MWh)	326
3) Fuel consumption from natural gas (MWh)	20 281
4) Consumption of fuel from other fossil sources (in MWh)	267
5) Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources (MWh)	15 877
6) TOTAL FOSSIL FUEL ENERGY CONSUMPTION (IN MWH) (SUM OF LINES 1 TO 5)	**36 752**
7) CONSUMPTION FROM NUCLEAR SOURCES (IN MWH)	**6 495**
8) Consumption of fuel from renewable sources, including biomass (also including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (in MWh)	0
9) Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (in MWh)	30 817
10) Self-generated non-combustible renewable energy consumption (MWh)	582
11) TOTAL CONSUMPTION OF RENEWABLE ENERGY (IN MWH) (SUM OF LINES 8 TO 10)	**31 399**
TOTAL ENERGY CONSUMPTION (IN MWH) (SUM OF LINES 6 AND 11)	***74 646***

Energy intensity per net product	**2023**	**2024**	**Evolution**
Total energy consumption from activities in sectors with a high climate impact per net product from activities in sectors with a high climate impact (in MWh/cash unit)	0	0	N/A

Power generation	**2023**	**2024**
Non-renewable energy production (MWh)	0	0
Renewable energy production (MWh)	418	582

4.2.1.7. GROSS GHG EMISSIONS FROM SCOPES 1, 2 AND 3 AND TOTAL GHG EMISSIONS (E1-6)

Latecoere provides comprehensive information on its greenhouse gas (GHG) emissions for Scopes 1, 2, and 3, in accordance with established requirements. GHG emissions are measured in CO2 equivalents and encompass all GHGs within the Group's scope, which includes 28 Group sites. This assessment considers all emissions for which the organization is responsible or dependent.

Scope 1 refers to direct emissions generated by the organization, while Scope 2 covers indirect emissions associated with energy consumption. Scope 3 includes other indirect emissions, particularly those arising from the production of raw materials and the use of products. The calculation methodologies for these emissions are detailed at the end of the relevant table.

For the calculation of the 2024 balance sheet, conservative assumptions have been applied regarding the activities and energy consumption of the various sites. Additionally, it is important to note that Latecoere is not subject to the EU Emissions Trading System (EU-ETS).

The targets set by Latecoere are aimed for 2030, with plans to define targets for 2050 as part of the development of its transition plan.

	Retrospective data				
	2022 Reference year	**2023**	**2024**	**Evolution**	**2030 target in %**
GHG emissions - Scope 1					
Gross Scope 1 GHG emissions (tCO2eq)	4 702	5 912	5 206	- 12 %	-34%
Percentage of Scope 1 GHG emissions resulting from regulated emissions trading schemes (%)	0	0	0	0	0
GHG emissions - Scope 2					
Gross Scope 2 GHG emissions (tCO2eq) - Location-based	N/A	N/A	14 341	N/A	N/A
Gross Scope 2 GHG emissions (tCO2eq) - Market-based	11 974	9 016	6 943	- 23 %	- 34 %
GHG emissions - Scope 3					
Gross Scope 3 GHG emissions (tCO2eq					
1 - Goods and services purchased		210 402	204 229	-3%	- 57%
5 - Waste produced during operations		5 620	7 945	+ 41 %	- 57%
6 - Business travel		1 842	1 191	- 35 %	- 57%
7 - Employees commuting to and from work		9 571	10 257	7 %	- 57%
9 - Downstream routing (internal)		9 025	4 696	- 48 %	- 57%
11 - Use of products		6 126 000	6 826 258	+ 11 %	(*)
Total emissions					
Total Scope 3 GHG emissions (tCO2eq)		6 362 460	7 054 575	11 %	N/A
Total GHG emissions (location-based) (tCO2eq)			7 074 123		
Total GHG emissions (market-based) (tCO2eq)			7 066 725		

(*) Concerning the use of sold products (Scope 3, item 11) (*): Latecoere has no control over the use of sold products and the operation of aircraft by airlines. However, in 2021, the airline sector, together with IATA member airlines, committed to a "net-zero" approach by 2050 through the use of sustainable SAF fuel, the use of new technologies and new aircraft, improvements to infrastructures and operations, particularly flight management, and through a commitment to offset the remaining emissions.

The energy consumption figures provided cover the calendar year 2024, and there were no significant changes in scope during this period. Latecoere does not utilize fuels derived from coal or coal products.

Latecoere's energy consumption is categorized as follows:

Fuel Consumption: This includes petroleum products for company cars (both petrol and diesel) and fuel oil for generators.

Natural Gas: Used in certain plants for heating or production processes, such as drying ovens.

Other Fossil Fuels: Consumption of liquefied petroleum gas (LPG) for kitchens in some canteens.

Electricity and Steam: Purchased or acquired from fossil sources, with only one plant (located in the Czech Republic) consuming steam.

Nuclear Sources: Consumption measured in megawatt-hours (MWh).

Renewable Energy: Electricity purchased or acquired from renewable sources, with sites in France, Brazil, and Germany covered by contracts with Guarantees of Origin. For the Czech Republic, India, Tunisia, and Morocco, electricity purchases are supported by Renewable Energy Certificates (RECs).

Self-Generated Renewable Energy: This includes non-combustible renewable energy generated via solar panels installed in Spain, Bulgaria, and Brazil.

None of the sites utilize a biomass heating system, so there are no biogenic CO2 emissions to report.

Scope 1 and 2 GHG Emissions: These emissions account for electricity, natural gas, and fuel consumption, steam purchases, and refrigerant gas leaks. In 2022 and 2023, Latecoere calculated its Scope 1 and 2 emissions using a market-based methodology. In 2024, the Group calculated both market-based and location-based emissions but did not repeat these calculations for previous years.

Scope 3 Emissions: The calculation for goods and services purchased is based on monetary ratios applied to the volumes and categories of purchases. For the two main categories—metals and cables—quantitative ratios in kilograms and kilometres have been utilized, with calculations estimated on a pro rata basis of sales for DELTA's activities.

Waste: The Scope 3 calculation related to waste is based on the volumes of hazardous and non-hazardous waste produced in 2024 across all sites, using emissions factors from the carbon base. The uncertainty for this scope is estimated at 11%.

Business Travel: This calculation is based on site reporting and data consolidation for trips organized from France. Fifty percent of emissions are calculated using primary data from suppliers, while the remainder uses emissions factors from ADEME.

Employee Commuting: Emissions factors for this category are sourced from the carbon base.

Transport: The Scope 3 calculation for transport is based on tracking data for the Interconnection business line's packages, data from the Aerostructures business line's carriers, and GHG emissions from deliveries. This includes both internal and outbound logistics. For the TAC site in Belgium, estimates are based on 2023 data in proportion to sales. Notably, 41% of emissions originate directly from transport providers.

Use of Products Sold: This is estimated using the mass of all civil aeronautical products delivered in 2024 (excluding military and space products) and an emission ratio estimated by customers over the life and use of the aircraft.

Leased assets, investments, and franchises are considered irrelevant to the Group's business. Additionally, emissions related to the end-of-life treatment of products sold are deemed outside the scope, as this category pertains to emissions linked to dismantling activities conducted by specialized companies.

Emission factors used :

Emissions factors	France	Brazil	Czech Republic	Bulgaria	Mexico	Belgium	Canada	Germany	Tunisia	Morocco	India	USA	Spain
Electricity CO2 emission factors (location-based)	0,058	0,0868	0,589	0,535	0,455	0,220	0,186	0,461	0,463	0,718	0,912	0,522	0,238
Electricity CO2 emission factors (market-based)	0,013	0,017	0,006	0,032	0,455	0,220	0,186 (Burlington site) 0,030 (Delta site)	0,017	0,014	0,014	0,032	0,522	0,238
Gas	0,239	0,243	0,243	0,243	0,243	0,243	0,243	0,243	NA	NA	NA	NA	NA

GHG emissions intensity based on sales	2023	2024	Evolution
Total GHG emissions scope 1 & 2 (location-based) in relation to sales (tCO2eq/M€)	Non-Available	27,7	N/A
Total GHG emissions scope 1 & 2 (market-based) in relation to sales (tCO2eq/M€)	22,4	17,2	- 23 %

Intensity is calculated using net sales in accordance with the requirements of the accounting standards applied to the financial statements.

4.2.1.8. GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS (E1-7)

Latecoere does not currently have any plans to absorb and/or mitigate greenhouse gases (GHG) through carbon credits.

Internal carbon pricing (E1-8)

Latecoere does not have any internal carbon pricing mechanisms in place at this time. However, a project is being studied for implementation in 2025 to simulate the carbon impacts of projects, with a price set at €150 per tonne for calculation purposes.

4.2.2. POLLUTION (E2)

4.2.2.1. DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES (REMINDER ESRS 2 IRO-1 AND ESRS 2 SBM-3)

Latecoere conducted a double materiality assessment that identified several material impacts and risks related to environmental pollution, particularly at sites involved in surface protection activities. These sites, dedicated to the production of aircraft parts and structures, engage in various processes, including the degreasing of machined parts to remove oil and grease residues, the application of anti-corrosion treatments to protect against rust and degradation, and painting to ensure a durable and uniform finish. The affected locations include Prague (Czech Republic), TAC Liège (Belgium), Montredon (France), Delta (Canada), and Hermosillo (Mexico).

To better understand and specify the nature of these risks, an analysis was conducted with an independent expert focusing on employee safety, fire hazards, and environmental issues. As a result, Latecoere is exposed to various environmental risks and impacts related to pollution, which can significantly affect both the environment and its operations.

The use of substances of very high concern, particularly those regulated under REACH, directly impacts Latecoere's operations. These substances are essential at certain production stages and may incur substantial financial costs if legislative changes occur, necessitating rapid compliance or even a ban on specific products. Additionally, a disruption in the supply chain could arise if the production of these substances were to cease, compelling Latecoere to adapt its processes and seek alternative products, which would generate further costs.

In terms of environmental pollution, Latecoere faces the risk of accidents that could lead to contamination of soil and water. This pollution risk is heightened by the indirect impacts of Latecoere's value chain, particularly through resource extraction by its raw material suppliers and land artificialization, as seen in the development of airport infrastructures.

Moreover, Latecoere's operations generate emissions of airborne pollutants, notably Volatile Organic Compounds (VOCs), from processes such as surface treatment, the use of gas scrubbers, and emissions from paint booths. These emissions present an additional financial risk due to increasingly stringent regulations on permissible levels, which could lead to significant compliance costs or restrictions on the use of certain products.

Overall, these identified risks and impacts underscore the necessity for Latecoere to implement robust environmental risk management strategies to minimize its environmental footprint and ensure the sustainability of its operations..

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3. The Group's material sustainability challenges.

4.2.2.2. POLICIES RELATED TO POLLUTION (E2-1)

There is currently no specific policy on soil and water pollution; however, these measures are integrated into the Group's general **environmental policy**, which complies with applicable local regulations. This policy aims to certify all industrial sites to ISO 14001 standards by the end of 2025, with 17 sites certified by 2024 and 86% of employees working at certified locations. The sites involved in surface protection activities, including those in Prague (Czech Republic), TAC Liège (Belgium), Montredon (France), and Hermosillo (Mexico), are already ISO 14001 certified, while certification for the Delta site is scheduled for 2025.

An associated roadmap, known as the Environment Roadmap, facilitates the implementation of the policy's main objectives, defines monitoring KPIs, and helps prevent and limit pollution risks. This roadmap includes measures to reduce emissions of airborne pollutants, particularly Volatile Organic Compounds (VOCs), and to monitor substances of concern in accordance with REACH regulations, with regular communication with suppliers. The company is also committed to preventing soil and water pollution by establishing risk management protocols and analysing the environmental impact of its value chain.

Environmental Steering Committees meet regularly at the sites and with the Executive Committee to oversee regulatory compliance and actively support the implementation of Latecoere's Environmental Roadmap.

Latecoere's health and safety policy aligns with the ISO 45001 standard, focusing on accident risk prevention and employee protection. It includes monitoring substances used in accordance with REACH regulations and ensuring that working practices comply with environmental safety standards. This standard provides a framework for occupational health and safety management, including the identification and assessment of environmental risks associated with the company's activities. By incorporating prevention and protection measures, the standard helps reduce accidents and incidents that could lead to pollution while promoting a safe and healthy working environment for employees. This also involves raising awareness among workers about environmental hazards and encouraging responsible behaviour regarding the management of substances and waste. These policies are supported by risk management protocols and regular exchanges with suppliers to ensure compliance and minimize the environmental impact of Latecoere's operations.

Latecoere's **environmental and health and safety policy** encompasses all operational and production activities and is signed by the Group's Chief Executive Officer.

The Group's European sites are subject to **ICPE (Installations Classées pour la Protection de l'Environnement) and IPPC (Integrated Pollution Prevention and Control) regulations**, which impose a legal obligation to monitor VOC emissions from manufacturing processes. VOCs are a broad category of chemical substances that easily evaporate into the air at room temperature and can originate from various sources, including solvents and paints. Based on audit results and identified trends, Latecoere seeks effective solutions to reduce these emissions.

The Prague site, classified as IPPC, is subject to stringent environmental monitoring requirements imposed by Czech authorities. The Latecoere Group does not operate any facilities classified as SEVESO.

At the national level, the following sites are noted:

- **Toulouse**: ICPE subject to declaration for mechanical metalworking, hardening, painting, and surface treatment activities, with environmental risks associated with atmospheric emissions, soil/subsoil pollution, and noise pollution. Hardening and surface treatment activities were transferred to Montredon in 2021, and the site is currently being decommissioned.
- **Gimont**: ICPE declaration for paint application activities, with environmental risks linked to atmospheric emissions.
- **Montredon**: ICPE with authorization for surface treatment activities, with environmental risks related to soil/subsoil pollution, noise pollution, and atmospheric emissions.

Regarding the management of substances of concern, Latecoere complies with **REACH regulations** governing the use of chemical substances. A specific organization has been established to identify and manage substances of concern used in manufacturing processes. This includes communicating with customers about the presence of candidate substances and assessing new products through a 'chemical products' committee to encourage substitution with less hazardous alternatives. REACH constraints are integrated into the design phase of new projects to minimize the use of high-risk substances.

As this issue is common across the industry, Latecoere engages in regular exchanges with aerospace companies, particularly in France through GIFAS, in Europe through the Aerospace and Defense Industries Association (ASD), and internationally through the International Aerospace Environmental Group (IAEG). Contractual specifications shared with suppliers take into account substance-related regulations and the need to manage obsolescence.

While Latecoere does not have formalized provisions in its Purchasing Policy regarding pollution or the use of substances of concern, it has established a procedure to monitor substances subject to REACH regulations, with ongoing communication with suppliers. The company aims to anticipate supply disruptions related to substances and regulatory changes by ensuring compliance throughout Europe. A database has been created to list the chemicals handled, identify risks, and explore substitution options. In 2024, a community was formed to analyse substances and enhance communication with the supply chain, as compliance is contingent on customer and regulatory requirements.

In the event of pollution, an effective communication system is in place. The site manager is required to send an alert email to top management within 24 hours of an incident, classifying the alert as red or yellow based on its severity and including the immediate actions taken. An in-depth analysis follows to identify the causes of the incident, mitigate risks, and share best practices within the organization. Additionally, a 'grey alerts' system is utilized to inform top management and other plants of serious near-miss events, enabling the replication of necessary corrective actions and the adoption of effective preventive measures across all facilities.

4.2.2.3. ACTIONS AND RESOURCES RELATED TO POLLUTION (E2-2)

For several years, Latecoere has been actively committed to pollution prevention and has allocated the necessary resources to implement its environmental actions. The main measures related to pollution prevention and the reduction of substances governed by REACH regulations were previously detailed in the Extra-Financial Performance Declaration (DPEF).

Latecoere is also addressing the future obsolescence of certain substances that may be banned under REACH regulations. A dedicated project group is analysing the substances used and developing tailored substitution plans for each production site.

In parallel with these actions, and as part of its strategy to prevent medium- and long-term pollution risks, Latecoere has implemented the following mitigation hierarchy:

1. Avoid pollution :

O In 2024, a specific organization was established to identify and manage substances of concern. Projects are currently underway to replace these substances on specific production lines, with efforts expected to continue over the medium term in Europe.

O In-depth audits of the five industrial sites with surface treatment (Liège, Montredon, Prague, Hermosillo, and Delta) were conducted in 2022 and 2023 by a consultant specializing in surface treatment. The purpose of these audits is to provide a risk analysis focused on three key themes: health and safety of workers, pollution prevention, and fire prevention. Recommendations from these audits are consistently followed up with action plans for each site, along with regular reporting to the Executive Committee.

O Regular meetings with the managers of the five surface treatment plants were scheduled to take place throughout 2024. These meetings aim to facilitate the exchange of best practices and foster collaborative efforts within this community to implement improvement actions.

2. Reducing pollution :

O Reducing Emissions and Minimizing the Use of High-Risk Substances: Following the acquisition of the Hermosillo site in 2022, Latecoere has ceased all liquid discharges into the natural environment.

O Emergency Response Plan: A detailed emergency response plan has been developed to manage pollution-related accidents. Each site has created emergency action sheets to address various emergency situations, such as fires and chemical spills. Additionally, a colour-coded system has been established for communicating alerts based on their level of seriousness.

In 2024, Latecoere established a Community focused on analysing substances regulated under REACH. This initiative is based on risk analysis and management, allowing the identification of stock levels, manufacturers, and the products and processes associated with these substances. Concurrently, Latecoere is working to identify and assess specific substances through regulatory monitoring and by sharing best practices via the GIFAS Group.

These actions demonstrate Latecoere's commitment throughout the value chain, including collaboration with suppliers to ensure that chosen alternatives meet technical requirements and comply with safety standards. The company is also focused on raising customer awareness regarding the use of substances and their associated environmental impacts. However, it is important to note that Latecoere has not yet undertaken any concerted actions specifically targeting VOCs.Targets related to pollution (E2-3)

Latecoere is committed to establishing clear pollution targets that align with regulatory requirements and stakeholder expectations. These targets will be integrated into the Group's Sustainability Policy, which formalizes its commitments to environmental management. Currently, Latecoere aims to extend ISO 14001 certification to all production sites and implement a comprehensive environmental management system.

At this time, the Group's sites do not have a specific target for liquid discharges, which are estimated to be zero. However, Latecoere is dedicated to defining an emission measurement plan for each site by the end of 2025.

Regarding air emissions, three sites are already equipped with gas scrubbers, and an additional site is scheduled to be equipped with this technology in 2026.

4.2.2.4. POLLUTION OF AIR, WATER AND SOIL (INDICATORS - E2-4)

Latecoere is committed to providing transparent information regarding the pollutants emitted by its operations. In 2024, the only incident involving a pollution risk was a fire at the Hermosillo site in February. During this incident, 221 m³ of water contaminated by reactive surface treatment products, mixed with fire extinguishing water, was pumped out and disposed of through authorized channels. Additionally, approximately 161.2 cubic meters (212 yard³) of contaminated soil was removed and treated, following soil analyses conducted on more than 50 parameters, including toxicity, to determine the hazardous nature of the soil. Latecoere does not have information on the specific treatment methods used.

While toxic fumes from the combustion of building materials and surface treatment chemicals affected air quality, their levels could not be quantified. An in-depth analysis of the fire's causes was conducted by on-site management and the HSE team, resulting in a detailed action plan aimed at preventing a recurrence of such incidents and minimizing any potential releases in the event of another fire

Regarding pollutants, Latecoere specifically notes its emissions of Volatile Organic Compounds (VOCs).

The Group does not generate microplastics and reported no discharges to water or land in 2024.

	2023	2024
	Group	Group
Diffuse + channelled VOCs (tonnes / year)	63,9	72 *
		* 97% actual data and 3% estimated data

** The increase is explained by the rise in activity*

The increase in Volatile Organic Compounds (VOCs) is attributed to the rise in activity levels. The calculation is based on all VOCs purchased in 2024, utilizing total consolidated data. It does not account for the proportion of VOCs that are evacuated and includes both diffuse and channelled VOCs

Importantly, none of the Latecoere Group's sites exceed the thresholds established by the E-PRTR II regulation.

4.2.2.5. SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN (INDICATORS - E2-5)

Latecoere is committed to complying with its legal obligations to publish information regarding the production, use, distribution, marketing, import, and export of substances of very high concern, in accordance with the REACH regulation. These substances may be present in pure form, in mixtures, or in articles.

The company communicates the total quantities of substances of concern that it purchases, including the quantities classified according to the main hazard categories. The volume of pollutants is reported in appropriate mass units, such as tonnes, to ensure transparency and provide a clear understanding of environmental impacts.

However, Latecoere does not currently have specific reporting on substances of concern in products that are sold. The availability of this data remains uncertain at this time.

	2024
TOTAL weight of chemicals purchased in tonnes	1 488

	Flammable	Combustion agent	Corrosive	Toxic	Toxic, irritant and sensitizing	Sensitizing, carcinogenic, mutagenic and reprotoxic	Danger for the environment
TOTAL weight of chemicals purchased in tonnes by hazard class	116	3	80	33	169	187	197

Note: The sum of substances by hazard class is not equivalent to the total quantity of substances of concern, as some substances do not have a specific hazard class.

Latecoere has chosen to publish the GHS (Globally Harmonized System) hazard typologies to enhance transparency regarding the substances it uses. To ensure compliance with relevant regulations, the company has implemented specific measures, including informing customers about the presence of candidate substances that exceed 0.1% by mass. Additionally, a "chemical products" committee reviews all requests for the purchase of new products to identify any substances of concern and to promote the substitution of these substances with less hazardous alternatives

For each new project, Latecoere integrates REACH constraints from the design phase, aiming to select processes and components that do not contain substances of concern whenever possible. Analyses are regularly updated to reflect changes to the "candidate list" for all items still being delivered.

In 2023, Latecoere established a project group to anticipate the obsolescence of certain substances that may be banned under REACH regulations. This team is tasked with analysing the substances used and developing substitution plans tailored to each product, in alignment with customer requirements. A defined process is in place, and the action plan is monitored regularly to ensure effective implementation.

	2024
TOTAL weight of substances of very high concern (SVHC) purchased in tonnes	37

For this first year of ESRS reporting, Latecoere is not in a position to present SVHC by hazard class. This information will be published in 2025.

4.2.3. RESOURCE USE AND CIRCULAR ECONOMY (E5)

4.2.3.1. DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES (REMINDER ESRS 2 IRO-1 AND ESRS 2 SBM-3)

As part of its double materiality assessment, Latecoere has identified several material challenges linked to the circular economy, particularly concerning incoming raw materials. The primary negative impact is the pressure on resources due to the consumption of extracted and virgin materials (as opposed to recycled materials), such as metals like copper and aluminium. This situation presents risks, especially regarding rising raw material prices and the costs associated with supply tensions, including production disruptions and delays, as well as the implications of stricter regulations on the incorporation of recycled materials.

Latecoere acknowledges that managing incoming materials can have significant financial implications. For instance, material wastage results in direct costs, with each kilogram not utilized representing a non-recoverable expense. Additionally, supply difficulties can lead to price fluctuations and production delays, which can adversely affect profitability. The financial consequences are evident in the short term through immediate costs, in the medium term through delays that impact customer satisfaction and program profitability, and in the long term through increased costs related to regulatory compliance.

4.2.3.2. POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-1)

Latecoere has established a formal **environmental policy**, signed by the Managing Director, which encompasses the entire Group and is widely distributed internally to all employees through the intranet and posters displayed at various company sites. This policy addresses issues such as product recyclability and is based on the ISO 14001 standard.

However, the Group's ambitions regarding the circular economy are constrained by a significant factor. The specific nature of the aerospace sector imposes stringent quality, compliance, and safety requirements from customers, leading to a considerable reliance on virgin materials to meet these standards. This reliance is particularly pronounced in the manufacture of structural parts.

As a result, the current environmental policy does not encompass the phasing out of virgin resources or the sustainable sourcing and use of renewable resources.

4.2.3.3. ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-2)

In line with its environmental ambitions and respecting the production constraints associated with its sector, Latecoere is committed to initiatives aimed at improving resource use and promoting the circular economy within its operations. Although these actions were implemented before 2024, they remain relevant for the reporting year. The initiatives are detailed below:

Limitation of metal shavings :

Latecoere collaborates with its suppliers to optimize the supply of raw materials by adjusting the size of the blocks as much as possible, thereby reducing the metal shavings generated during machining. This initiative, launched in 2022, has contributed to more efficient use of raw material resources. Quarterly evaluations are conducted to monitor the volumes of swarf generated and the savings achieved through order optimization. While the costs associated with this action are included in procurement budgets, precise savings figures are not yet available.

Eco-design and product development :

Latecoere is dedicated to integrating eco-design principles into the development of new products, aiming to reduce environmental impact throughout their life cycle by minimizing mass and facilitating reparability. This integration began in 2023, with specific targets set for each new product line. New products are assessed against eco-design criteria. As technologies, products, and processes mature, R&T Latecoere evaluates their environmental impact through assessments of the materials, processes, and quantities involved. Training is currently underway for product development teams, and the investment required for training and assessment tools is being estimated.

Reducing aircraft weight is a priority for the entire aeronautical ecosystem, as weight is directly linked to aircraft performance. Therefore, optimizing weight is a key focus for Latecoere, concentrating the majority of its eco-design efforts and directly influencing material consumption.

Latecoere is also engaged in the research and development of composite materials to lighten aircraft structures, which helps reduce fuel consumption and greenhouse gas emissions. This approach optimizes design by integrating functions into a limited number of parts, essential for meeting the growing demands for performance and durability in the aeronautics industry.

In terms of procurement, all supplies adhere to the 'Buy-to-Fly' approach, which limits the purchase of raw materials to what is strictly necessary. By collaborating on these initiatives with its suppliers (regarding scrap metal) and its customers (in terms of eco-design), Latecoere is fostering partnerships across the entire value chain.

Lastly, Latecoere is currently unable to provide detailed information on the operational expenditures (Opex) and capital expenditures (Capex) associated with these actions, as they primarily involve optimizing the programming of machining centres.

4.2.3.4. TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-3)

Latecoere has not formalized specific objectives regarding raw material use due to its dependence on customer requirements. However, the company is committed to supporting its customers in reducing the consumption of virgin raw materials. Currently, customer requirements do not permit the integration of recycled materials.

Starting in 2025, at the request of customers, Latecoere will be able to conduct Life Cycle Analyses (LCAs) for newly developed products or assist in providing data for customers' LCAs.

This target applies to all the Group's activities and is defined based on the methodologies and assumptions set forth by the customers.

4.2.3.5. RESOURCE INFLOWS (E5-4)

Latecoere utilizes a diverse range of resources in its operations, including various raw materials essential for its manufacturing processes. In the Aerostructures business, the primary raw materials include aluminium, steel, titanium, and other metals used in the production of aeronautical parts. Additionally, the company sources cables for its Interconnection business.

Furthermore, Latecoere procures a variety of other components and materials, such as structures and elementary parts, standard materials like fasteners and rivets, composite raw materials, and finished parts or sub-assemblies made from composite materials. The company also acquires small mechanical and hydraulic equipment, as well as gaskets and sealing systems for its Aerostructures business. For its Interconnection range, Latecoere sources electrical accessories, electronic components, connectors, electrical contacts, and structural parts. These resources are critical to Latecoere's operations and contribute to the production of high-quality aeronautical components.

Aerostructures ALUMINIUM	1 099 tons
Aerostructures STEEL	142 tons
Aerostructures TITANIUM	47 tons
Aerostructures COPPER	7 tons
Interconnections Systems CABLES	197 tons
Auxiliary materials: chemicals, paints, cleaning products and other products required for the production process	1 488 tons
TOTAL	**2 980 TONS**

Methodological note :

Reporting year 2024

Cables = Quantities delivered in metres in 2024 x linear mass (g/metre) = weight delivered

Metals (Aluminium, Steel, Titanium, Copper) = Quantities delivered in 2024 in m3 x density of the material = weight delivered in 2024

Chemical products = Quantities of chemical products delivered in 2024 in kilograms (for certain chemical products delivered in litres, a conversion has been made litres x density in order to obtain the weight in kg).

The total quantity of resources (sum) presented in this table is not representative of all the raw materials consumed by Latecoere. For this first year of reporting, Latecoere has only consolidated the raw materials (metals and cables) and chemical products used in the manufacturing processes. Data in kg is not available for all material purchases for 2024.

As part of its compliance with the CSRD directive, Latecoere is committed to providing transparent and comprehensive information regarding its sustainability practices. However, the Group has faced specific challenges in publishing detailed information on purchases and quantities of incoming raw materials. These challenges are primarily due to operational constraints and delays in data collection from internal departments, which have resulted in delays in consolidating the necessary data for publication in accordance with CSRD requirements.

Latecoere is actively working on solutions to optimize the synchronization of data collection processes to ensure more comprehensive and timely publication in the future. The Purchasing department is committed to providing the necessary data over a two-year period, starting with the consolidation of the most accessible data at the Group level, such as raw materials and cables, followed by more complex information, including detailed parts, which will require coordination with other internal departments.

% of organic materials used to produce the products, from sources	**0%**
Weight, as a percentage, of secondary components reused or recycled and of intermediate products and secondary materials used to produce products	0%

Due to the stringent manufacturing requirements imposed by customers and aerospace regulatory and certification bodies, Latecoere does not currently utilize sustainably sourced bio-based materials, reused or recycled secondary components, intermediate products, or secondary materials

However, Latecoere is actively refining its data collection practices and integrating circularity indicators into its processes to minimize its environmental impact and maximize resource efficiency

4.2.4. DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION 2020/852 (TAXONOMY REGULATION)

4.2.4.1. REGULATORY CONTEXT

In order to promote transparency and a long-term vision in economic activities, and to direct capital flows towards sustainable investments, the European Union has created a common system for classifying business activities in order to identify which economic activities are considered to be sustainable. This system is defined in the European regulation (EU 2020/852) of 18 June 2020 known as the "Taxonomy Regulation".

To determine whether an activity can be considered "sustainable", it must :

- Contribute substantially to one or more of the following environmental objectives:
  - Mitigating climate change ;
  - Adapting to climate change ;
  - Sustainable use and protection of aquatic and marine resources ;
  - Transition to a circular economy, waste prevention and recycling;
  - Pollution prevention and control ;
  - Protecting and restoring biodiversity and ecosystems;
- Comply with the technical review criteria established by the commission;
- Do not cause significant harm to any of the environmental objectives;
- To be conducted primarily in accordance with the OECD Guidelines for Multinational Enterprises.

The mitigation and adaptation climate objectives are covered by the "Climate" Delegated Regulation of 4 June 2021, 2021/2139, supplemented by the "Climate" Delegated Regulation 2022/1214 of 15 July 2022 and 2023/2485 of 21 November 2023. In particular, the latter introduced a new eligible aviation-related activity known as "3.21 Manufacture of aircraft", as well as related technical examination criteria. This activity makes a substantial contribution to the objective of mitigating or adapting to climate change. In this context, for the financial year ending 31 December 2024, Latecoere carried out a review and assessment of the technical alignment criteria relating to its aircraft manufacturing activity.

Also in 2023, the European Union published Delegated Regulation 2023/2486 in connection with the last four environmental objectives excluding climate.

Companies are required to publish key performance indicators for sales (known as "CA"), capital expenditure (known as "CapEx") and operating expenditure (known as "OpEx") for the 2024 financial year concerning "eligibility" and "alignment" with all six environmental objectives.

The Group has carried out an analysis of its activities within its various consolidated entities to identify activities that may be eligible in connection with Group operations or on an individual basis

The following abbreviations are used hereafter:

- CCM: Climate Change Mitigation,
- CE: Circular Economy,
- PPC: Pollution Prevention and Control,
- BIO: Biodiversity and ecosystems.

The table below shows all the activities for which the Group may be potentially eligible, it being understood that financial flows may vary from one year to the next depending on Latecoere's investment policy and operations. Latecoere only includes in the following paragraphs and taxonomic indicator tables those activities for which CAPEX or OPEX have been recorded in 2024.

Objective	Activity code	Activity name Taxonomy	CA eligible*	CapEx eligible*	OpEx eligible*
Climate (mitigation)	CCM 3.21	Aircraft manufacturing			
Climate (mitigation)	CCM 5.3	Construction, extension and operation of wastewater collection and treatment networks			
Climate (mitigation)	CCM 6.5	Transport by motorbike, passenger car and commercial vehicle			
Climate (mitigation)	CCM 7.3	Installation, maintenance and repair of energy-efficient equipment			
Climate (mitigation)	CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles inside buildings (and in car parks attached to buildings)			
Climate (mitigation)	CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulating and monitoring the energy performance of buildings			
Climate (mitigation)	CCM 7.6	Installation, maintenance and repair of renewable energy technologies			
Climate (mitigation)	CCM 7.7	Acquisition and ownership of buildings			
Climate (mitigation)	CCM 8.1	Data processing, hosting and related activities			
Climate (mitigation)	CCM 9.1	Research, development and innovation close to the market			
Pollution	PPC 2.4	Remediation of contaminated sites and areas			
Biodiversity	BIO 1.1	Conservation of habitats, ecosystems and species, including their restoration			
Transition to a circular economy	CE 1.2	Manufacture of electrical and electronic equipment			
Transition to a circular economy	CE 3.3	Demolition and dismantling of buildings and other structures			

The Group conducted an analysis of the activities eligible for the six environmental objectives mentioned earlier, focusing on their alignment with the established criteria. The activities were evaluated based on the following criteria:

- Compliance with the technical criteria related to substantial contributions to one or more of the environmental objectives.
- The absence of significant harm to other environmental objectives, known as "Does Not Significantly Harm" (DNSH).
- Compliance with minimum guarantees concerning human rights, corruption, taxation, and competition.

The activity "3.21 Manufacture of aircraft," as outlined in Delegated Act 2023/2485 published in November 2023, is considered an eligible activity for Latecoere's business. However, the company's information systems currently do not allow for the identification of the specific types of aircraft produced, which prevents a thorough analysis of this activity's alignment with the established technical examination criteria.

In accordance with the guiding principles on minimum guarantees set forth in Article 18 of the Taxonomy Regulation, Latecoere must demonstrate compliance with these minimum guarantees. The company has ensured compliance with the following cumulative criteria:

- Human Rights: Compliance is maintained through existing procedures, with no alerts reported on this subject.
- Corruption: The company adheres to applicable regulations and has no convictions related to corruption.
- Taxation: Latecoere follows established processes and has not faced any condemnation regarding tax matters.
- Unfair Competition: The company has processes in place to address this issue, with no convictions reported.

Based on this analysis, it was concluded that Latecoere complies with the minimum guarantees, particularly considering the remediation systems implemented by the company.

* Eligible activity in **GREEN**

4.2.4.2. SCOPE AND METHOD OF CALCULATING FINANCIAL INDICATORS

The sales, capital expenditure, and operating expenditure considered in this analysis encompass all the Group's activities that fall within the scope of the companies under its control. Companies in which the Group exercises joint control or significant influence are excluded from the calculation of the ratios defined by the delegated act related to Article 8 of the Taxonomy Regulation published on 6 July 2021.

The denominators of the financial ratios have been established in accordance with the definitions provided in the delegated act related to Article 8 of the Taxonomy Regulation, with no changes made to the calculation method compared to the previous year.

4.2.4.3. KEY PERFORMANCE INDICATORS AT 31 DECEMBER 2024

Sales figures

Latecoere is a major player in the fields of Aerostructures and Interconnection Systems.

The turnover ratio referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the proportion of net turnover derived from products or services associated with economic activities eligible for the Taxonomy (numerator), divided by total turnover (denominator).

In 2024, analyses show that 59% of Latecoere's turnover is eligible under the climate change mitigation objective, and 41% is eligible under the circular economy objective.

The eligible activities for the group are :

- CCM 3.21: Manufacture of aircraft
- CCM 7.7 : Acquisition and ownership of buildings
- CE 1.2 : Manufacture of electrical and electronic equipment

Consolidated sales, which make up the Taxonomy denominator, totalled €705.8 million (see section 5.1.2 Results for 2024 - Significant events and key financial indicators in the 2024 Management Report).

Following Latecoere's alignment analysis for sales, the analyses show an alignment of 0.01%

As a reminder, the company was unable to carry out an alignment analysis of the CCM "3.21 Aircraft manufacturing" business for the reasons given in the "regulatory context" section.

Capital expenditure (CAPEX)

Eligible capital expenditure corresponds to the capitalized costs of property, plant and equipment and intangible assets, including rights of use under IFRS 16.

Analyses were carried out on the basis of the information available to determine whether any CAPEX could be eligible under the Taxonomy as individual CAPEX.

For the Latecoere Group, these investments correspond to the following categories in 2024:

- CCM 3.21: Manufacture of aircraft
- CCM 6.5 : Transport by motorbikes, passenger cars and commercial vehicles
- CCM 7.3: Installation, maintenance and repair of energy-efficient equipment ;
- CCM 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings;
- CE 1.2 : Manufacture of electrical and electronic equipment

As a result, the Group's share of eligible capital expenditure for 2024 is 100% (see CAPEX table below).

Consolidated CAPEX, which makes up the Taxonomy denominator, amounts to €20.59 million.

Following Latecoere's alignment analysis for CAPEX, the analyses show an alignment of 0%.

As a reminder, the company was unable to carry out an alignment analysis of the CCM "3.21 Aircraft manufacturing" business for the reasons given in the "regulatory context" section.

Operating expenses (OPEX)

Operating expenses covered by the Regulations are defined as direct costs that cannot be capitalized and include research and development costs, building renovation costs, maintenance and repair costs, rents charged to the income statement and any other expenses relating to the day-to-day upkeep of the assets.

The Regulation allows an exemption from publication if the OpEx covered by the Taxonomy are not material. Latecoere has therefore decided to set a reasonable materiality threshold of 10%, based on market practices and its understanding of the Regulation. For the 2024 financial year, the amount of OpEx within the meaning of Latecoere's Taxonomy Regulation does not reach this threshold and is therefore considered to be non-material.

The operating expense exemption ratio, which corresponds to the ratio between the Taxonomy OpEx accounts in the numerator and the Group consolidated OpEx accounts in the denominator, is less than 5.2% for the 2024 financial year. The proportion of OpEx as defined by the Taxonomy is therefore insignificant compared with the Group's total OpEx, which amounted to €484.6m€ (see notes to the consolidated financial statements). Under these conditions, the exemption from publication of the OpEx ratio is applicable in 2024

Financial year 2024		Year		Substantial contribution criteria						Does Not Significantly Harm' criteria (h)									
Economic activities (1)	Code (2)	Sales (3)	Share of sales in year N (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Mitigating climate change (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of sales aligned (A.1.) or eligible (A.2.) with taxonomy, year N-1 (18)	Enabling activity category (H) (19)	Transitional activity category (T) (20)
		Million euros	%	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/ EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/ EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES / NO	%	H	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Acquisition and ownership of buildings	CCM 7.7	0,1	0,01%	OUI	N/EL	N/EL	N/EL	N/EL	N/EL	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	YES	0,00%		T
Sales of environmentally sustainable activities (in line with taxonomy) (A.1)		**0,1**	**0,01%**	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**		**0,00%**		
Of which enabling		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**		0,00%	H	
Of which transitional		1	0,01%	0,01%						**YES**	**YES**	**YES**	**YES**	**YES**	**YES**		0,00%		T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Aircraft manufacturing	CCM 3.21	419	59,4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								53,2%		
Acquisition and ownership of buildings	CCM 7.7	0,08	0,0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Manufacture of electrical and electronic equipment	**CE 1.2** / CCM 3.21	286	40,6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								33,0%		
Turnover from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**706**	**100%**	**59,4%**	**0%**	**0%**	**0%**	**40,6%**	**0%**								**86%**		
A. Turnover from activities eligible for the taxonomy (A.1+A.2)		**706**	**100%**	**59,4%**	**0%**	**0%**	**0%**	**40,6%**	**0%**								**86%**		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Sales of activities not eligible for the taxonomy		**0**	**0%**																
Total (A+B)		**706**	**100%**																

Financial year 2024		Year		Substantial contribution criteria						Does Not Significantly Harm' criteria (h)									
Economic activities (1)	Code (2)	CapEx (3)	Share of CapEx in year N (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Mitigating climate change (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of CapEx aligned (A.1.) or eligible (A.2.) with taxonomy, year N-1 (18)	Enabling activity category (H) (19)	Transitional activity category (T) (20)
		Million euros	%	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES ; NO ; N/ EL (b)(c)	YES ; NO ; N/EL (b)(c)	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	%	H	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
CapEx of environmentally sustainable activities (aligned with taxonomy) (A.1)		**0**	**0,0%**																
Of which enabling		**0**	**0%**															H	
Of which transitional		**0**	**0,0%**																T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Aircraft manufacturing	CCM 3.21	18,152	88,2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Transport by motorbike, passenger car and commercial vehicle	CCM 6.5	0,226	1,1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,5%		
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	0,102	0,5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,1%		
Installation, maintenance and repair of instruments and devices for measuring, regulating and monitoring the energy performance of buildings	CCM 7.5	0,052	0,3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,2%		
Manufacture of electrical and electronic equipment	**CE 1.2** / CCM 3.21	2,053	10,0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0,0%		
CapEx of activities eligible for the taxonomy but not environmentally sustainable (A.2)		**21**	**100,0%**	**0%**	**0%**	**0%**	**0%**	**10%**	**0%**								**1,80%**		
A. CapEx of activities eligible for the taxonomy (A.1+A.2)		**21**	**100,0%**	**90,0%**	**0%**	**0%**	**0%**	**10%**	**0%**								**1,8%**		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
CapEx for activities not eligible for the taxonomy		**0**	**0,0%**																
Total (A+B)		**21**	**100%**																

Financial year 2024		Year		Substantial contribution criteria						Does Not Significantly Harm' criteria (h)									
Economic activities (1)	Code (2)	OpEx (3)	Share of OpEx in year N (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity 10)	Mitigating climate change (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity 16)	Minimum guarantees (17)	Share of OpEx aligned (A.1.) or eligible (A.2.) with taxonomy, year N-1 (18)	Enabling activity category (H) (19)	Transition al activity category (T) (20)
		Million euros	*%*	*YES ; NO ; N/EL (b)(c)*	*YES ; NO ; N/EL (b)(c)*	*YES ; NO ; N/EL (b)(c)*	*YES ; NO ; N/EL (b)(c)*	*YES ; NO ; N/EL (b)(c)*	*YES ; NO ; N/EL (b)(c)*	*YES / NO*	*YES / NO*	*YES / NO*	*YES / NO*	*YES / NO*	*YES / NO*	*YES / NO*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMYE																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
OpEx environmentally sustainable activities (aligned with taxonomy) (A.1.)		**0**	**0%**														**0%**		
Of which enabling		0	0%														0%	H	
Of which transitional		0	0%														0%		T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
				EL; N/EL (f)	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*										
OpEx activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (.2)		**-**	**0,0%**	**0,0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**							**0%**		
A. OpEx of activities eligible for the taxonomy (A.1+A.2)		**-**	**0,0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. AACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY E [(1)]																			
OpEx activities not eligible for the taxonomy		484,6	100%																
Total (A+B)		**484,6**	**100%**																

(1) N.B.: The expenditure appears to be insignificant (i.e. less than 10%) in relation to total operating expenditure for the 2024 financial year. Under these conditions, the exemption from publication of the Opex ratio is applied in 2024. As a result, the company's Opex have been reported in line B "Activities not eligible for Taxonomy".

4

Proportion of sales/Total sales		
	Alignment with the taxonomy by objective	**Eligibility for taxonomy by objective**
Mitigating climate change	*0,01%*	*100%*
Adapting to climate change	*0%*	*0%*
Aquatic and marine resources	*0%*	*0%*
Circular economy	*0%*	*41%*
Pollution	*0%*	*0%*
Biodiversity and ecosystems	*0%*	*0%*

Proportion of CapEx/Total CapEx		
	Alignment with the taxonomy by objective	**Eligibility for taxonomy by objective**
Mitigating climate change	*0%*	*100%*
Adapting to climate change	*0%*	*0%*
Aquatic and marine resources	*0%*	*0%*
Circular economy	*0%*	*10%*
Pollution	*0%*	*0%*
Biodiversity and ecosystems	*0%*	*0%*

Proportion of OpEx/Total OpEx		
	Alignment with the taxonomy by objective	**Eligibility for taxonomy by objective**
Mitigating climate change	*0%*	*0%*
Adapting to climate change	*0%*	*0%*
Aquatic and marine resources	*0%*	*0%*
Circular economy	*0%*	*0%*
Pollution	*0%*	*0%*
Biodiversity and ecosystems	*0%*	*0%*

Nuclear energy activities		
1	The company carries out, finances or is exposed to research, development, demonstration and deployment of innovative installations for producing electricity from nuclear processes with a minimum of waste from the fuel cycle.	NO
2	The company is involved in, finances or is exposed to the construction and operation of new nuclear facilities for the production of electricity or process heat, in particular for district heating purposes or for industrial processes such as the production of hydrogen, including their safety upgrades, using the best available technologies.	NO
3	The undertaking carries on, finances or is exposed to the operation of existing nuclear installations for the production of electricity or process heat, in particular for district heating purposes or for industrial processes such as the production of hydrogen, using nuclear energy, including their safety upgrades.	NO
Fossil gas activities		
4	The company engages in, finances or is exposed to the construction or operation of facilities for the production of electricity from gaseous fossil fuels.	NO
5	The company engages in, finances or is exposed to the construction, refurbishment and operation of combined heat/cooling and electricity production facilities using gaseous fossil fuels.	NO
6	The company engages in, finances or is exposed to the construction, refurbishment or operation of heat production facilities that produce heat/cooling from gaseous fossil fuels.	NO

4.3. SOCIAL INFORMATION

4.3.1. OWN WORKFORCE (S1)

The Disclosure Requirements (DR) for SBM2 (Strategy and Business Model 2) are covered in the dedicated chapter of ESRS 2.

4.3.1.1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (REMINDER ESRS 2 IRO-1 AND ESRS 2 SBM-3)

The Latecoere Group, which had a total of 5,407 employees in 2024, considers its human resources to be a central element of its strategy and business model. The double materiality assessment conducted by the Group in 2024 confirmed the significance of this area and highlighted three material challenges:

- attracting, retaining, and developing talent;
- diversity;
- employee health and safety.

In terms of attractiveness and retention, Latecoere aims to create a favourable working environment by offering training and career support opportunities. However, risks persist, including potential loss of profitability due to recruitment difficulties, employee demotivation if working conditions deteriorate, and increased absenteeism. Additionally, the Group faces reputational risks related to its social practices and the potential loss of know-how within its teams.

Regarding diversity, the failure to effectively implement inclusion, diversity, and equity can negatively impact employee well-being and engagement, leading to discrimination, unequal and unfair working conditions, and disparities in opportunities and pay.

In terms of health and safety, Latecoere recognizes that the deterioration of employees' physical and psychological health, along with workplace accidents and occupational illnesses, represents significant impacts on its workforce. The associated risks may include increased costs related to work-related accidents, disruptions to the production chain, damage to the Group's reputation, and financial penalties for non-compliance with regulations.

Each impact, risk, and opportunity (IRO) is detailed separately in the sections below, along with associated policies, actions, targets, and indicators.

Latecoere primarily employs salaried staff but also collaborates with freelancers and individuals provided by third-party companies. The types of salaried employees include technicians, engineers, and administrative and operational support positions. The significant impacts mainly affect salaried employees due to the nature of the company's activities and the high percentage of salaried contracts.

Employees include those on permanent contracts (CDI), fixed-term contracts (CDD), as well as professional and apprenticeship contracts. Permanent employees are defined as those on permanent contracts, while temporary employees encompass those on fixed-term contracts and professional and apprenticeship contracts.

At this stage, there is no analysis of the impact of climate change or the transition plan on human resources. This aspect will be addressed in the coming years, with a climate transition plan scheduled for 2025.

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3. The Group's material sustainability challenges.

4.3.1.2. POLICIES RELATED TO OWN WORKFORCE (S1-1)

Although the Latecoere Group does not have a formalized human resources policy consolidated into a single document, it has developed several roadmaps, specific policies, and action plans that align with the Group's HR priorities. The Group's ethics charter explicitly prohibits human trafficking, forced or compulsory labour, and child labour. All formalized human resources management tools are aligned with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

In all its HR activities, Latecoere is committed to respecting human rights in accordance with its Ethics Charter, which defines the company's fundamental values: integrity, respect, honesty, quality, and professionalism. This code of ethics guides the conduct of commercial and operational activities worldwide and applies to all employees, corporate officers, and members of management committees. To ensure accessibility, the Code of Ethics is available to all employees via the Group's website and through internal communications. Additionally, training and awareness-raising sessions are organized to ensure that all employees understand and integrate these principles into their daily work.

The company also ensures compliance with the laws and regulations in force in the countries where it operates, particularly regarding labour rights, health and safety at work, and non-discrimination. To uphold these legal requirements, Latecoere has established a centralized Human Resources department supported by local offices in each country. The various Human Resources departments within Latecoere are responsible for social dialogue, inclusion and diversity, employee health and safety, skills management, training, and pay policy.

As part of the ISO 14001 certification process, certified sites undergo an outsourced audit that includes a specific section on regulatory compliance, particularly concerning health and safety in the workplace.

All these measures, action plans, and dedicated policies encompass all the Group's employees, demonstrating Latecoere's commitment to fostering a respectful working environment in line with the values it upholds.

4.3.1.3. PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS (S1-2)

Latecoere values social dialogue and actively integrates the perspectives of employee representatives and trade unions into its strategic decisions. This consultation process not only addresses employee concerns but also enriches decision-making with insights that reflect the realities on the ground.

The consultation processes and dialogue procedures vary depending on the country in which the Group operates, due to local social regulations. An agreement on the establishment, composition, and operation of a European Works Council was signed on 22 February 2024, which coordinates the annual dialogue at the European level. In France, social dialogue includes exchanges between management and the Social and Economic Committee (CSE in French), which meets at least once a month, as well as the Health, Safety, and Working Conditions Committee (CSSCT), which meets at least once a quarter. The CSE represents employees on economic and social issues, while the CSSCT focuses on health and safety at work. The CSE is composed of representatives elected by the employees, including both full and alternate members. The CSSCT, a body within the CSE, is also made up of elected members, often chosen for their expertise in health and safety.

An alert system is in place to report any anomalies that represent a breach of the company's ethical codes, HR action plans, or local and international agreements protecting workers' rights. This alert system is accessible to everyone via the company's website and directs all alerts to the Group's central Legal Department.

The sustainability policy, defined in 2021, is based on three pillars: being a responsible employer, promoting sustainable production, and making a positive contribution to society. Within this framework, the interests and opinions of employees have been considered to inform sustainability initiatives. For instance, employee working groups have been established to identify sustainable practices within operations, which has not only improved operational efficiency but also strengthened employee commitment to the company's objectives.

This commitment is monitored annually by the Nominations and Remuneration Committee, which plays a key role in assessing performance and remuneration, ensuring that employees' contributions are recognized and valued each year, thereby fostering a climate of trust and motivation within the company.

In addition, Latecoere conducted an employee survey in 2024 to assess employee engagement and gather feedback. The June 2024 edition of these surveys achieved a participation rate of 68%, serving as a key tool for identifying areas for improvement within the organization and adjusting HR policies and practices accordingly. By measuring employee satisfaction and understanding their expectations, Latecoere strives to create a positive working environment and reinforce its corporate culture. The results of this survey are carefully analysed and shared with the Human Resources and management teams, encouraging constructive dialogue and informed decision-making in human resources management. A Group-wide approach has been established to identify specific action plans for each country, as well as a comprehensive Group-wide action plan, which will be monitored and communicated in 2025.

4.3.1.4. PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS (S1-3)

Latecoere has established several channels for employees to raise concerns:

- **The ethical code of conduct and whistleblowing system** encourages employees to report inappropriate behaviour, including cases of discrimination. A whistleblowing system is available on the Group's website, allowing all employees and external parties to report anomalies they have observed or experienced. The information is forwarded to the Legal department, which then initiates an inquiry with the local Human Resources department. If the issue pertains to the local HR department itself, the investigation is managed by head office. This system is not based on a third-party processing mechanism. For more information on the whistleblowing system, particularly regarding protection against the risk of reprisals, please refer to Chapter 4.4.1.2. Conduct of Business (G1), which provides further details.
- **Annual interviews** are conducted to discuss employees' performance and concerns, offering insights into retention and diversity issues.
- **Staff representation** plays a crucial role, as staff representatives communicate any employee concerns to management as part of the social dialogue.
- **The engagement survey** mentioned earlier serves as another channel for employees to express their views.

Latecoere ensures that these communication channels are maintained and accessible in the workplace. Regular training is provided to managers to raise awareness of the importance of these channels and how to effectively utilize them.

The procedures for compensation in the event of damage to workers' health and safety are not detailed in this first year of reporting; this information will be available in the next publication.

Finally, while Latecoere strives to ensure that its workforce is aware of the structures and procedures in place for raising concerns, further efforts are needed to build employee confidence in these mechanisms.

4.3.1.5. CHARACTERISTICS OF LATECOERE'S EMPLOYEES (S1-6)

In addition to the characteristics already described in Chapter 4.3.1.1, Latecoere presents detailed information on its workforce for the year 2024 in the following tables. This data includes the total number of employees, expressed in full-time equivalents (FTE), along with a breakdown by gender for different categories of the workforce: permanent employees, temporary employees, and those working non-guaranteed hours. Furthermore, the Group provides statistics on the total number of employees who left the company during the reference period, as well as the employee turnover rate.

The turnover rate is calculated by considering the number of voluntary departures, redundancies, retirements, and deaths in service. The calculation methodologies are detailed after each table. It is important to note that the information presented pertains to active employees as of 31 December, with the exception of the attrition rate, which is calculated over the entire annual period. To be considered active, an employee must have been present and active in the payroll systems on 31 December 2024, meaning they were present on the last day of the month.

Type	Number of employees (headcount)
Men	3469
Woman	1938
Other	0
Not mentioned	0
TOTAL EMPLOYEES	**5407**

The data in the table above includes employees on permanent contracts (CDI), fixed-term contracts (CDD), as well as those on professional contracts and apprenticeships.

Countries where Latecoere operates	Number of employees (headcount)
Belgium	176
Brazil	266
Bulgaria	439
Canada	449
Czech Republic	444
France	1228
India	201
Mexico	903
Morocco	539
Spain	96
Tunisia	562
United States	60
Germany	40
United Kingdom	4
TOTAL	**5407**

The data in the table above includes employees on permanent contracts (CDI), fixed-term contracts (CDD), as well as those on professional contracts and apprenticeships.

2024	Women	Men	Total
Number of **employees**	1938	3469	5407
Number of **permanent employees**	1740	3191	4931
Number of **temporary employees**	198	278	476
Number of **employees with non-guaranteed hours**	0	0	0

The table above shows data relating to temporary or part-time employees, including fixed-term contracts (CDD), apprenticeship contracts and professional contracts. The number of active contracts is calculated by taking into account employees who were present and active in the payroll programmes at 31 December 2024.

Number of employees by type of contract, broken down by country

2024	Belgium	Brazil	Bulgaria	Canada	Czech Republic	France	India	Mexico	Morocco	Spain	Tunisia	United States	Germany	United Kingdom	Total
Number of **employees**	176	266	439	449	444	1228	201	903	539	96	562	60	40	4	5407
Number of **permanent employees**	175	266	434	447	385	1188	92	903	380	95	463	60	40	3	4931
Number of **temporary employees**	1	0	5	2	59	40	109	0	159	1	99	0	0	1	476
Number of **employees with non-guaranteed hours**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

The table above shows the number of employees, expressed as headcount or full-time equivalent (FTE). The total number of employees is calculated by adding together permanent contracts (CDI), fixed-term contracts (CDD) and professional and apprenticeship contracts. Permanent employees are defined as those on permanent contracts, while temporary employees include those on fixed-term contracts and professional and apprenticeship contracts.

	Data for 2024
Total number of employees who left the company	1416
Turnover rate	25%

Turnover is calculated using the following methodology:

Numerator: The total number of employees on permanent contracts, fixed-term contracts, professional contracts and apprenticeships who left the company is determined by counting departures according to the internal registration database. This calculation excludes internal mobility within the Group as well as rehires and terminations of fixed-term contracts scheduled before 31/12/2024. Denominator: Average annual number of employees (permanent, fixed-term, professional and apprenticeship contracts).

Information on workers not employed by the Group:

- Due to the low number of non-salaried workers and the absence of material impacts regarding human rights, Latecoere does not publish sustainability information related to the characteristics of non-employees. In fact, the Group's temporary staff in 2024 represents 4% of the workforce as of 31/12/24, and 7% in terms of hours worked, making this topic considered non-material

4.3.1.6. HEALTH AND SAFETY

Policies (S1-1)

Latecoere's Health and Safety Policy reflects the Group's commitment to the well-being of its employees and emphasizes the importance of health and safety in the workplace. Recognizing the challenges posed by its industrial activities and the large number of employees, Latecoere has established strict safety objectives aimed at achieving a high level of protection across all its sites. The primary goal is to reduce workplace accidents through a structured approach. Management commitment is a fundamental aspect of this policy, which is signed directly by the Group's Chief Executive Officer.

The Health and Safety policy encompasses risk prevention, employee training, and the enhancement of safety culture within teams. It includes specific commitments, such as safety training for all Group managers and members of the Executive Committee. An operational roadmap has been developed to implement this policy and achieve the set objectives. To reinforce this safety culture, a new slogan has been adopted for 2024: "Even if ... Safety first."

The scope of this policy extends to all Group sites, including entities acquired in recent years. Each site has a health, safety, and environment coordinator, or at least a health and safety correspondent for smaller sites, to ensure that the agreed-upon actions are implemented effectively and consistently.

Management, particularly the Executive Committee, supports this policy and ensures its implementation through Division and Site Managers. Managerial safety visits and training courses are regularly organized to raise awareness and train staff, reinforcing the importance of safety in the workplace. The policy is accessible to all employees via the intranet and is displayed at the entrance of each Group site.

The policy is communicated to all Group managers and employees through regular safety meetings, such as "safety talks," which provide opportunities to discuss safety issues and enhance the safety culture within teams. These discussions promote open communication regarding safety practices and encourage commitment at all levels of the company.

Latecoere's policy is based on recognized standards, such as ISO 45001, with 16 sites certified. This international standard aims to reduce accidents and occupational illnesses and is founded on a systematic approach that includes hazard identification, risk assessment, implementation of control measures, and continuous improvement of health and safety performance.

The certification plan includes the certification of all sites with more than 50 blue-collar workers, as well as the head office. In 2024, the Group continued its efforts to enable recently acquired sites to obtain certification as soon as possible, bringing the total number of certified sites to 16 by the end of 2024.

- Toulouse HQ (France)
- Montredon (France)
- Gimont (France)
- Jacarei (Brazil)
- Prague (Czech Republic)
- Hermosillo: 2 LMX-A (aero) + LMX-I (wiring) units (Mexico)
- Plovdiv (Bulgaria)
- Hermosillo LMX-C (Mexico)
- Fouchana (Tunisia)
- Had Soualem (Morocco)
- Colomiers-IS (France)
- Liposthey (France)
- Belagavi (India)
- MADES (Spain)
- Hermosillo LMX-D (Mexico)
- Vendargues (France)

ISO 45001 encourages organizations to identify and involve all relevant stakeholders, including employees, trade union representatives, customers, suppliers, and regulatory authorities. This is achieved through regular consultation and communication to gather feedback and address concerns regarding health and safety in the workplace.

In summary, Latecoere's Health and Safety Policy is founded on a structured and proactive approach aimed at ensuring a safe and healthy working environment for all employees and stakeholders on site. This commitment is strongly supported by management and implemented at all levels of the organization.

Actions and resources (S1-4)

Latecoere is implementing a range of concrete actions to ensure the health and safety of its employees as part of a proactive and organized approach. These initiatives cover all Group sites, including newly acquired entities, to ensure a uniform and effective strategy. The actions detailed below illustrate the many initiatives being implemented as part of the 2024-2025 roadmap.

All these actions are supported by management, particularly the plant managers, who ensure their implementation through safety coordinators present at each site, coordinated by the central department responsible for Safety across the Group. Health, Safety, and Environment (HSE) coordinator positions have been established to strengthen risk management and promote a collaborative approach

Risk prevention and management

- **Management Safety Visits (MSVs)**: The target for employees most at risk is to receive two MSVs per year. Each plant manager has a target of one VMS per month, and other managers four per year. In addition, 10% of VMSs are to focus on high-severity risks, such as working at height and using forklift trucks. At Group level, 6,500 Safety Management Visits (SMVs) were carried out in 2024 (compared with 5,500 in 2023), representing 1.9 SMVs per exposed employee.
- **Safety Talks:** Each month, a "safety talk" is organized by workshop or team to discuss safety issues.
- **Risk analysis**: An update of the safety risk analysis is carried out annually as part of the 2024-2025 roadmap, i.e. in 2024 and again in 2025, with particular attention paid to high severity risks (classified as red, yellow and grey), followed by the definition of an action plan.

Monitoring and assessment

- **Safety meetings**: Safety Board Meetings are held with HSE coordinators to strengthen safety governance. In 2024, these meetings occurred monthly at the plant level and quarterly at the Division level. Each month, Executive Committee meetings begin with a safety update during the Monthly Business Review (MBR).
- **Key Performance Indicators (KPIs)**: Latecoere uses KPIs to measure the effectiveness of its actions, such as the number of safety visits (VMS) carried out in the plants, with monthly monitoring prepared by the site HSE then presented to the site safety steering committee with the site Director. This monitoring is then consolidated at Group level by the HSE department at head office, and circulated to the Executive Committee on a monthly basis.

Commitment and communication

- **Communication of accidents**: In the event of a workplace accident, an alert email (red or yellow depending on the seriousness) is sent by the site manager to top management within 24 hours, with the first immediate actions decided upon. A more in-depth analysis is then carried out to reduce the risks and roll out the best practices identified. A "grey alerts" system is in place to inform top
- management and other plants of serious "near-miss" events, enabling the necessary corrective actions and useful good practices in terms of prevention to be replicated in all plants.

In financial terms, Latecoere allocates specific resources to support these safety initiatives, including budgets for training, personal protective equipment (PPE) and improvements to safety infrastructures.

Human resources have been put in place:

- Each plant has an HSE (Health, Safety, Environment) correspondent;
- HSE (Health, Safety, Environment) coordinator functions at head office, to ensure the consistency of the actions undertaken and compliance with the roadmap.

Latecoere is currently unable to comprehensively assess the significant operational expenditure (Opex) and/or capital expenditure (Capex) incurred specifically in relation to health and safety. Consequently, this information is not reported in this Sustainability Statement. In accordance with legal requirements, these items will be detailed in subsequent publications.

Targets (S1-5)

Latecoere has set tangible and measurable objectives to ensure the health and safety of its employees. These targets are designed to be monitored and evaluated on a monthly or quarterly basis, ensuring continuous improvement in working conditions. These objectives are presented annually to Latecoere SA's Social and Economic Committee (CSE).

The methods and main assumptions used to define the targets are not available for this first year of publication, but Latecoere commits to providing details in subsequent publications. The following targets, defined annually, are based on the previous year (2023):

1. Targets for control indicators **:**

- **Management Safety Visits (MSVs)**: The target for employees most at risk is to receive two MSVs per year. 6,500 Management Safety Visits (MSVs) were carried out in 2024 (compared with 5,500 in 2023), i.e. 1.9 MSVs/ exposed employee.
- **Number of SMCs:** 11 Safety Management Committees per year per plant, the purpose of which is to supervise and coordinate health and safety actions, evaluate safety performance, discuss incidents and corrective measures, and define strategies to improve the safety culture within the organization. At monthly meetings of this Committee, the Safety Director, the Plant Manager and his management team steer and drive forward the necessary safety actions. In 2024, on average across the Group, 10 SMCs were carried out per site instead of 11
- **ISO 45001 certification**: Obtain and maintain ISO 45001 certification for sites with more than 50 operators, known as "Blues collars". The 2025 objective is to obtain ISO 45001 certification for the last two sites to be certified. As for the objective of maintaining certification for sites already certified, this objective is annual and renewed every year.

	2023	2024 (completed)	2025 (target)
Number of ISO 45001 certified sites / Number of sites with more than 50 operators	12 / 18 sites	16 / 18 sites	18 / 18 sites
% of employees working on ISO 45001 certified sites	72%	82%	90%

2. Monitoring results

- **Reducing the accident frequency rate:** A low accident frequency rate is often the result of a well-executed health and safety policy, which focuses on risk prevention and training employees in good safety practices.

	2024	2025	2026
Frequency rate target	1,8	1,7	1

Since 2016, Latecoere has been committed to continuous improvement. Between 2016 and 2024, the Group aims to reduce its frequency rate by a factor of five, with the goal of achieving and maintaining a frequency rate of 1, while still striving for zero accidents. The frequency rate in 2023 was 2.4, and Latecoere will detail the actual rate achieved in 2024 in the following chapter. The failure to meet the 2024 target is attributed to an increase in accidents involving temporary employees, which Latecoere was unable to mitigate at the beginning of 2024.

Metrics (S1-14)

Latecoere employs several quantitative indicators to measure the progress and success of its health and safety initiatives. These indicators are monitored monthly and help assess the effectiveness of the implemented measures while fostering a proactive safety culture within the organization.

The main indicators are the frequency and severity rates, calculated as follows:

TF (permanent, fixed-term and temporary employees) = (number of accidents with and without lost time/hours worked in 2024) x 1,000,000

TG (permanent contracts, fixed-term contracts + temporary staff) = (number of calendar days lost /hours worked in 2024) x 1,000,000

The scope observed is that of the entire Group.

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Work-related accidents and illnesses	Employees	Non-employees	TOTAL	Other on-site workers (subcontractors, etc.)
Number of deaths (due to work-related accident/illness)	0	0	0	0
Number of workplace accidents resulting in lost time	19	8	27	
Frequency rate (TF) **With lost time**	1,9	11,7	2,5	
Number of accidents at work with and without lost time	64	8	72	
Frequency rate (FT) With **and without lost time**	6,3	11,7	6,7	
Number of cases of occupational illness	5			
Number of days lost due to accidents at work	1 021			
Number of days lost due to accidents at work and occupational illnesses	2 127			

In accordance with ESRS requirements, the calculation methods and inclusions are as follows:

Occupational accidents and illnesses result from exposure to hazards in the workplace. They also include accidents and illnesses that occur during a business trip if: at the time of the accident or illness, the person was engaged in professional activities "in the interest of the employer", as well as accidents and illnesses in the context of working at home if they occur while the person is carrying out their work at home or are directly linked to the performance of the work rather than to the environment or general setting of the home. Finally, psychological accidents and illnesses are taken into account if the medical opinion indicates that the event or illness is work-related (acute, recurrent and chronic health problems caused or aggravated by working conditions or practices).

Deaths include deaths resulting from an accident at work or an occupational disease.

Rate = [respective number of cases] / [total number of hours worked by staff] x 1,000,000.

At the same time, as part of our compliance with ESRS standards and the monitoring of our own certification and health and safety objectives, the coverage rate of the current management system is also shared.

Health and safety management system coverage rate	Data for 2024
Coverage rate of the health and safety management system	100%
Coverage rate of an audited and certified health and safety management system, ISO 45001 (% of employees working at ISO 45001 certified sites)	82%
Number of employees working at ISO 45001 certified sites	4485

In accordance with ESRS requirements, the calculation methods and inclusions are as follows:

- Coverage rate of the health and safety (HS) management system: This rate takes into account the number of permanent Latecoere employees attached to a site covered by an HS management system, divided by the total number of permanent Group employees. As the rate indicates, Latecoere's HS management system covers all Group sites.
- Rate of coverage of an audited/certified HS management system: This rate takes into account the number of permanent Latecoere employees attached to an ISO 45001-certified site, divided by the total number of permanent Group employees.
- Number of employees working on an ISO 45001-certified site: This number includes all the Group's permanent employees working on an ISO 45001-certified site.

All these indicators cover the year 2024. Note: 16 Latecoere sites are IS045001 certified in 2024.

4.3.1.7. DIVERSITY

Policies (S1-1)

Latecoere recognizes that diversity is a key business issue that drives innovation, improves performance, and attracts talent. A diverse workforce provides a range of perspectives, which is essential for addressing the complex challenges of the marketplace.

Although the company does not yet have a formal diversity and inclusion policy, it took the initiative to establish a Diversity & Inclusion Committee in September 2024, which brings together all the Group's human resources. The purpose of this committee is to develop a roadmap to be presented to and approved by General Management, as well as to define priorities for 2025, with the goal of actively promoting diversity and inclusion within the organization.

Additionally, Latecoere promotes equal opportunities for women and men, in compliance with laws regarding professional equality.

Actions and resources (S1-4)

Latecoere is committed to taking significant steps to manage its impact on diversity and inclusion within its workforce. A number of actions have been implemented or are currently underway, including the establishment of a dedicated Diversity and Inclusion Committee in September 2024 to develop a roadmap and set priorities for 2025. This committee is focused on identifying actions needed to prevent or mitigate negative impacts on the workforce, with an emphasis on initiatives such as diversity awareness training and the implementation of procedures for reporting and addressing discrimination or harassment.

Comprising representatives from each HR department, the committee organized brainstorming and co-creation sessions in 2024. It considers the specific circumstances of each country to create a tailored roadmap. Its primary objective is to launch an employee survey on diversity and inclusion, followed by a training and communication plan on the subject in 2025. The committee will meet every two months to monitor the progress of the initiatives.

Additionally, initial initiatives have already been implemented, such as increasing parity in the leadership program and providing diversity coaching. This includes a 1.5-hour session on interculturality and gender equality for each participant, which took place at the end of 2024.

The detailed roadmap will be presented to the CEO in February 2025 for the launch of the following actions. Latecoere is committed to employing people with disabilities and has established structures to support them. At the Aerostructures sites in France, disability advisors, including members of the occupational health services and human resources staff, are available to assist these employees.

In terms of promoting equal opportunities, Latecoere is focused on improving working conditions and fostering equality between women and men, despite the historical male dominance in the sector. In addition to forming a dedicated committee, the Group regularly visits schools to present and promote careers in the aeronautical industry, and testimonials from women in leadership positions are featured on the company's website. In 2024, the calculation of the professional equality index, which was previously calculated only for France, was extended to all the Group's countries to provide a comprehensive view of the gender equality situation.

To assess the effectiveness of these measures, Latecoere is establishing monitoring indicators and conducting regular assessments, allowing it to measure the results achieved and adjust actions as necessary. To date, the male/female breakdown at the managerial level and the HF evaluation calibrations have been monitored. For 2025, a more advanced structuring of KPIs will be implemented, focusing on priority types of diversity, particularly in alignment with the requirements of the CSRD. As the data is not centralized, discussions are ongoing with various countries to structure the available data, enabling effective consolidation of information. The Group also ensures that its practices, including those related to the collection and use of data, do not negatively impact its employees.

Latecoere allocates specific resources to support these initiatives. In 2024, the Group engaged external services to manage the Diversity and Inclusion (D&I) committee (funded in 2023). For 2025, a budget of €80,000 has been allocated for training courses for the Executive Committee and employees

Targets (S1-5)

Latecoere recognizes the crucial importance of diversity within its organization; however, to date, the company has not established specific targets in this area. The recent creation of a committee dedicated to diversity and inclusion in 2024 marks a significant step forward in Latecoere's commitment to these issues. The purpose of this committee is to develop a roadmap and define clear objectives, which will be formalized in greater detail in 2025. Latecoere is committed to actively addressing these issues to promote an inclusive and respectful working environment while incorporating measurable objectives that reflect its values and aspirations regarding diversity.

Metrics (S1-9, 12, 17)

In the tables below, Latecoere presents a range of key data related to diversity, inclusion, and incident management within the company. These tables provide a detailed gender breakdown by number and percentage at the management level, as well as the distribution of employees by age group, including categories for those under 30, those aged 30-50, and those over 50.

Additionally, the tables include information on the total number of reported incidents of discrimination, including harassment, during the reporting period. This data also encompasses the number of complaints lodged by staff through the appropriate channels, along with the total amount of fines, penalties, and compensation for damages related to these incidents. Contextual information necessary for understanding the data is also provided.

To ensure transparency and clarity, the calculation methodologies used for each table will be detailed.

	Women	Men	Other or not specified	Total
Number and percentage at senior management level	12 / 16%	62 / 84%	0	74

The table above shows the number of men and women in the TOP 80 (i.e. the 80 management positions that have the greatest impact on the Group's business) at 31 December 2024.

An employee is considered to be in the 'Top 80' according to the weight of his or her position, assessed using Tower Watson's methodology. This makes it possible to identify the most strategic management positions within the Group's organization.

	Under 30	Between 30 and 50	Over 50s	Total
Breakdown of employees by age group	1278	2950	1179	5407

The table above shows the number of employees, expressed as headcount or full-time equivalent (FTE). The total number of employees is calculated by adding together permanent contracts (CDI), fixed-term contracts (CDD) and professional and apprenticeship contracts.

Information on disabled employees:

Due to the lack of availability and consolidation of data at Group level, Latecoere is unable to publish sustainability information relating to the number of disabled people for the year 2024.

In accordance with CSRD regulations, the Group will publish this full data in the 2025 Sustainability Statement. Latecoere thanks its stakeholders for their understanding.

	Data for 2024
Number of cases of discrimination, including harassment	0 *
Number of complaints filed through alert channels and mechanisms and, where appropriate, with the OECD's National Contact Points for Multinational Enterprises,	2
Total amount of fines, penalties and compensation for damage resulting from incidents and complaints	0

* one case reported on the platform, but this was not confirmed after investigation.

In collecting and analysing data on discrimination, Latecoere includes, subject to applicable privacy regulations, work-related incidents on the following grounds: gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation and other forms of discrimination. This approach encompasses cases involving internal and/or external stakeholders in all the company's activities during the reference period. In addition, cases of harassment are specifically considered as a form of discrimination and are therefore included in this analysis. This methodology aims to ensure transparency and a thorough understanding of discrimination issues within the organization.

As no serious incidents were reported, there are no fines, penalties or indemnities to declare for this period.

	Data for 2024
Number of serious human rights incidents involving employees	0
Total material fines, penalties and compensation for damage resulting from serious human rights incidents	0

Latecoere considers serious human rights incidents, which include cases of legal action, formal complaints lodged with the company or through third-party complaints mechanisms, as well as serious allegations reported in the media or public documents. These incidents must relate to the company's staff and their reality must not be disputed by the company. In addition, any other form of serious impact of which the company is aware will also be included in this analysis.

During the reporting period, Latecoere did not record any serious human rights incidents affecting its workforce, including cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

As no serious incidents were reported, there are no fines, penalties or indemnities to declare for this period.

4.3.1.8. ATTRACTING, RETAINING AND DEVELOPING PEOPLE

Policies (S1-1)

Latecoere does not have a global HR policy, but it implements a variety of policies and initiatives aimed at effectively managing the attraction and retention of talent. **The Ethics Charter** and **Code of Conduct** are fundamental elements designed to ensure a healthy social climate that benefits all employees. These documents establish ethical and behavioural standards, fostering a respectful and collaborative working environment.

In terms of performance management, Latecoere has formalized **Performance and People Review guidelines** for the human resources of the Group's various local offices. The purpose of these guidelines is to provide a common framework of best practices, clear deadlines, and tools for conducting employee appraisal and development processes, ensuring a consistent and structured approach to career management.

The collective agreements signed respect the legal provisions of each country as well as the applicable collective bargaining agreements, thereby guaranteeing a working framework that complies with and is adapted to local specificities.

Regarding remuneration, the **salary and bonus policy** provides a framework for the compensation of "white-collar" employees (office staff), ensuring consistency in remuneration practices across the various entities. This policy is designed to be transparent and fair, contributing to employee motivation and satisfaction.

Latecoere has also established a **Jobs and Professional Development Management Programme** to anticipate changes in its business lines and support the development of its employees' skills. This action plan aims to align the company's needs with employees' career aspirations while complying with legal requirements regarding training and professional development.

Finally, **training plans** are managed locally, allowing for adaptation to the specific needs of teams and sites while promoting skills development within the organization.

With the exception of the salary policy, which primarily focuses on office employees, all other policies, guidelines, and roadmaps cover all the Group's permanent employees (permanent contracts).

These various policies and initiatives implemented by Latecoere address the challenges of attracting and retaining talent by creating a respectful and collaborative working environment, ensuring consistent career management, and anticipating changes in professions, all while striving to minimize the risks of demotivation and loss of know-how within teams..

Actions and resources (S1-4)

Latecoere has implemented a number of key actions to enhance the attractiveness, retention, and development of its employees while aligning with its human resources policies.

Firstly, an **Operations Human Resources department was established** in 2024 to strengthen connections between countries and operations managers, facilitating communication and aligning objectives. To improve the integration of new employees, an **onboarding checklist** was introduced in November 2024, prioritizing office staff to ensure a pleasant, smooth, and rapid integration process.

Simultaneously, **training plans** are developed on a country-by-country basis to address local skills' development priorities, contributing to the continuous improvement of employee performance. Employee engagement is measured through an **annual survey**, the results of which are reported to the Managing Director. Responses to this survey are anonymous and conducted online, allowing managers to access their own team's results. Additionally, a specific summary is presented to members of the Executive Committee to highlight the main concerns identified.

A **salary review process** is conducted each year to reward the skills and results of each employee while ensuring that the minimum wage is guaranteed, even in the event of a shortage of work. Latecoere's **people review process** plays a crucial role in retaining and developing talent within the company. This process includes identifying employees' potential, developing succession plans, and defining the next steps in their careers. By assessing employees' performance and aspirations, Latecoere ensures it has the future leaders needed to meet its strategic challenges. This proactive approach not only helps retain talent by offering opportunities for development and internal mobility but also attracts new talent by reinforcing the company's reputation as an employer of choice. Thus, the people review process is an essential lever for effective career management and supports Latecoere's growth.

Latecoere's Leadership Program is designed to enhance the attraction, retention, and development of talent within the organization. The program aims to identify and develop future leaders by providing targeted learning and development opportunities. By integrating modules on managerial skills, change management, and corporate strategy, the Leadership Program prepares participants to meet Latecoere's strategic challenges. By investing in the development of leadership skills, the company not only retains its talent by offering rewarding career prospects but also strengthens its ability to attract new talent eager to join an organization that values personal and professional development. In this way, the Leadership Program is a key element of Latecoere's talent management strategy, contributing to its growth and competitiveness in the market.

At the end of 2024, an overhaul of the people development guidelines was completed, accompanied by the introduction of Group training materials on performance assessment and support for employees in their career development. Monthly meetings are organized with each human resources manager in the various countries where the Group operates to remind them of the key processes to follow and to discuss any challenges encountered, ensuring regular monitoring of the actions taken.

The implementation of these actions contributes to achieving performance, employee satisfaction, and skills development objectives, thereby fostering a positive and productive working environment. These actions apply to all Latecoere employees, with a particular focus on office staff and local teams. All these actions are annual in scope.

In terms of allocated resources, the cost of the human resources management tools for performance and recruitment amounted to €100,000 in 2024, while the engagement survey tool represented an expense of €40,000, and two e-learning platforms for online-only managers cost €70,000. For future financial resources, the onboarding project will incur a recurring cost of €30,000 starting in 2025, and a new e-learning platform dedicated to all office teams with a work computer is also planned for 2025, costing an additional €30,000. These resources are essential to support human resources initiatives and ensure their effectiveness in achieving Latecoere's strategic objectives.

The company also promotes and funds local celebrations, plant visits, and social occasions, such as a Christmas lunch for all Group employees, as well as visits to plants and countries to ensure proximity between management and employees.

Targets (S1-5)

Latecoere is committed to achieving specific targets to ensure the attractiveness, retention, and development of its employees, in line with its general policy objectives. The following targets, defined annually, are based on the previous year (2023).

Each year, including 2024, the objective is to achieve 100% of the **interviews** that can be conducted, excluding absences, departures, and new arrivals. In 2024, 87% of feasible interviews were completed. The purpose of these interviews is to validate a given percentage of those conducted. Individual annual appraisals help ensure regular performance assessments, identify development needs, and enhance the retention, attractiveness, and development of talent.

For the **absenteeism rate**, a threshold is set by country each year, and its attainment is analysed monthly throughout the year. Monitoring absenteeism rates on a monthly basis allows for the early detection of potential issues, improvement of employee satisfaction, and more effective retention, attraction, and development of talent.

Similarly, the **annual resignation rate** aims not to exceed a certain level per country, with monthly monitoring in place. This approach enables the quick identification of departure trends, addressing underlying causes, and improving talent retention, attractiveness, and development.

Absenteeism indicators are calculated based on hours of absence, excluding long-term sickness, as a proportion of hours worked, while the resignation rate is measured by the number of resignations as a proportion of the average annual workforce.

These targets apply to all permanent staff and are set annually, with a monthly review to ensure their continued relevance. Site managers and the COO are involved in establishing annual targets for absenteeism and resignations, ensuring a collaborative and inclusive approach

Metrics (S1-10, 13, 15, 16)

This section presents a series of indicators designed to assess the attractiveness, retention, and development of talent at Latecoere. It examines the percentage of employees whose remuneration is below the appropriate benchmark by country. Additionally, the gender pay gap and the ratio of the annual total remuneration of the highest-paid person to the median remuneration of all employees are included.

These data pertain to permanent employees (those on permanent contracts) who were active as of 31 December 2024. Each set of data is accompanied by detailed methodologies to ensure transparency and rigour in the analysis.

	Belgium	Brazil	Bulgaria	Canada	Czech Republic	France	India	Mexico	Morocco	Spain	Tunisia	United States	Germany	United Kingdom
Percentage of employees earning less than the applicable benchmark remuneration for each country.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

The lowest salary is determined for the lowest salary category, excluding trainees and apprentices, and is based on the fixed salary with guaranteed additional payments. This salary is assessed separately for each country of operation, except outside the EEA, where adequate remuneration may be defined at a sub-national level. The reference adequate remuneration in the EEA must not be lower than the minimum wage established by Directive (EU) 2022/2041, or, in its absence, international standards. Outside the EEA, it is based on existing legislation or, failing that, on the criteria of the Sustainable Trade Initiative.

Training data and annual reviews :

Due to the lack of availability and consolidation of data at Group level, Latecoere is unable to publish sustainability information relating to the number of training hours per employee or performance reviews for the year 2024. In accordance with CSRD regulations, the Group will publish this data in full in the 2025 Sustainability Statement.

	Data for 2024
Pay gap between men and women (Average gross pay level of male employees - Average gross pay level of female employees) / Average gross pay level of male employees x 100	44%

As part of this calculation, all Group entities were asked to provide data on the actual gross remuneration paid to their employees in 2024. The remuneration taken into account includes total gross annual remuneration. Based on this consolidated data, the average was calculated by gender and the indicator formula was applied. The gap explained in particular by significant disparities between countries. The high proportion of women in wiring positions ("blue collars"), mainly in production countries where the standard of living is lower, has a negative impact on the salary levels of all the Group's female employees. Also, in line with the characteristics of the aeronautical sector, which has historically been dominated by men, the number of men in management positions is higher. The priority of our 2025 action plan is to accelerate women's access to management positions and to balance the number of men and women in the various professions in the different countries. Despite these realities, it is important to emphasize that for the Equality Index in France 2024, Latecoere obtained 80 points for the Aerostructure business and 88 for the Cabling business.

	Data for **2024**
(Ratio of annual total remuneration of the highest paid person) / (median annual total remuneration of all employees (excluding the highest paid person))	58

The calculation methodology for the table above is based on the determination of total annual remuneration, which includes several essential components depending on the company's remuneration policies. This includes base salary, representing the sum of guaranteed, short-term and non-variable monetary remuneration. Cash benefits are taken into account, encompassing base salary, monetary allowances, bonuses, commission, profit sharing and other variable payments. Benefits in kind, such as company cars, private health insurance, life insurance and welfare programmes, are also included. Finally, direct remuneration is calculated as the sum of cash benefits, benefits in kind and the total fair value of all annual long-term benefits, including share option awards, restricted shares or share units, performance shares or share units, phantom shares, share appreciation rights and long-term cash awards.

4.3.2. WORKERS IN THE VALUE CHAIN (S2)

4.3.2.1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (REMINDER ESRS 2 IRO-1 AND ESRS 2 SBM-3)

The working conditions of workers in Latecoere's value chain represent a material issue identified in its double materiality assessment, with significant impacts and risks. The negative impact manifests in precarious working conditions, particularly concerning working hours, social dialogue, training, diversity, and decent wages, which can potentially affect the suppliers and service providers involved in the company's various activities.

Latecoere collaborates with suppliers qualified for the aeronautics industry, meaning that the majority of the Group's suppliers are located in countries with high labour costs and, consequently, adhere to high national standards regarding worker protection and the prohibition of forced or child labour. However, the Group is beginning to extend its supply network to countries where labour costs are lower and associated legislation is less stringent. This shift exposes the Group to increased risks related to the working conditions of employees in its value chain. The impact of the value chain is therefore dependent on the context in which Latecoere operates and primarily represents the risk of one-off incidents.

The workers affected fall into two categories: on-site workers, who are present in the company's facilities but are not part of its workforce, such as temporary workers or subcontractors, and upstream workers, who perform extraction, manufacturing, or processing activities on behalf of Latecoere's suppliers.

At this time, Latecoere is unable to specify how the Group has developed an understanding of the specific risks to workers in the value chain based on their characteristics, contexts, or the products/services used, nor can it identify material risks and opportunities related to specific groups of workers in the value chain. These elements will be addressed in the 2025 reporting.

Latecoere's suppliers must comply with a variety of labour rights regulations as they operate in different countries and on different continents. This diversity complicates the management of working conditions and underscores the need for greater vigilance to ensure that workers' rights are respected throughout the value chain.

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3. The Group's material sustainability challenges

4.3.2.2. INTERESTS AND VIEWS OF STAKEHOLDERS (CF. SBM-2)

Latecoere takes into account the interests of the workers in its value chain through regular dialogue between its Purchasing, Quality, and Programme departments and various suppliers. However, the company does not currently engage in direct dialogue with employees in the value chain.

As a member of GIFAS (Groupement des Industries Françaises Aéronautiques et Spatiales - French Aerospace and Space Industries Group), Latecoere benefits from a forum where its members can share best practices and experiences, thereby strengthening collaboration on common issues related to workers' rights. GIFAS support programs also include training for buyers and supply chain actors in the aerospace sector. These courses enable buyers to conduct effective supplier audits and share the results of these audits with all GIFAS members. This approach encourages the pooling of information, harmonization of practices, and improvement of skills throughout the supply chain. GIFAS is also working to establish partnerships and collaborations between major principals and suppliers to promote innovation and sustainable development in the sector.

Additionally, GIFAS coordinates various support programs for suppliers in the aerospace sector. These programs aim to enhance the competitiveness and performance of companies, particularly SMEs and VSEs, in the face of market challenges. Initiatives may include training, performance assessment tools, and support measures to improve the resilience of supply chains.

To date, Latecoere has not conducted a more in-depth analysis of the impacts of its strategy and business model on the workers in its value chain. As part of its procurement transformation plan, Latecoere is developing a more robust supplier risk monitoring framework and plans to integrate environmental, social, and governance (ESG) criteria into annual supplier audits to ensure a positive impact on working conditions throughout its value chain.

4.3.2.3. POLICIES RELATED TO VALUE CHAIN WORKERS (S2-1)

Latecoere has not defined a specific policy to address the new issues identified in its double materiality assessment related to the working conditions of workers in the value chain. Nevertheless, the company is firmly committed to protecting human rights throughout its value chain.

Firstly, the Group ensures that its commercial and production activities comply with international and local human rights standards by integrating these principles into its purchasing policy, ethics charter, and health and safety policy. **The Ethics Charter**, which applies to all Latecoere operations, explicitly prohibits human trafficking, child labour, and forced labour. The Managing Director is the highest-ranking individual responsible for this policy. The charter is made available to the public via the Latecoere website and is also distributed internally to all employees.

Latecoere's **purchasing policy** encompasses all relations with suppliers. Although the Group has not yet developed a specific code of conduct for its suppliers, the ethics charter complements the purchasing policy by establishing a solid foundation of respect, integrity, and professionalism in all commercial interactions. The Chief Executive Officer is also responsible for this policy.

The **health and safety policy,** which applies to all employees and self-employed workers, including subcontractors and consultants, aims to minimize the risk of accidents and promote well-being. This policy covers all Latecoere operations. The Human Resources Director is responsible for the policy, and stakeholders consulted include employee representatives and health and safety experts. Information on the policy is made available internally and published on the Latecoere website. To identify potential issues, the company relies on supplier self-assessment and feedback from on-site assessments. Latecoere acknowledges the limitations of this approach and is developing a more robust supplier risk monitoring framework as part of its procurement transformation plan.

To date, the Group does not have specific measures in place to address the negative impacts on employees in the value chain; however, it is committed to improving this for the next reporting exercise. Similarly, the Group aims to better account for its impact on the working conditions of workers in the value chain (suppliers and service providers), particularly concerning working hours, social dialogue, training, diversity, and decent wages. These elements will be included in the review of the Purchasing Policy in 2025.

4.3.2.4. PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS (S2-2)

The Latecoere Group, represented by the Group's Chief Purchasing Officer, implements structured and effective interaction processes with the companies in its value chain to guarantee respect for human rights and ensure fair working conditions at its suppliers. The frequency of these interactions varies from case to case and includes regular site visits (ranging from once a week to once a year depending on the supplier), occasional due diligence (which will be systematized in the coming years), an alert system, and frequent exchanges between the purchasing teams and suppliers.

Site visits to new or specific suppliers are a key element of Latecoere's approach. These visits provide an opportunity to observe practices on the ground and gather feedback from employees, which is essential for identifying potential problems and implementing corrective actions.

Supplier due diligence is also crucial to ensuring that Latecoere's partners respect human rights standards. This process involves a rigorous assessment of suppliers' practices, examining their compliance with local and international regulations. Latecoere ensures that its suppliers share its ethical values and are committed to providing a safe and respectful working environment.

Currently, the Group does not have any global framework agreements or specific agreements with its suppliers aimed at ensuring respect for human rights.

To enhance transparency and communication, Latecoere has established a whistleblowing system that allows employees to anonymously report any situations of concern or human rights violations. This system is essential for encouraging open dialogue and ensuring that employee concerns are addressed quickly and effectively (see Chapter 4.1.2. Business Conduct (G-1) for more details on the whistleblowing system).

Finally, **regular exchanges** between purchasing teams and suppliers are vital for maintaining a relationship of trust and collaboration. These interactions facilitate discussions about expectations, sharing best practices, and resolving potential issues before they escalate. Latecoere is committed to building sustainable partnerships with its suppliers, fostering a working environment where human rights are respected, and where workers feel valued and heard.

4.3.2.5. PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS (S2-3)

The Latecoere Group's whistleblowing system enables all employees, as well as third parties and stakeholders, to report reprehensible behaviour such as discrimination, harassment, corruption, and human rights violations. Accessible 24/7 via the Group's website, this system guarantees confidentiality and protection for whistleblowers acting in good faith. Latecoere has established a policy of protection against retaliation for those who utilize these reporting mechanisms, ensuring that employees can express their concerns without fear of negative consequences.

Complaints are treated confidentially, and workers can submit them anonymously, reinforcing the legitimacy and transparency of the channels. Alerts are lodged on a secure platform, where an admissibility assessment is conducted, followed by an internal investigation if necessary. The Legal Department collaborates with relevant departments, such as Purchasing and Operations, to address any issues related to workers in the value chain. Whistleblowers receive notifications regarding the progress of their cases and are informed of the conclusions, ensuring that reports are handled rigorously and transparently.

To date, Latecoere has not experienced any proven impact on the workers in its value chain and does not have predefined remediation procedures in place. In the event of future impacts, the Legal Department and the Purchasing Department will determine the best course of action to take, which may include termination of the supplier contract, financial penalties, or other measures.

4.3.2.6. TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION (S2-4)

Latecoere has not yet implemented any specific actions to manage the material risks to workers in its value chain, as this issue was only recently identified during its double materiality assessment. However, the company has established an **Ethics Charter**, which is available on its website and integrated into its Purchasing Policy. This charter aims to prevent negative impacts on workers by ensuring that suppliers adhere to high standards regarding human rights and working conditions.

Additionally, an **alert system** is in place to allow workers to report concerns, ensuring that potential negative impacts are addressed effectively and promptly. Latecoere continuously monitors issues raised by workers and evaluates the effectiveness of the actions taken, while providing a 24/7 accessible whistleblowing facility, along with a policy of protection against retaliation for those who utilize these mechanisms.

These actions were implemented prior to the reporting year and remain valid for 2024. They encompass the entire value chain of the Group and apply to all entities within the Latecoere Group.

4.3.2.7. TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (S2-5)

As of now, Latecoere does not have any specific targets related to the management of material negative impacts, the promotion of positive impacts, or the management of material risks and opportunities for workers in its value chain. The Group's Purchasing Policy, along with its roadmap and associated indicators, is scheduled for a transformative review in 2025, during which the establishment of targets will be considered.

4.3.3. CONSUMERS AND END USERS (S4)

4.3.3.1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (REMINDER ESRS 2 IRO-1 AND ESRS 2 SBM-3)

Product quality is at the heart of Latecoere's business model, as any non-compliant or poor-quality product represents a significant material risk to the business, potentially resulting in loss of market share, reputational damage, or financial loss. Negative impacts can arise from business operations, product performance, or supply chain inefficiencies, including product quality issues, environmental compliance risks, supply chain disruptions, and maintenance complexity. These identified risks and impacts are therefore a fundamental strategic focus for Latecoere.

Latecoere's products, which include aeronautical cabling and mechanical systems sold on a B2B (business-to-business) basis, are aimed at aircraft manufacturers (OEMs) and MROs (Maintenance, Repair, and Overhaul), with aircraft passengers and maintenance technicians as end users.

The impacts incurred by these various customers and users in the event of Latecoere delivering non-compliant or defective products are significant:

- Passenger Safety: Defective parts can compromise flight safety, potentially leading to serious incidents or accidents.

- Reputation and Trust: The discovery of faulty parts can severely damage the reputation of companies in the sector (manufacturers and MROs), diminishing the trust of customers and partners.

- Financial Costs: An increase in the number of products scrapped for quality reasons can lead to a loss of margin.

In response to these challenges, Latecoere has implemented a rigorous quality management system that ensures all processes and products comply with demanding safety standards, thereby reducing the risk of accidents and incidents. This system also guarantees strict compliance with international regulations and standards, ensuring customer satisfaction, loyalty, and Latecoere's reputation in the marketplace.

Moreover, this quality management system helps to reduce production and maintenance costs by minimizing errors and defects, while enhancing the company's operational efficiency and productivity. Ultimately, it aims to strengthen Latecoere's position in the market in the long term by fostering a culture of continuous improvement and adaptation to market and technological developments.

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3. The Group's material sustainability challenges.

4.3.3.2. INTERESTS AND VIEWS OF STAKEHOLDERS (CF. SBM-2)

Latecoere is committed to integrating the interests, views, and rights of its customers into its strategy and business model, placing the quality of its products and processes at the forefront of its concerns. Customer satisfaction is a fundamental strategic focus for the Group, measured through annual satisfaction surveys and monitored by key indicators that are regularly presented to the Executive Committee and various Group departments. These indicators enable Latecoere to continuously assess customer perceptions and adjust its operational, logistical, and commercial processes accordingly.

The Group Quality team operates transversally between the Aerostructures and Interconnect Systems branches, responsible for improving and monitoring quality standards, detecting and addressing non-conformities, and preventing and reducing risks. This proactive approach ensures that the products and services provided meet customer expectations while complying with the international standards applicable in the aeronautical sector.

Aeronautical safety standards, governed by international regulations such as those from EASA and FAA, aim to guarantee equipment safety and compliance. Additionally, EN 9100, based on ISO 9001, specifies quality requirements for the aerospace industry, with AFNOR playing a key role in certification and OSAC in production and maintenance approvals, as well as conformity auditing.

Furthermore, the trust-based relationship between Latecoere and its customers is strengthened through the completion of long-term projects and the development of new innovative programs (see Chapter 4.4.2.2 Innovation & Technology) that anticipate the emergence of new technologies in the aeronautical sector. By incorporating customer concerns into its decision-making processes, Latecoere ensures that it meets its customers' expectations regarding safety, quality, continuous improvement, and transparency.

4.3.3.3. POLICIES RELATED TO CONSUMERS AND END-USERS (S4-1)

Latecoere's Quality policy is central to the Group's operational strategy and aims to ensure product quality and safety throughout the value chain. The company's quality policy was last formalized in 2024 and supports the Group's vision of serving the aerospace sector with innovative solutions while striving for excellence in aerostructures and interconnections. This ambition is based on perfect control of quality, delivery, and costs to ensure customer satisfaction in a spirit of continuous improvement. Quality is also essential for guaranteeing product safety, thereby contributing to flight and passenger safety.

The objectives of this policy include achieving zero defects, developing compliant products from the first test, reducing costs associated with non-quality, providing regular training, and promoting a culture of safety prevention. To achieve these objectives, management has been implementing an extensive "Quality Always" roadmap for the past two years, focusing on strengthening the shared culture of quality within teams, ensuring management commitment, introducing routines and performance indicators, and improving production and change management processes. The emphasis is on safety and quality across all the Group's operations, and the policy is led at the highest level by the CEO.

This quality policy is complemented by a rigorous management system (SMS, Safety Management System) that complies with PART21G / PART145 regulations. It is outlined in a detailed action plan, which is regularly audited both internally and by external auditors (AFNOR) and deployed throughout the Group. The associated measurement and monitoring indicators are analysed monthly by the Executive Committee, and the CEO and COO review all projects covered by the Group Quality Department twice a year.

The Group's Quality policy is shared with all employees through internal posters and the intranet. Awareness-raising and training programs on quality requirements and product safety issues are regularly organized to ensure employee involvement. In 2024, monitoring and awareness indicators were deployed as part of the Quality Always routines. Customers of the Latecoere Group also have access to the Quality policy, which is shared via the Quality Manual, distributed during calls for tender and upon request. During the program contracting phase, Latecoere and its customers define the technical requirements, which are then monitored and adhered to throughout the quality management process.

Additionally, customer protection includes safeguarding customers' personal data in accordance with current regulations, particularly the **General Data Protection Regulation (GDPR)**. The company guarantees the security and confidentiality of the personal data it collects, in compliance with regulations and as part of its **Cybersecurity policy** (see Chapter 4.4.2.1. Cybersecurity).

While Latecoere does not have formalized human rights commitments that are directly relevant to consumers and end-users, it is important to note that the aerospace industry is highly regulated, with standards set by organizations such as ICAO, GIFAS, EASA, and EN9100. Latecoere's Quality Policy aligns with these compliance and flight safety requirements, supported by a Quality Management System certified by AFNOR and approvals by OSAC.

Finally, the principles of the United Nations Global Compact are incorporated into the company's Sustainability Policy, which has been signed by the Group's Chief Executive and is published on Latecoere's website, demonstrating a commitment to responsible practices, even if this does not translate into formal policies specific to human rights or measures to remedy and/or enable the remedy of impacts on the human rights of its customers.

4.3.3.4. PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS (S4-2)

Due to its business model, Latecoere does not interact directly with consumers and end-users, such as aircraft passengers, and therefore considers their interests only through its customers, the aircraft manufacturers and repairers. Latecoere's commitment to its customers is demonstrated through regular interactions, including meetings, quality audits, satisfaction surveys, and formal feedback. As Latecoere operates on a B2B basis, these interactions occur exclusively with legitimate customer representatives, such as program managers and quality managers. These exchanges take place at various stages of the product lifecycle, including contracting, design (to specify technical requirements), production, and post-delivery. The frequency of these engagements is tailored to the specific needs of customers and project requirements.

Latecoere applies the principles of APQP (Advanced Product Quality Planning), a structured method that ensures products meet customer requirements. This approach encompasses planning, risk assessment, and validation processes, ensuring product quality from conception to production. Each phase of APQP is associated with specific deliverables, the maturity of which is supervised by a dedicated program team.

During the development phase, regular audits and product controls are conducted. Program and quality managers are responsible for monitoring the results of these evaluations on a weekly basis. Operational responsibility for this quality commitment lies with the Operations Directors of the various divisions. The Quality Department ensures that the results of customer interactions are integrated into the company's continuous improvement processes. The Group Quality Manager also ensures that dialogue with stakeholders is structured, regular, and aligned with the company's strategy.

Latecoere evaluates the effectiveness of these exchanges by collecting feedback and analysing the results, enabling adjustments to its practices. Each year, an evaluation campaign is conducted among customers via an electronic satisfaction survey distributed by the sales departments. With a response rate of 40%, representing 99% of sales, the feedback is analysed by the Executive Committee, allowing for specific action plans to be developed in collaboration with the programs. The Purchasing department then ensures that any points for improvement impacting the supply chain are communicated.

Finally, an alert system accessible to all internal and external stakeholders is available on the Latecoere website, providing an additional channel for feedback. Customers can also utilize this alert system if necessary. Alerts are managed by the Legal Department, which documents them and forwards them to the relevant department. Quality-related alerts are handled by the Group Quality Department, which documents the incidents, conducts investigations, formulates action plans to address the root causes, and shares the lessons learned.

4.3.3.5. PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS (S4-3)

Latecoere has implemented a number of processes to address its negative impacts on consumers and end-users, specifically airline passengers, through its interactions with customers, including aircraft manufacturers and repairers. As explained in the previous chapter, Latecoere is committed to identifying and remedying any material negative impacts caused by its products or services. When a non-compliant product or one with quality defects is identified, the company takes corrective measures before it is brought to market. This includes analysing root causes, implementing action plans to correct defects, and communicating with the affected customers.

The effectiveness of Latecoere's remediation measures is evaluated through internal audits, feedback from both internal and external sources, and performance indicators. The Quality department is responsible for the roadmap that ensures quality procedures are followed at every stage, from design to production.

Latecoere has established managed channels for customers to express any concerns or needs they may have. These channels include :

Direct contact via the dedicated Key Account Management (KAM) customer service. Customers can also reach out to Latecoere's quality department or program managers directly to report issues or seek clarification. Technical requirements are examined during the contract phase, and customer complaints are managed through the Non-Conformance Management procedure, with an action plan deployed to enhance customer satisfaction and track trends (Net Promoter Score), ensuring product and service compliance.

Governance related to Safety Management System (SMS) issues includes an online portal for reporting problems and reviewing issues during the SMS routine, along with monitoring the action plan through a "duty to alert" process.

Regular satisfaction surveys allow customers to provide feedback on the quality of Latecoere's products and services.

To ensure accessibility, Latecoere trains its teams in customer feedback management and makes information about communication channels readily available to all customers. The company tracks and monitors issues raised by customers through an incident management system, documenting each issue and taking action to resolve it. When a significant negative impact on customers or end-users is identified, Latecoere implements a structured remediation process to ensure an effective and responsible response. This approach includes several key steps:

- identifying and assessing impacts,
- engaging with relevant stakeholders (internal, customers, authorities, or suppliers),
- defining the corrective actions required to address the causes (including cross-functional actions),
- following up on these actions until they are completed.

Latecoere regularly assesses customer perceptions of the effectiveness and reliability of these remediation structures, using surveys and feedback to adjust its processes accordingly. In line with the requirements of its SMS, Latecoere is committed to fostering a just culture, which explicitly includes the protection of whistleblowers and the sanctioning of wrongdoers, ensuring an environment where customers who utilize whistleblowing channels are protected from any form of retaliation.

Finally, the Flight Safety Management System imposes effective sanctions when a fault is committed that jeopardizes flight safety. The effectiveness of remediation measures can be assessed through internal audits and performance indicators, with rigorous monitoring of corrective actions until they are completed. Ongoing efforts are made to maintain open communication with customers, supported by regular satisfaction surveys and an alert system accessible to all stakeholders.

4.3.3.6. TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS (S4-4)

As part of its quality policy, Latecoere has established a rigorous quality management system, which is detailed in an action plan that addresses all potential impacts affecting its customers and end users:

1. Product design: Latecoere incorporates strict safety standards into the design of its products to minimize the risk of non-compliance. This ensures that products meet customer expectations and regulatory requirements. This operating procedure has been in place since the Group's inception, reflecting the nature of its activities and its specific, regulated business sector.

2. Rigorous quality management system: Latecoere adopts a structured approach to identify, prevent, mitigate, and remedy adverse material impacts that may affect its consumers and end users. This Quality Management System includes stringent quality control procedures at each stage of the production process, ensuring that quality standards are consistently met.

3. ISO 9001 and EN 9100 certifications: These certifications involve establishing a quality management system that aligns with specific industry requirements, followed by internal and external audits to verify compliance, culminating in certification by an accredited body.

4. Quality culture: Training and awareness programs are implemented to strengthen the quality culture within teams.

5. Feedback mechanisms: Latecoere has a structured process for escalating information and identifying potential negative impacts on its customers. When a non-compliant product or one with quality defects is detected, the company acts swiftly by conducting a root cause analysis and developing action plans to correct defects before market release. Customers can report their observations through various channels, including the dedicated customer service Key Account Manager and an online portal for reporting product safety issues. Complaints are managed through a Non-Conformity Management procedure, ensuring an effective response.

6. Sector collaboration: Latecoere participates in sector initiatives to share best practices and collaborate with other industry players to enhance product quality and safety. This collaboration helps identify innovative solutions to common challenges.

Due to commercial confidentiality and security reasons, Latecoere cannot provide detailed information on the production processes of its various commercial programs or the level of compliance achieved for each.

All of these actions encompass the Latecoere Group and are relevant for the year 2024. The expected outcomes of these initiatives contribute to achieving the objectives of Latecoere's Quality Policy by ensuring product conformity and safety. The ultimate goal is to prevent any product that does not conform or contains quality defects.

Latecoere allocates dedicated resources to effectively manage material quality impacts, ensuring that risks are mitigated and responsible business practices are upheld. These resources include financial investments and human resources, with a dedicated quality and risk management team at both the central and site levels. However, Latecoere is currently unable to compile all the financial resources mobilized for quality issues.

4.3.3.7. TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (S4-5)

The Latecoere Group's quality management system and associated action plan include a number of performance indicators that are monitored on a monthly basis, particularly those related to on-time delivery rates and the quality of products delivered. All these indicators are measured against targets set each year, with the ultimate goal of achieving Zero Defect. Roles and responsibilities are clearly defined and associated with each target through a detailed RACI (Responsible, Accountable, Consulted, Informed) matrix, which is a project management tool used to clarify roles and responsibilities within a team or project.

The majority of these objectives are defined in collaboration with customers and their legitimate representatives, ensuring that customer needs and expectations are taken into account. Although these targets are communicated and agreed upon with customers, they are not publicly disclosed to prevent misinterpretation. However, Latecoere is committed to sharing relevant information about its objectives and performance in appropriate contexts in the future to maintain transparency and trust with its stakeholders.

4.4. GOVERNANCE INFORMATION

4.4.1. BUSINESS CONDUCT (G-1)

4.4.1.1. DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (REMINDER ESRS 2 IRO-1 AND ESRS 2 SBM-3)

In drawing up its double materiality assessment, Latecoere identified a material risk related to governance and the conduct of business. The Group's main challenge in this regard focuses on supplier relationships and the supply chain. Poor management of supplier relationships, such as reliance on a single source, leaves the business vulnerable to raw material shortages or labour disruptions, which are considered significant material risks. Additionally, inadequate supplier management could lead to substantial operational consequences, including production delays or supply difficulties.

Furthermore, if suppliers fail to meet Latecoere's required criteria, there is a risk that environmental and social objectives will not be achieved, potentially compromising the Group's sustainability goals and exposing it to reputational risks. These issues underscore the importance of building strong and transparent relationships with suppliers to ensure a resilient and sustainable supply chain.

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3. The Group's material sustainability challenges.

4.4.1.2. BUSINESS CONDUCT AND CORPORATE CULTURE (G-1)

Latecoere's administrative, management, and supervisory bodies play a key role in overseeing the business and ensuring ethical and regulatory compliance. Group Management is responsible for implementing **corruption prevention measures,** which were launched in 2018. At the same time, Latecoere affirms its values through its **Ethics Charter**, which unites the actions of its employees and outlines the conduct expected in interactions with customers, partners, suppliers, and subcontractors.

Management ensures that business relationships comply with ethical standards by implementing a due diligence process to assess the risks associated with partners. In 2024, no partners at risk were identified. This due diligence process will be updated starting in 2026 to allow for a more methodical application to suppliers.

In accordance with the requirements of the Sapin 2 law, the Legal Department provides training and raises awareness among employees most exposed to the risks of corruption and influence peddling, specifically the "Top 80" at Latecoere–those 80 management positions that have the greatest impact on the Group's business. By 2024, 75% of the Top 80 had received training in good ethical practices. Managers play a crucial role in disseminating information about corruption risks, thereby helping to establish an ethical culture within the company. This culture is further reinforced by annual communications from the CEO regarding the importance of ethics and the existence of a whistleblowing system.

Latecoere's Corruption Risk Map, which is scheduled for an update in 2025, identifies and assesses potential corruption risks within the organization, incorporating criteria such as reliance on single suppliers and operational issues to ensure proactive management in line with ethical and regulatory standards.

Latecoere is also committed to complying with international conventions, such as the Organization for Economic Co-operation and Development (OECD) Convention and the United Nations Convention, as well as national laws, to ensure an ethical and compliant framework. The Group does not tolerate any form of corruption, as outlined in its Ethics Charter and Anti-Corruption Charter, which apply to all operations carried out by the Group and to every employee, regardless of their function or country of employment. A system for deploying these charters has been established, including the distribution of documents, training, and a whistleblowing system, to promote a responsible and ethical attitude within the organization.

Policies and reference documents :

The implementation of the **Code of Conduct** and the **Ethics Charter** within Latecoere is coordinated by the Group Legal Department under the supervision of the Compliance Committee. Although there is no specific policy on business conduct, these two foundational documents ensure the ethical standards of the Latecoere Group.

Each manager is responsible for the proper dissemination, understanding, and application of the Ethics Charter within their team. This Charter is publicly available on the Latecoere Group website under the Ethics tab, making it accessible to all stakeholders, including suppliers, subcontractors, partners, customers, shareholders, administrations, governments, and local communities, thereby committing Latecoere to each of them.

Latecoere is particularly committed to fundamental principles such as respect for human rights and undertakes to comply with conventions on human and workers' rights, especially in high-risk countries. The company also condemns any form of harassment or intimidation. Equal treatment is a priority, prohibiting any discrimination based on origin, gender, sexual orientation, age, political or religious opinions, trade union membership, or disability.

Latecoere practices fair trading and complies with current legislation, which prohibits all acts of public or private corruption and influence peddling. For example, employees may only offer gifts to customers in strict compliance with Group procedures. Increased vigilance is exercised in relations with public officials or politically exposed persons, particularly during invitations to tender and the performance of contracts.

Finally, every employee has a duty of probity, refusing any personal advantage that does not comply with established procedures. An employee's personal interests must not influence the choice of a partner or any other decision. In the event of a potential conflict of interest, the employee must inform their line manager. Latecoere is therefore committed to maintaining a culture of integrity and ethics, which is essential for preserving the trust of all its stakeholders.

Alert procedures :

The Latecoere Group's whistleblowing system is accessible to everyone, including internal, external, and occasional employees, as well as all the Group's third parties and stakeholders via the Group's official website under the "Ethics" tab. Internal employees can also access it through the Ethics tab on their intranet and via a dedicated email address: ethics@latecoere.aero, the existence of which is indicated on internal notices.

This system allows for the reporting of situations of concern, such as potential cases of corruption or influence peddling, crimes, misdemeanours, threats or harm to the public interest, as well as human rights violations or environmental damage. The objectives of this system are to enable the Group to become aware of reprehensible behaviour, to put an end to such behaviour, to hold those responsible accountable, and to adjust its awareness-raising program based on the events reported.

The whistleblowing platform is accessible 24/7 in all the Group's languages. Confidentiality is strictly maintained, not only regarding the identity of the whistleblower but also concerning the individuals involved and the information gathered. Personal data is processed only by authorized personnel responsible for managing alerts.

In accordance with the Sapin II law, appropriate technical and organizational measures are implemented to secure the tool, which is outsourced to a service provider that complies with the required standards. Latecoere is committed to protecting whistleblowers who have acted in good faith against any form of reprisal, including discrimination or sanctions.

Upon receipt of an alert, the Legal Department conducts an admissibility review, and all communications are made via a secure platform. The whistleblower receives an acknowledgment of receipt within the legal timeframe, as well as notification of the admissibility of their alert and the expected processing time.

An internal investigation is then carried out to verify the validity of the reported facts, at either the local or corporate level. To date, investigations have not required action by external third parties. Each alert is examined, and a decision is made regarding the appropriate action, which may include remedial measures or disciplinary proceedings. If the alert is deemed inadmissible, the file is closed, and the information collected is deleted in accordance with legal retention periods.

Training and follow-up :

In accordance with the requirements of the Sapin II law, the Legal Department provides annual training and awareness-raising for employees most exposed to the risks of corruption and influence peddling, specifically the employees in the Top 80. A due diligence questionnaire is also utilized to assess the risks associated with business partners, while a gifts' policy has been introduced to govern interactions with customers and suppliers. Additionally, an anti-corruption map identifies the functions most exposed to the risk of corruption (Purchasing and Sales) and allows for the listing and mitigation of potential risks across all Latecoere entities. This map will be updated in 2025.

By 2024, 75% of the Top 80 had received training in good ethical practices. The results of these actions are closely monitored, particularly through reports on the outcomes of due diligence and the associated action plans for defaulting suppliers. A defaulting third party is identified based on the following criteria: the nature of the third party, country of establishment, direct debit, sanctions taken against them, and their compliance with ethical standards and regulations.

In terms of progress, the number of training sessions conducted and alerts recorded is regularly evaluated. For 2024, the number of alerts recorded was 2.

Management of relationships with suppliers (G1-2 and G1-6)

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Latecoere places its suppliers at the heart of its strategy and commitments, integrating clear objectives into its Purchasing Policy. The management of relationships with suppliers is based on two main principles: strengthening contractual relations and proactively managing supplier risks.

Purchasing policy

The Latecoere Group's purchasing policy, currently distributed exclusively internally to the Group's various buyers, aims to define guidelines and performance indicators while developing an appropriate supplier panel. This approach ensures both short- and long-term competitiveness, contributing to the company's growth and adapting to regulatory and environmental changes. A purchasing strategy is established for the Group's main needs, with regular monitoring of the supplier panel during annual meetings.

Latecoere's quality department is certified to EN9100, a standard specifically designed for the aerospace industry. This certification ensures that quality management processes are in place to meet customer and regulatory requirements. The benefits of this certification include continuous process improvement, a reduction in defects and non-conformities, and increased customer satisfaction. The Purchasing department is also audited annually by AFNOR, guaranteeing the compliance and effectiveness of its quality management systems.

The Group is committed to rationalizing its supplier panel by introducing new partners to enhance competitiveness and integrate new technologies. Constant updates of supplier status (prohibited, on hold, active, etc.) are essential, as is risk management, which is monitored on a monthly basis. Supplier dependency on Latecoere is maintained below a certain percentage defined by Group Management. The policy employs a tripartite RACI model (RACI: an acronym for a project management tool used to clarify roles and responsibilities within a team or project) for both imposed and directed suppliers.

A local sourcing approach is favoured, accompanied by a comprehensive analysis of the Total Cost of Purchase, which also reflects logistical distances in monetary terms. Latecoere anticipates future technological and capacity needs by adding new suppliers as necessary, while adhering to general laws, human rights, and regulations. Compliance with the Code of Ethics and anti-corruption rules is essential, as outlined in the Purchasing policy. Additionally, the Group is committed to complying with environmental regulations, such as the European REACH regulation.

An update of this policy is planned for 2025, particularly to incorporate more advanced environmental criteria. This document will also be distributed more widely, both internally and externally. The objective for 2025 is for 100% of new contracts to explicitly include the Group's various ethical expectations.

Interaction with suppliers

Latecoere's Purchasing department maintains regular and dynamic interactions with its suppliers, fostering daily communication that includes discussions, negotiations, and project performance reviews. Performance reviews are conducted on a quarterly or monthly basis to ensure that objectives are met and to identify areas for improvement. An annual strategy meeting is held with key contributors, including the CEOs of key suppliers, Latecoere's Purchasing Director, CPO, and CEO, as well as representatives from Supply Chain, Quality, and Research & Technology. These meetings address critical topics such as performance, expectations for the coming years, key performance indicators (KPIs), and production requirements.

Field visits to selected suppliers' physical sites are conducted throughout the year by field engineers. A Supplier Day with the top 100 suppliers is also planned for 2025. Although supplier evaluation has not been systematized to date, all processes are in place, and the list of evaluated suppliers is reviewed annually. The finance department also evaluates suppliers and sends alerts when relevant.

Latecoere aims to further structure these exchanges and segment its suppliers in 2025 to optimize collaboration and improve supply chain efficiency.

Training and collaboration

Purchasing staff are trained to collaborate and engage in dialogue with suppliers. Latecoere has created a global purchasing function to adopt a more strategic approach to supplier relationships and procurement.

Commitment to Local Suppliers

Latecoere is also committed to including local suppliers in its supply chain, participating in programs to enhance the performance of the aeronautical supply chain, such as "Performances Industrielles," launched by GIFAS and SPACE. This program aims to boost the competitiveness of companies while improving working conditions.

PAYMENT PRACTICES

The Latecoere Group places great importance on managing its payment terms and regularly measures the payment performance of its suppliers. Currently, the accounting department monitors the Average Payment Term (APT) through SAP (business management software) for all invoices to ensure compliance with contractual commitments.

In 2024, Latecoere recorded an average payment term of 86 days from the start of the contractual or legal term. The Group applies a standard payment term of "45 days end of month," with approximately 80% of invoices registered for payment on time. Payment terms may vary depending on the type of supplier and contract, including:

14 days net

25 days end of month

30 days net

45 days + end of month

60 days net

90 days net

Other specific conditions (e.g., payment within 10 days without deduction, 120 days without deduction, etc.)

In 2024, 67% of invoices were paid on time. There are currently no legal proceedings in progress concerning late payments.

Latecoere utilizes IT solutions, such as its Enterprise Resource Planning (ERP) system, to optimize invoice management and payment processes. Specific monitoring indicators for the Purchasing teams, including payment performance, are being developed as part of phase 2 of the Purchasing Policy review project, scheduled for the second half of 2025.

The company extracts data from its ERP, including a list of purchases with VAT by payment terms and supplier, and a list of invoices paid late by payment terms and supplier. This data is used to calculate the percentage of invoices paid on time. The data corresponds to entities using SAP as their information system, excluding AVCORP, TAC, and MADES.

As part of its compliance with the CSRD, Latecoere is committed to providing transparent and comprehensive information on its sustainability practices. However, the Group has encountered specific difficulties regarding the publication of payment deadlines, primarily due to operational constraints and delays in internal data collection, including access to information from various Group entities, harmonization and consolidation of data, and availability of information. This situation has led to delays in consolidating the data required for publication in accordance with CSRD requirements.

Latecoere is actively working on solutions to improve the synchronization of data collection processes and ensure more complete and timely publication in the future. The company is committed to providing the necessary data over the next two years and has already taken steps to align data collection with reporting schedules, thereby enhancing the reliability of the information exchanged. This includes the inclusion of all Group entities in the calculation of payment times in 2025, including the TAC and AVCORP subsidiaries, with a coordination meeting planned for June 2025. Additionally, a coordinated action will be proposed for all companies using the SAP ERP to verify the possibility of directly extracting the information required by the CSRD.

4.4.2. ENTITY SPECIFIC DISCLOSURES

4.4.2.1. CYBERSECURITY

Management of impacts, risks and opportunities

As part of its double materiality assessment, Latecoere has identified material cybersecurity issues. The risk of cyber attacks can have significant economic consequences for the company, including financial losses, business interruptions, and damage to its reputation. Service disruptions could potentially affect both internal operations and those of customers, creating substantial financial risks. Additionally, Latecoere may face sanctions or enforcement of contractual clauses due to failures in data protection, which could lead to further costs and penalties. Any data leakage would also risk eroding trust among customers and partners.

Conversely, Latecoere views cybersecurity as a strategic opportunity. By enhancing its cybersecurity measures, the company can differentiate itself in the market, showcasing its technological expertise and commitment to data protection and information security. This proactive approach can help attract new contracts and strengthen its competitive position.

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3.The Group's material sustainability challenges.

Policies related to cybersecurity

Latecoere's Information Systems Security Policy outlines the company's approach to achieving its information security objectives. The Chief of Digital and Information Officer (CDIO), who is a member of the Executive Committee, is responsible for defining, implementing, and monitoring this policy.

This policy formalizes the Executive Committee's commitment to:

- Protect industrial secrecy and know-how while supporting investments that serve the value chain.
- Safeguard the assets and information entrusted to the company by customers, partners, and employees.
- Continuously strengthen the commitment and awareness of all Group employees to achieve the company's safety objectives.
- Comply with legal, regulatory, and contractual requirements related to information security in its activities.

The Information Systems Security Policy and associated Security Directives provide a common reference framework for information security governance across all Group companies. They define the security rules for assets linked to information and ICT (Information and Communication Technologies) and specify the roles and responsibilities of stakeholders in managing the risks associated with these ICTs. These risks could impact business continuity, the company's reputation, legal liability, or the ability to achieve operational excellence objectives. Additionally, the policy promotes information security awareness and a culture of risk prevention, targeting those responsible for managing Latecoere's information assets.

Aligned with the company's strategic objectives, this policy is issued at the highest level of Group management and is approved by the Executive Committee. It is supplemented by specific directives on information and ICT security.

The policy encompasses all activities and companies integrated into Latecoere's centralized IT system, with the exception of recent acquisitions that are currently being integrated. It is published and communicated to all Group employees.

In developing its roadmap, Latecoere is committed to complying with European and industry standards regarding cybersecurity, particularly through its participation in the AirCyber program, a consortium of companies in the aerospace sector aimed at enhancing the cybersecurity maturity of the supply chain. This program has resulted in a certification label, with the Silver level obtained in 2024. The company is also a member of CERT Aviation, a working group focused on protecting the aerospace industry against cyber threats by anticipating attacks, responding to incidents, and strengthening resilience and cybersecurity.

For monitoring purposes, a risk register was created in 2023 to track risks, action plans, and steering indicators related to information systems security, with quarterly reviews conducted by senior management.

Actions and resources related to Cybersecurity

Latecoere has implemented several key actions to manage cybersecurity issues:

1. Deployment of a new Endpoint Detection and Response (EDR): This cybersecurity technology is designed to monitor and protect endpoints such as desktops, laptops, and mobile devices against cyber threats. The deployment began in 2024 and will continue until 2026, covering all workstations and servers across all users, equipment, and sites.

2. Obsolescence management and operating system upgrades: Over the next three years, more than 5,000 IT devices will have their operating systems upgraded, and devices will be replaced in the event of obsolescence.

3. Participation in the AirCyber programme: Latecoere is contributing to this program, which aims to strengthen the maturity of the supply chain in terms of cybersecurity, in collaboration with other players in the aeronautics sector.

4. CERT aviation membership: In 2023, Latecoere became a member of this organization, which focuses on cyber risk response in the aviation sector. This membership enhances the company's threat intelligence and incident response capabilities.

5. Employee information site set up by Human Resources: A dedicated site will be made available to employees during 2025, providing resources on protecting data, operations, and products. A dedicated tool is being developed to enable employees to practice detecting threats such as phishing.

6. Dedicated address for security issues: Latecoere has established a dedicated address to address questions or suspicions related to the protection of the company. Messages received are handled by security experts within 24 hours.

7. Risk register: A risk register was created in 2023 to support risk governance and enable regular review by senior management at quarterly committees.

8. Internal awareness-raising: Regular awareness-raising and information campaigns are organized to promote good safety practices among all Group employees.

9. Dedicated equipment: A "cyber package" is installed on all employees' IT equipment.

10. Supplier management: A contractual appendix is included in supplier contracts to address cybersecurity concerns.

These actions cover all Latecoere activities, with the exception of entities whose IT systems have not yet been integrated into the Group's centralized system. For security reasons, specific exclusions will not be detailed. Additionally, for security and confidentiality reasons, Latecoere does not wish to disclose the financial resources allocated to these projects.

Targets and metrics

The legal reporting requirements do not mandate detailed indicators or targets for company-specific material issues such as cybersecurity. Nevertheless, Latecoere shares the following data to illustrate its monitoring and performance efforts in these areas, in line with the CSRD principles of transparency and reliability.

Latecoere has established a rating target of greater than 90 out of 100 with Security Scorecard (https://securityscorecard.com), a global platform specializing in security assessments, resilience, and incident response, which provides security ratings for over 50,000 organizations worldwide. This patented platform is utilized for enterprise and third-party risk management, compliance, cyber insurance underwriting, and incident response. Latecoere's rating objective is a contractual requirement of its major clients and is also a recommended practice of AIRCYBER.

In 2024, Latecoere's Security Scorecard achieved a score of 91 out of 100. Additionally, the company recorded zero cyber incidents in 2024, according to the records of the Security Operation Centre, which operates 24/7 for the Group.

Latecoere has also implemented rigorous internal monitoring of specific cybersecurity indicators to assess and continuously improve its protection measures. However, due to the sensitive nature of this information and the strategic security and confidentiality issues involved, this monitoring is not intended for publication. The aim of this approach is to ensure the protection of the company's assets while preserving the confidentiality of critical data.

4.4.2.2. INNOVATION AND TECHNOLOGY

Impact, risk and opportunity management

As part of its double materiality assessment, Latecoere has identified material challenges related to innovation. Notably, the positive impact of research and development in low-carbon aircraft on the environment stands out. By providing opportunities to reduce the aeronautical sector's carbon footprint, this initiative not only addresses the growing expectations of stakeholders regarding sustainability but also positions Latecoere as a key player in the transition towards more environmentally friendly aviation.

The assessment also revealed a material risk associated with innovation and technology: the potential loss of market share and/or competitiveness due to technological lag. This risk underscores the importance for Latecoere to remain at the forefront of technological advancements to maintain its competitive position in the aerospace sector.

For more detailed information on the identification of Latecoere's material Impacts, Risks and Opportunities, please refer to section 4.1.3. The Group's material sustainability challenges.

Policies related to Innovation & Technology

Since 2016, Latecoere has established a detailed organizational memorandum that outlines the purpose, major missions, and structure of the R&T (Research and Technology) and Innovation Department across all branches of the Group. This document, signed by the CEO, is accessible to all employees via the Intranet.

The memorandum details all processes involved in developing new solutions and upgrading existing products and processes. It specifies the monitoring systems in place and the responsibilities of each department involved in innovation, research, and technology.

Additionally, this memorandum is supported by a 14-page document that describes the innovation process in detail, structured into five distinct stages or sub-processes: defining the R&T plan, structuring projects, conducting research, protecting intellectual property, and capitalizing on technology.

A quarterly steering committee convenes representatives from the R&T Department, General Management, the Research Department, the Operations Department, and the Contracts & Programmes Department, with the CEO playing an integral role in this committee.

Simultaneously, the Technical Departments meet annually to review future key skills and incorporate them into the HR reference frameworks. This approach ensures that Latecoere remains aligned with the evolving needs of the sector.

In defining its priorities, Latecoere considers the needs of its stakeholders through partnership programs, regulatory monitoring, and exchanges with the Sales Department. The framework for innovation and R&T activities also aligns with the European directive on the environment (The European Green Deal) and the aeronautical industry's commitment to achieving 'zero emissions' by 2050. Research activities are conducted in collaboration with the aeronautical ecosystem, including manufacturers, equipment suppliers, competitors, universities, laboratories, and the supply chain. Collaboration agreements govern the sharing of results, ensuring that the components and outcomes of research projects are made available. Finally, technical alignment meetings are organized to ensure that the interests of all stakeholders are taken into account.

All these processes are audited by AFNOR in accordance with the EN 9100/ISO 9001 standards.

Actions and resources related to Innovation & Technology

Latecoere is actively involved in the development of innovative products aimed specifically at reducing the environmental impact of the aeronautical sector. The company is focusing its efforts on research and development (R&D) of advanced materials, particularly composites, and the development of optical networks as part of its research and technology (R&T) roadmap.

In 2024, 3.54% of sales were allocated to Research & Development, with 1.26% specifically dedicated to Research & Technology.

Key actions implemented by Latecoere include:

Innovative product development: The company plays a crucial role in collaborative projects and programs aimed at developing complex aerostructure elements and interconnection systems, which help reduce the weight of aircraft and their environmental footprint. In 2024, new research projects were launched to develop composite technologies that lighten the structures of future aircraft, integrate environmentally friendly interconnection components, reduce onboard volumes, and increase the electrification of aircraft.

Collaboration with major players in the sector: Latecoere collaborates continuously with other companies in the value chain, including prime contractors, to contribute to the French industry's research policy focused on ultra-frugality and carbon neutrality.

The scope of research and development activities encompasses the entire Latecoere Group and includes research into future technological solutions for products and processes in both the Aerostructure and Interconnection Systems areas. The direct contributors are the R&T and Technical Departments, supported by the Operations Department. Actions are implemented on an ongoing basis, with annual adjustments based on results analysed by the Steering Committee. Specific deadlines for each action are defined during steering meetings.

Latecoere allocates financial and technical resources to support its innovation initiatives. Budgets are agreed upon and committed each year, with operational expenditures (Opex) and capital expenditures (Capex) planned to ensure effective implementation of initiatives. For confidentiality reasons, specific details regarding these resources cannot be disclosed in this statement.

Latecoere's decision-making and research processes systematically consider environmental impact, particularly when evaluating new ideas. This criterion is assessed through the production of quantitative or qualitative environmental impact assessments, such as carbon footprints, for the design, production, and use phases, as well as through life cycle analyses (LCA).

Targets and metrics

The legal reporting requirements do not mandate detailed indicators or targets for company-specific material issues, such as Innovation and Technology. Nevertheless, Latecoere shares the following data to illustrate its monitoring and performance efforts in these areas, in line with the CSRD principles of transparency and reliability.

Latecoere defines precise objectives for each development project, as well as for the overall management of Research and Technology (R&T) within the Group. These indicators ensure that innovation efforts are effective and contribute to the company's competitiveness in the aerospace market. They are monitored quarterly by the Steering Committee.

MONITORING INDICATORS

Budget: Monitoring the budget allocated to innovation projects ensures that financial resources are used optimally to support research and development initiatives. This includes analysing expenditure against budget forecasts.

Cash flow: This indicator includes an analysis of actual cash flow compared with budget forecasts.

PERFORMANCE INDICATORS

Maturity level: Latecoere monitors the maturity level of innovation projects at the time of commercial launch. This indicator assesses the readiness and viability of the innovations developed, ensuring they meet market requirements and customer expectations. The level of maturity is evaluated according to predefined criteria that consider technical, commercial, and regulatory aspects. Assessment grids, known as Technology Readiness Levels (TRLs), have been developed to facilitate maturity transition reviews and monitor the evolution of this maturity for each project.

Number of filed patents: This indicator assesses the company's continuous innovation and competitiveness in the market while ensuring the protection of developed technologies, which is essential for maintaining a strategic advantage and meeting industry contractual requirements.

Number of inventions (declarative): Latecoere measures the transformation rate of innovation activity and identifies promising areas of research, stimulating team creativity while ensuring efficient resource management and strengthening the company's position as a key player in a constantly evolving sector.

The objectives of monitoring innovation performance are directly linked to Latecoere's competitiveness challenge. By measuring transformation rates and maturity levels, the company can ensure that its innovation efforts are not only effective but also aligned with market needs. This enables Latecoere to remain competitive in a rapidly evolving aerospace sector, where innovation is crucial for addressing technological and environmental challenges.

Amounts invested in R&D are calculated based on expenditures incurred on research and development projects during the financial year. This expenditure includes costs for salaries, materials, equipment, and external services. It is assumed that all expenditure is directly attributable to R&D projects and that indirect costs are not included. Limitations of this measure may include variations in the definition of R&D expenditure according to accounting standards and industry practices.

To implement its R&T plan, the company invests 1% of its sales each year.

Amount invested in R&D: €16.1 million, representing specific expenditure on research and development projects, including all non-recurring expenditure on programmes that are re-invoiced to customers.

Amounts are expressed in euros (€), in accordance with the presentation currency of Latecoere's financial statements.

Patents filed: In 2024, Latecoere filed 15 patents, demonstrating its sustained innovation drive.

The number of patents filed is recorded based on patent applications submitted to the relevant authorities during the financial year. It is assumed that each patent represents a distinct innovation and that patents are filed in the relevant jurisdictions. Limitations may include the fact that the number of patents does not necessarily reflect the quality or commercial impact of the innovations.

Many other indicators specific to each project are monitored by the Group but cannot be detailed in this statement for reasons of confidentiality and competitiveness. The indicators related to the amounts invested in R&D and the number of patents filed provide an overview of Latecoere's innovation efforts.

R&T corresponds exclusively to the Innovate process. All descriptions of the preceding processes and indicators pertain to the R&T aspect, but not to development.

4.5. REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852

To the annual general meeting,

This report is issued in our capacity as statutory auditor of LATECOERE S.A.. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended 31 December 2024 and included in section 4 of the group management report.

Pursuant to Article L.233-28-4 of the French Commercial Code, LATECOERE S.A. is required to include the above-mentioned information in a separate section of the group management report. This information has been prepared in the context of the first time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for *European Sustainability Reporting Standards*) of the process implemented by LATECOERE S.A. to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L.2312-17 of the French Labour Code;
- compliance of the sustainability information included in section 4 of the group management report with the requirements of L.233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "*Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852*".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by LATECOERE S.A. in the group management report, we have included an emphasis of matter paragraph hereafter.

LIMITS OF OUR ENGAGEMENT

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of LATECOERE S.A., in particular it does not provide an assessment, of the relevance of the choices made by LATECOERE S.A. in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the group management report are not covered by our engagement.

COMPLIANCE WITH THE ESRS OF THE PROCESS IMPLEMENTED BY LATECOERE S.A. TO DETERMINE THE INFORMATION REPORTED, AND COMPLIANCE WITH THE REQUIREMENT TO CONSULT THE SOCIAL AND ECONOMIC COMMITTEE PROVIDED FOR IN THE SIXTH PARAGRAPH OF ARTICLE L.2312-17 OF THE FRENCH LABOUR CODE

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by LATECOERE S.A. has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in section 4 of the group management report, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by LATECOERE S.A. with the ESRS.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance with the ESRS of the process implemented by LATECOERE S.A. to determine the information reported.

Information relating to the identification of stakeholders and impacts, risks and opportunities, as well as the assessment of the impact materiality and financial materiality, is set out in section 4 of the management report.

CONCERNING THE IDENTIFICATION OF STAKEHOLDERS

We held discussions with individuals we deemed appropriate within the LATECOERE Group and reviewed the available documentation.

Our procedures notably involved assessing the consistency of the key stakeholders identified by the Group with the nature of its activities and geographical presence, taking into account its business relationships and value chain.

CONCERNING THE IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

Information on the identification of impacts, risks and opportunities is provided in section “4.1.3 Group’s Material Sustainability Issues” of the group management report.

We reviewed the process implemented by LATECOERE S.A. for identifying actual or potential impacts (positive or negative), risks, and opportunities (“IRO”) in connection with the sustainability matters referred to in paragraph AR 16 of the “Application Requirements” of ESRS 1, and, where applicable, those specific to LATECOERE S.A.

In particular, we assessed the approach adopted by LATECOERE S.A. to determine its impacts and dependencies, which may give rise to risks or opportunities.

We reviewed the mapping prepared by LATECOERE S.A. of the identified IROs, including a description of their distribution across its own operations and value chain, as well as their time horizon (short, medium, or long term), and assessed the consistency of this mapping with our understanding of the LATECOERE Group and with the risk analyses conducted by LATECOERE S.A.

We also assessed how LATECOERE S.A. considered the list of sustainability topics set out in ESRS 1 (AR 16) in its analysis.

CONCERNING THE ASSESSMENT OF IMPACT MATERIALITY AND FINANCIAL MATERIALITY

Information on the assessment of impact materiality and financial materiality is provided in section “4.1.3.2 Description of the Procedures for Identifying and Assessing Material Impacts, Risks and Opportunities (IRO-1)” of the group management report.

We reviewed, through interviews and inspection of available documentation, the process implemented by LATECOERE S.A. for assessing impact materiality and financial materiality and evaluated its compliance with the criteria defined by ESRS 1.

In particular, we assessed how LATECOERE S.A. established and applied the materiality criteria defined by ESRS 1, including those related to threshold setting, to determine the material information disclosed in relation to indicators associated with the material IROs identified in accordance with the relevant ESRS thematic standards.

4.5.1.1. COMPLIANCE OF THE SUSTAINABILITY INFORMATION INCLUDED IN SECTION 4 THE GROUP MANAGEMENT REPORT WITH THE REQUIREMENTS OF ARTICLE L.233-28-4 OF THE FRENCH COMMERCIAL CODE, INCLUDING THE ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in section 4 of the group management report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by LATECOERE S.A. for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section 4 of the group management report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter(s)

Without qualifying the conclusion expressed above, we draw your attention to the information provided in the section "4.1.4.1 General Basis for Preparing the Sustainability Statement (BP-1)",

in particular the paragraph relating to first-time application limitations in the group management report.

Elements that received particular attention

INFORMATION PROVIDED IN APPLICATION OF ENVIRONMENTAL STANDARDS (ESRS E1)

Information reported in relation to Climate Change ESRS *E1* is mentioned in section 4 of the group management report.

We set out below the elements that have been the subject of particular attention in relation to our assessment of the compliance of this information with the ESRS.

Our procedures notably included:

- Based on interviews conducted with individuals we deemed appropriate, assessing whether the description of the policies, actions, and targets implemented by the LATECOERE Group covers the following areas: climate change mitigation and climate change adaptation;
- Evaluating the appropriateness of the information presented in the environmental section of the sustainability disclosures included in the sustainability statement, and its overall consistency with our understanding of the LATECOERE Group.

Regarding the information disclosed on the greenhouse gas emissions inventory:

- We assessed the consistency of the scope considered for the greenhouse gas emissions inventory with the scope of the consolidated financial statements, the activities under operational control, and the upstream and downstream value chain;
- We reviewed the protocol used by the entity to prepare the greenhouse gas emissions inventory and assessed its application methods, based on a selection of emission categories and sites within Scope 3;
- We evaluated the appropriateness of the emission factors used and the related conversion calculations, as well as the calculation and extrapolation assumptions, taking into account the inherent uncertainty linked to the current state of scientific or economic knowledge and the quality of external data used;
- We performed analytical procedures;
- We verified the arithmetic accuracy of the calculations used to prepare this information.

INFORMATION PROVIDED IN APPLICATION OF SOCIAL STANDARDS (ESRS S1)

Information reported in relation to ESRS S1 is mentioned in section 4 of the group management report.

We set out below the elements that have been the subject of particular attention in relation to our assessment of the compliance of this information with the ESRS.

Our procedures notably included:

- Based on interviews conducted with individuals we deemed appropriate, reviewing the process for collecting and compiling qualitative and quantitative information intended for the disclosure of material information in the sustainability statement;
- Examining the underlying documentation available;
- Performing procedures to verify the proper consolidation of this data.
- We assessed the appropriateness of the information presented in section "4.3.1 Teams within LATECOERE (Company Personnel) (S1)" of the sustainability statement and its overall consistency with our understanding of the LATECOERE Group.

In addition, we:

- Reviewed the scope on which the information was based;
- Defined and carried out analytical procedures appropriate to the information examined;
- Examined, on a sampling basis, supporting documentation corresponding to the disclosed information;
- Verified the arithmetic accuracy of the calculations used to prepare this information.

INFORMATION PROVIDED IN APPLICATION OF GOVERNANCE STANDARDS (ESRS G1)

Information reported in relation to ESRS G1 is mentioned in section 4 of the group management report.

We set out below the elements that have been the subject of particular attention in relation to our assessment of the compliance of this information with the ESRS.

Our procedures notably included:

- Based on interviews conducted with individuals we deemed appropriate, reviewing the process for collecting and compiling qualitative and quantitative information intended for the disclosure of material information in the sustainability statement;
- Examining the underlying documentation available;
- Performing procedures to verify the proper consolidation of this data;
- Assessing the appropriateness of the information presented in section "4.4. Governance Information" of the sustainability statement and its overall consistency with our understanding of the LATECOERE Group.

In addition, we:

- Reviewed the scope on which the information was based;
- Defined and carried out analytical procedures appropriate to the information examined;
- Verified the consistency of the information presented with the underlying financial data.

4.5.1.2. COMPLIANCE WITH THE REPORTING REQUIREMENTS SET OUT IN ARTICLE 8 OF REGULATION (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by LATECOERE S.A. to determine the eligible and aligned nature of the activities of the entities included in the consolidation[1].

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

(1) term used in Article L.233-26 related to the group management report

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

CONCERNING THE ELIGIBILITY OF ACTIVITIES

Information on eligible activities is provided in section "4.2.4. Disclosures under Article 8 of Regulation 2020/852 (Taxonomy Regulation)" of the sustainability statement.

Below, we present the elements to which we paid particular attention regarding the eligibility of activities.

Our procedures notably included:

- Verifying the consistency of the activities subject to eligibility analysis with our understanding of the LATECOERE Group's operations;
- Verifying the consistency of the calculated indicators with the underlying financial data.
- We set out below the elements that have been the subject of particular attention in relation with the eligibility of activities.

KEY PERFORMANCE INDICATORS AND ACCOMPANYING INFORMATION

Key performance indicators and related information are presented in section "4.2.4. Disclosures under Article 8 of Regulation 2020/852 (Taxonomy Regulation)" of the sustainability statement.

Below, we present the elements to which we paid particular attention regarding the key performance indicators and the accompanying information.

Our procedures notably included:

- Verifying the consistency of the explanatory notes accompanying the indicators with our understanding of the LATECOERE Group's operations;
- Verifying the arithmetic accuracy of the indicators presented;
- Verifying the compliance of the regulatory tables with the requirements of Article 8 of Regulation 2020/852, known as the "Taxonomy Regulation".

Labège, le 14th May 2025

KPMG S.A.

Pierre Subreville

Partner

5 FINANCIAL AND ACCOUNTING INFORMATION AFR

5.1. GROUP ACTIVITIES IN 2024

5.1.1. OVERVIEW

The Group continued its solid growth trajectory. Revenue increased by +13.4%, supported by the continued increase in production and the implementation of commercial initiatives aimed at partially mitigating the effects of inflation. The significant improvement in profitability reflects the operating leverage from volume growth, as well as the implementation of commercial measures aimed at combating inflation. Finally, Latecoere invested in its operational platform, its teams, and a resilient business model, in line with our customers' requirements for quality and on-time delivery.

André Hubert Roussel, the group's recently appointed CEO, said : *"If I had to summarize the daily work of Latecoere's teams today, I would highlight two major priorities. First, as aircraft manufacturers' volume growth accelerates in the commercial, business jet, and defense markets, we are fully committed to supporting this ramp-up while addressing the associated challenges. Furthermore, we are enthusiastic about our prospects for developing and growing our customer service and aftersales business.Whether in the development of metallic and composite materials, optical cabling, preparation for more electric aircraft, or the adoption of a digital approach to the design, manufacture and operation of aeronautical and space products , we are determined to play a key role in defining the future of air transport.*

5.1.2. 2024 RESULTS - HIGHLIGHTS AND KEY FINANCIAL INDICATORS

(in €m)	2023	2024
Revenue	622,3	**705.8**
Reported growth	32,9%	13.42%
Organic growth	17,5%	13.42%
Current EBITDA[(1)]	(18,6)	**25.7**
Current *EBITDA margin on revenue*	-3,0%	3.63%
Operating free cash flows from continuing operations	(118,2)	**-7.4**
Net Cash Flow	11,2	**-25.7**
Cash and cash equivalents	85,1	**59.4**
Net Debt	125,2	**170.9**

(1) Current EBITDA corresponds to current operating profit before depreciation, amortization and impairment of tangible and intangible fixed assets.

Group revenue reached €705.8 million for 2024, compared with €622.3 million in 2023, an increase of €83.5 million or +13.4% increase. This increase in revenue was driven by higher production rates at aircraft manufacturers, additional revenue from new contracts, and the conclusion of commercial initiatives to offset inflation.

The Group recorded a current EBITDA of €25.7 million for 2024, a significant improvement compared to the loss of €(18.6) million recorded in 2023. This turnaround was mainly supported by the operating leverage from higher volumes and the positive effects resulting from the operational and commercial initiatives carried out by the Group. However, these improvements are still partially offset by the continued inflationary pressure on material costs and persistent supply chain disruptions during the ramp-up of operations.

Latecoere's net financial result amounted to (14.8) million euros in 2024, compared to 148.5 million euros in 2023, which reflects the net cost of interest on PGE loans and other debts outstanding during the year.

The Group's net profit for 2024 amounted to (60.6) million euros, compared to 6.2 million euros for 2023.

Free cash flow from continuing operations recorded a cash loss of (7.4) million euros, mainly generated by current EBITDA of 25.7 million euros, and reduced in particular by:

- non-recurring cash costs of EUR 17.7 million, mainly related to restructuring costs linked to ongoing business transfers;
- investment expenditure of 17.9 million euros, notably in North America;
- a net reduction in total working capital requirements of 7.7 million euros.

At the end of fiscal year 2024, liquidity stood at €59.4 million. Net debt at the end of 2024 was €170.9 million (excluding the RMF bond).

AEROSTRUCTURES

Latecoere's Aerostructures division's revenues increased by +10% in reported data compared to 2023. The division's activity benefited from the increase in production rates and commercial initiatives concluded in 2024. The division's recurring EBITDA amounted to (1.8) million euros, representing a significant improvement compared to the loss of (18.8) million euros recorded the previous year. This reflects the operational leverage resulting from the increase in volumes, strict cost control and better commercial conditions negotiated with customers.

Free cash flow from operations generated by the Aerostructures business amounted to (3.2) million euros, impacted primarily by the improvement in EBITDA and a reduction in working capital requirements of 6.8 million euros; but offset by non-recurring cash expenditure of 16.9 million euros.

These mainly resulted from restructuring operations associated with production transfers, as well as investment expenditure of 16.5 million euros.

Aerostructures *(in €m)*	**2023**	**2024**
Consolidated revenue	**381,0**	**427.1**
Reported growth	*47,1%*	*12.1 %*
Current **EBITDA**	(18,8)	**-1.8**
Current *EBITDA margin on revenue*	*-4,3%*	**-0.4%**
Operating free cash flows from continuing operations	**(103,2)**	**-31.8**

INTERCONNECTION SYSTEMS

Revenues reached €286.5 million at the end of 2024, up +19% in reported data compared to 2023 (€241.3 million). This growth was mainly driven by increased volumes, particularly from the A320 program, as well as the favorable effects of commercial initiatives concluded in 2024.

Current EBITDA for the Interconnection Systems division reached €27.5 million, a significant improvement from €0.1 million in the previous year, reflecting the operational leverage resulting from increased volumes, strict cost control and better commercial conditions obtained with customers. The division's free cash flow from continuing operations amounted to €23.7 million, up +€38.6 million compared to 2023. This improvement reflects stronger EBITDA, a release of working capital requirements of €0.9 million, non-recurring costs of €0.8 million and capital investments (capex) of €1.4 million.

Interconnection Systems *(in €m)*	**2023**	**2024**
Consolidated revenue	**241,3**	**288.9**
Reported growth	15,4%	*19.7%*
Current EBITDA	0,1	**27.5**
Current *EBITDA margin on revenue*	**0,0%**	**9.6%**
Operating free cash flows from continuing operations	*(14,9)*	**24.5**

5.1.3. FULL YEAR 2025 OUTLOOK

Fiscal year 2024 was a challenging year for the aerospace supply chain in general, and for Latecoere in particular. These challenges will continue into 2025, with inflationary pressures and challenges specific to the constrained aerospace supply chain environment. Manufacturer volume growth in the commercial aviation, business jet, and defense sub-segments continues to improve overall revenue, but ramping up activity is creating challenges and cost pressures across the industry. To address these challenges, Latecoere continues to invest in its operational platform, people, and geographic footprint, creating a more resilient business model that is better positioned to grow in line with customer demands.

The Group expects further improvements in profitability and cash flow resulting from higher volumes and a focus on improving operational efficiencies across all of the company's business segments. The Group also believes the company is well positioned to capitalize on continued strong market demand for civil, military, and space products. Momentum in customer service and after-sales activities is also robust.

Latecoere's outlook for fiscal year 2025 includes:

- Growth in volumes on most major programs;
- Full-year impact of operational and commercial initiatives launched in 2024;
- Continued effects of inflation on cost and labor structure, largely offset by (i) a reduction in operating expenses and costs recognized in 2024, continuing in 2025; (ii) stabilization of operational indirect costs in a context of volume growth; and (iii) realization of savings through our value creation programs.
- These value creation programs focus on (i) improving costs by optimizing our operations; (ii) improving the efficiency of direct labor at our manufacturing sites; and (iii) achieving savings on our direct purchases and indirect costs;
- Overall EBITDA growth, resulting from the execution of the aforementioned operational and commercial initiatives, an improving supply chain situation and increased activity in the main sub-segments of the commercial, business jet and defense markets; and
- Improvements in operating free cash flow, reflecting improvements in operational and commercial initiatives, partially offset by restructuring costs, increased working capital due to sales growth and key investments to strengthen Latecoere's competitive position.

5.1.4. ANNUAL GENERAL MEETING

Latecoere informs that its General Meeting will be held in Toulouse on June 6, 2025. The related publications will be made accordingly..

5.1.5. POST CLOSING EVENTS

On April 4, 2025, the Company signed an agreement to sell its subsidiary, Malaga Aerospace, Defense & Electronics Systems ("MADES"), to the Cicor Group. The Company will provide further information to the market upon closing of the transaction, which remains subject to conditions precedent, including approval by the Spanish Council of Ministers in accordance with regulations on foreign direct investment in the field of defense (expected in the second half of 2025).

This event does not require an adjustment for 2024, as it did not affect the financial position or results of operations for that period. Therefore, the transaction has not been reflected in the financial statements for the year ended December 31, 2024, but the event and its potential financial effects are disclosed in accordance with IAS 10 as subsequent events.

The subsidiary's activities will be classified as discontinued operations in the consolidated half-year reporting. This transaction is part of Latecoere's overall strategy to invest in its core aerostructures and interconnection systems businesses to meet the growing needs of its customers. The proceeds from this disposal will be used by Latecoere to reduce debt and reinvest in other businesses.

Tariffs: Ongoing trade tensions and the possibility of new tariffs pose risks to our supply chain and pricing strategies. While we are actively collaborating with our suppliers, customers, and trade organizations and exploring potential risk mitigation options, the full impact remains uncertain and could affect our financial results.

5.2. PARENT COMPANY BUSINESS IN 2024

The company's annual accounts as of December 31, 2024, have been prepared in accordance with current regulations, resulting from the application of ANC regulation 2014-03. In addition, the Company may apply, for the accounting treatment of certain specific transactions, the recommendations of the professional accounting plan for the aeronautics and space industry, such as the management of long-term contracts, provisions for industrial risks, and the accounting of certain subsidies.

ACTIVITY

Latecoere, the parent company, achieved a turnover of €488.6 million in 2024. Transactions in dollars are valued at the dollar exchange rate on the day of the transaction.

The 2024 operating result stands at -€66.9 million compared to -€94.2 million in 2023

The financial result amounts to -€33.5M, mainly resulting from provisions on financial fixed assets of -€51.9M (-€51.1M for subsidiary equity securities and -€3.4M for subsidiary loans and €2.5M in write-backs on current account advances) and dividends received from Tac for an amount of €19.1M.

The exceptional result of €11.1 million mainly includes the excess impact of the capital gain on the sale and leaseback of the Périole site of €6 million (the terms of which are detailed in note 1.2 in section 5.8), the reversal of the inventory provision for €6 million, and an allocation to the anti-pollution provision for -€1.6 million.

As of December 31, 2024, the registered workforce is 710 people.

INCOME, ALLOCATION AND DIVIDENDS

The net result is negative at -€ 88,760,921.47 euros. The 2025 Combined Annual General Meeting will be asked not to distribute any dividends for the 2024 financial year and to allocate the entire result to the "retained earnings" account. At the end of the financial year, the share capital of 126,198,047.26 euros includes 12,619,804,476 shares of 0.01 euros compared to 124,967,771.65 euros as of December 31, 2023. Capital increase of December 23, 2024 by issuing 27,750 preference shares at 0.01 euros and by issuing 122,999,811 ordinary shares at 0.01, bringing the new capital to 12,619,804,726 shares at 0.01 euros. The company has not paid dividends in the last three financial years. The total amount of expenses and charges referred to in Articles 39-4 of the General Tax Code amounts to €96,375.

RAW MATERIALS AND WORK IN PROGRESS

The closing balance sheet for the financial year shows a net inventory of raw materials of €8 million (€7 million in 2023). Production and finished goods work in progress amount to €17.2 million, compared to €12 million as of December 31, 2023.

RESEARCH AND DEVELOPMENT COSTS

Research and development expenses are primarily recorded under partnership contracts and do not give rise to patent filings for industrial protection. They amount to €11.2 million and correspond to non-recurring expenses on programs that are re-invoiced to customers. These expenses, financed by the Company, are recorded in work in progress. They will be included in the income statement based on the progress of the contracts concerned, according to the contractual agreements defining, for each program, the number of aircraft retained by the principals. The margin on partnership contracts is recognized based on the progress by integrating all costs of these contracts, including development costs.

The main development programs are undertaken under customer contracts. The associated risks are those described in the program risks. Furthermore, Latecoere does not receive any investment subsidies for development programs.

In some specific cases and on a marginal basis, the Company may be required to file patents.

INVESTMENTS

New asset acquisitions totalled €4.8 million in 2024 (compared to €10.8 million in 2023).

NET FINANCIAL DEBT

- As of December 31, 2024, loans and debts from credit institutions, miscellaneous and bank loans amount to €104.5 million, compared to €93.9 million in 2023. The repayment schedule for loans and financial debts of €104.5 million as of 12/31/2024 is €0.2 million in the short term (less than one year), €94.6 million between 1 and 5 years and €9.7 million beyond that. As part of program financing assistance (mainly A350, Embraer E2), the company obtained repayable advances from the DGAC (Directorate General of Civil Aviation). During the financial year, repayments were made, depending on the contractual conditions and deliveries of the products concerned. At the end of the 2024 financial year, the amount recorded in the balance sheet amounts to €15.9 million under "repayable advances".

INFORMATION ON PAYMENT TERMS

In accordance with the provisions of Article L 441-6-1 para. 1 of the French Commercial Code, the following table summarizes the mandatory information on payment periods (excluding the Group):

	Article D. 441 I.- 1° : Invoices received but not yet paid at the closing date of the fiscal year					Article D. 441 I.- 1° : Invoices issued but not yet paid at the closing date of the fiscal year for which the due date has passed				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) LATE PAYMENT RANGES										
Number of invoices concerned	**495**	**363**	**113**	**256**	**1 227**	**652**	**338**	**160**	**1 711**	**2 861**
Total amount of the invoices concerned in K€, including VAT	**14,798**	**14,071**	**4,908**	**344**	**34,121**	**17,160**	**4,028**	**2,532**	**26,869**	**50,589**
Percentage of total purchases for the year including VAT	2,8%	2,7%	2,3%	0,9%	6,5%					
Percentage of revenue for the year including VAT						3.3%	0,8%	0,5%	5,2%	9.8%
(B) Invoices excluded from (A) relating to disputed or unrecorded debts and receivables										
Number of invoices excluded	**24**	**26**	**12**	**276**	**338**	**No invoices were excluded**				
Total amount of excluded invoices before tax	**-99**	**35**	**43**	**402**	**381**					
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL – ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE COMMERCIAL CODE)										
Payment periods used for the calculation of late payments	The Company has used the contractual terms for the calculation of late payments.					The Company has used the contractual terms for the calculation of late payments.				

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5.3. ACTIVITIES OF THE MAIN SUBSIDIARIES AND SHAREHOLDINGS IN 2024

LATECOERE CZECH REPUBLIC S.R.O.

Latecoere Czech Republic sro, a wholly-owned subsidiary of Latecoere, is located in Prague, Czech Republic. It is the Group's center of excellence for the production of mechanical parts and the assembly of door structures. This company invoices almost all of its production to Latecoere and Latecoere Bulgaria. A sale & leaseback transaction concerning the land and buildings at the Prague site took place in fiscal year 2023.

Revenue increased by 6.7% from CZK 1.5 billion to CZK 1.62 billion, driven by business growth. Net profit amounted to CZK 73.2 million. Investments in 2023 amounted to CZK 57.1 million.

The registered workforce is 444 as of December 31, 2024, a decrease of 4 people compared to December 31, 2023.

LATECOERE DO BRASIL

This subsidiary is 98% owned by Latecoere and 2% by Latecoere Développement.

The objective of this facility is to carry out, given its proximity to Embraer, the final assembly and customization of the fuselage sections of the ERJ 170 / 190 family aircraft, as well as the assembly of the doors. Since 2010, all sections and doors delivered to Embraer have been assembled at this site.

In 2024, Latecoere do BRASIL generated revenues of R$ 318,524.1 million, up 29% from 2023. The business is primarily conducted with Embraer and the parent company. Its workforce as of December 31, 2024, increased compared to 2023, reaching 266 people. Its net income was R$ -12.2 million. The investment level in 2023 was R$ 0.77 million.

LATECOERE MEXICO

The Mexican subsidiary, wholly owned by Latecoere, mainly produces basic parts and assembles doors for the North American market. In 2024, it generated revenue of MXN 577.6 million, up 9% compared to 2023. Revenue is generated entirely with its parent company and other group entities. The 2024 profit is MXN 43.9 million, compared to MXN 12.4 million in 2023. The investment level in 2024 was MXN 23.8 million. The workforce as of December 31, 2024, is 277, compared to 503 in 2023.

On Sunday, February 4, 2024, a fire broke out at the Latecoere component parts production facility in Hermosillo, Mexico. Hermosillo firefighters extinguished the fire without injuries. Damage was limited to the surface treatment and painting building. Machining and sheet metal operations were not directly affected. To minimize disruption to component parts production and plant operations, the surface treatment and painting process was outsourced, and the assembly process was relocated to another building within the plant. This workshop is expected to resume operations by 2026.

LATECOERE BULGARIA

The Bulgarian subsidiary, wholly owned by Latecoere, offers an assembly unit for avionics furniture, aerostructure subassemblies, and doors. In 2024, it generated revenue of BNG 161.7 million, up 46% compared to 2023 following the transfer of the Prague plant and the increase in Airbus activity. Its sales are made mainly with its parent company, Latecoere SA, and the remainder with Latecoere Czech Republic sro (for approximately 9% of the total). The 2024 result is BNG -BNG 1.8 million. The investment level in 2023 amounted to BNG 1.4 million. At the end of the financial year, the workforce was 439.

TECHNICAL AIRBORNE COMPONENTS (TAC)

TAC supplies parts for commercial aircraft, regional and business jets, helicopters, as well as several military programs.

It generated revenue of €37.1 million for the financial year, up 18% compared to 2023, with a net profit of €3.7 million, mainly generated by Airbus. Investment for the period was €2.1 million. The workforce as of December 31, 2024, was 176, compared to 158 as of December 31, 2023.

SHIMTECH DE MEXICO (SDM)

SDM is a supplier of advanced, precision structural composite assemblies and components for the aerospace industry in the U.S. market. The plant is integrated into the Hermosillo industrial hub with Latecoere's other sites to foster synergies and competitiveness.

In 2024, the company generated revenues of MXN 0.3 million, the majority of which came from Latecoere Canada, with the remainder from the parent company. The result was MXN -10.5 million for the year. The workforce as of December 31, 2024, was 76. This entity's 2024 production was reduced.

LATELEC

LATelec, a wholly-owned subsidiary of Latecoere, is the Group's center of excellence in interconnection systems. LATelec fully controls its subsidiaries in Germany, Morocco, Tunisia, Spain, Mexico, and Canada. In terms of strategy, it is firmly focused on its core business, which is the interconnection of onboard electrical systems in the aeronautics and space sectors.

For the financial year ending December 31, 2023, the main results are as follows:

- Turnover amounted to €385.3 million, representing growth of 11% compared to 2023;
- Total operating expenses amount to: €387.5 million;
- The operating result comes to: -€1.5 million;
- The current result before tax comes to: +€10.4 million.

Taking these elements into account, as well as tax and participation, the result for the financial year shows a net profit of €10.4.

The workforce as of December 31, 2024 amounts to 518 people compared to 519 people in 2023.

The year 2024 saw an improvement in activity compared to 2023. LATelec recorded revenue growth of more than 11%, thanks in particular to increased deliveries of Airbus programs and new contracts with Boeing. Customer service and systems activities also contributed to this growth.

Profitability improved as a result of increased activity and better control of fixed costs.

For the year 2025, the company will continue its recovery thanks to:

- the increase in contracts with Boeing
- the growth of Airbus production rates
- new contracts, notably with Kuiper
- despite a drop in activity with the client Dassault.

DATA FROM LATELEC'S SUBSIDIARIES

- SEA LATelec: Total turnover 118.3 million TND, Total net profit 9.6 million TND, workforce as of December 31, 2024: 562 people.
- LATelec GmbH: Total turnover 5.8 million euros, Total net profit at breakeven, workforce as of December 31, 2024: 40 people
- LATsima: Total turnover 501.3 million MAD, Total net profit -7.4 million MAD, workforce as of December 31, 2024: 539 people
- LATelec Canada: Total revenue CAD 0.6 million Total net income -CAD 0.7 million; there are no more employees as of December 31, 2024 because this entity will be closed.
- LATelec Mexico: Total turnover 377.2 million MXN, Total net profit 13.1 million MXN, workforce as of December 31, 2024: 550 people.
- Mades: Total turnover 29 million euros, Total net profit 2.9 million euros, workforce as of December 31, 2024: 96 people

AVCORP

This acquisition , finalized on November 7, 2022, notably strengthens the Group's Aerostructures business through access to key aeronautical platforms (B737 Max and F-35), the expansion of the product portfolio, notably with wing sub-assemblies, and finally production capacities for large-format composite parts.

The acquired subgroup achieved a turnover of CAD 140 million and a net profit of CAD -28.9 million.

The total workforce as of December 31, 2024 amounts to 449 people compared to 466 people in 2023.

5.4. RESEARCH AND DEVELOPMENT EXPENSES

In 2024, total research and development expenditures were €16.1 million (2.3% of revenue). R&T expenditures amounted to €8.9 million, or 1.5% of revenue. In 2023, these cumulative R&D and R&T expenditures amounted to €27.2 million. These expenditures are primarily focused on maturing composite and optical technologies, particularly for our customers' programs under development, and on modernizing production techniques within our factories.

5.5. TRENDS FOR THE COMING YEAR

Fiscal year 2024 was a challenging year for the aerospace supply chain in general, and for Latecoere in particular. These challenges will continue into 2025, with inflationary pressures and challenges specific to the constrained aerospace supply chain environment. Manufacturer volume growth in the commercial aviation, business jet, and defense sub-segments continues to improve overall revenue, but ramping up activity is creating challenges and cost pressures across the industry. To address these challenges, Latecoere continues to invest in its operational platform, people, and geographic footprint, creating a more resilient business model that is better positioned to grow in line with customer demands.

The Group expects further improvements in profitability and cash flow resulting from higher volumes and a focus on improving operational efficiencies across all of the company's business segments. The Group also believes the company is well positioned to capitalize on continued strong market demand for civil, military, and space products. Momentum in customer service and after-sales activities is also robust.

Latecoere's outlook for fiscal year 2025 includes:

- Growth in volumes on most major programs;
- Full-year impact of operational and commercial initiatives launched in 2024;
- Continued effects of inflation on cost structure and labor, largely offset by (i) a reduction in operating expenses and costs recognized in 2024, continuing in 2025; (ii) the stabilization of operational indirect costs in a context of volume growth; and (iii) the realization of savings through our value creation programs.
- These value creation programs focus on (i) improving costs by optimizing our operations; (ii) improving the efficiency of direct labor at our manufacturing sites; and (iii) achieving savings on our direct purchases and indirect costs;
- Overall EBITDA growth, resulting from the execution of the aforementioned operational and commercial initiatives, an improving supply chain situation and increased activity in the main sub-segments of the commercial, business jet and defense markets; and
- Improvements in operating free cash flow, reflecting improvements in operational and commercial initiatives, partially offset by restructuring costs, increased working capital due to sales growth and key investments to strengthen Latecoere's competitive position.

5.6. OTHER INFORMATION

5.6.1. INVENTORY OF LATECOERE'S SECURITIES

In thousands of euros	Number of securities	Gross value	Net value
LATECOERE INTERNATIONAL Inc.	600	541	0
LATECOERE Development	150,003	572	572
LATelec	44,400	177,600	117,900
LATECOERE Czech Republic sro	N / A	20,787	20,787
LATECOERE Do Brasil	30,339,461	13,425	13,425
LATECOERE BIENES RAICES	1	0	0
SEA LATELEC	10	0	0
LATECOERE BULGARIA	200	100	0
LATECOERE INDIA	2,999,999	353	0
LATECOERE LIS UK	1,000	1	1
LATECOERE Mexico	1	7,152	1,786
LATELEC Mexico	1	0	0
Corsica Aeronautical Composites	184 139	2,700	2,700
Technical Airborne Components (TAC)	11,868	37,774	37,774
Shimtech of Mexico	1	1,566	281
Caeli Nova	370,000	941	941
Avcorp	40,802,426	31,856	0
LAT Fi1	1,000	1	1
SUBSIDIARIES AND SHAREHOLDINGS		**295,370**	**196 168**
LATECOERE shares	618,194	5	5
INVESTMENT SECURITIES	**618,194**	**5**	**5**

5.6.2. LATECOERE'S RESULTS OVER THE LAST FIVE FISCAL YEARS

In Euros	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	December 31, 2024
Capital at year-end :					
Share capital	189,637,036	132,745,925	133,912,589	124, 967, 771	126,198,047
Number of existing ordinary shares	94,818,518	530,983,700	535,650,357	12, 496 ,777 165	12,619,804,726
Operations and results for the year :					
Sales excluding taxes	297,264,697	217,321,799	304,888,689	402, 675 ,255	488 573 705
Income before taxes, employee profit-sharing, amortization and provisions	- 62,887,110	-89,804,890	-75,938,023	94, 979 ,385	-31,629,734
Income tax	669,050	236,427	1,710,627	1, 003, 221	601 328
Employee profit-sharing and incentive schemes due for the year	0	-1,200,000	-2,741,532	414 ,151	0
Income after taxes, employee profit-sharing, amortization and provisions	-183,931,490	-81,353,180	-79,177,931	10 ,629, 595	-88 760 921
Amount of the results distributed during the year (including withholding tax)	0	0			
Earnings per share:					
Income after taxes and employee profit-sharing but before amortization and provisions.	-0.7	-0.2	-0.1	0,01	0.00
Income after taxes, employee profit-sharing, amortization and provisions	-1.9	-0.2	-0.1	0,00	-0.01
Dividend paid to each share during the year	0	0	0	0	
Staff :					
Average headcount during the year	833	796	663	660	694
Total payroll for the year	43,052,527	44,075,600	47,681,180	47, 392, 651	44,755,836
Amount paid for employee benefits	16,221,111	16,045,171	18,531,726	18,907,774	20,527,581

5.7. 2024 CONSOLIDATED FINANCIAL STATEMENTS

5.7.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	31 Dec. 2024	31 Dec. 2023
Goodwill	5	17,970	17,970
Intangible assets	6	119,949	132,422
Tangible assets	6	101,679	113,421
Other financial assets	8	6,408	6,151
Deferred taxes	16.2	1,755	3,078
Derivative financial instruments	10.1	-	3,618
Other long-term assets		-	8
TOTAL NON-CURRENT ASSETS		**247,760**	**276,669**
Inventories and work in progress	7	246,396	215,622
Trade and other receivables	9	126,998	116,540
Tax receivables	16.1	4,380	11,810
Derivative financial instruments	10.1	150	3,710
Other current assets	9	11,058	4,647
Cash and cash equivalents	8	59,791	85,423
Assets held for sale		-	-
TOTAL CURRENT ASSETS		**448,773**	**437,751**
TOTAL ASSETS		**696,533**	**714,420**

In thousands of euros	Notes	31 Dec. 2024	31 Dec. 2023
Capital	11.1	126,198	124,968
Premiums related to capital		326,021	327,251
Own shares	11.2	-443	-440
Other reserves		-286,650	-294 134
Derivative financial instruments- effective portion		-36,212	1,532
Result for the period		-60,550	6,159
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**68,365**	**165,335**
NON-CONTROLLING INVESTMENTS		**0**	**0**
TOTAL EQUITY		**68,365**	**165,335**
Borrowings and financial liabilities	14.2	203,359	183 186
Reimbursable advances	14.1	20,543	20,694
Commitments to employees	13	12,379	12,429
Non-current provisions	12	26,169	33,229
Deferred taxes	16.2	6,798	7,826
Derivative financial instruments	10.1	16,235	1,097
Other non-current liabilities	14.1	6,488	6,853
TOTAL NON-CURRENT LIABILITIES		**291,970**	**265,312**
Borrowings and bank loans	14.2	33,909	34,808
Reimbursable advances		2,360	2,254
Current provisions	12	9,075	1,151
Trade and other payables	15	180 173	173,070
Tax payable		3,513	5,597
Contract liabilities		27,100	25,720
Other current liabilities		60,657	36,974
Derivative financial instruments	10.1	19,412	4,200
Liabilities held for sale		0	0
TOTAL CURRENT LIABILITIES		**336,198**	**283,774**
TOTAL LIABILITIES		**628 168**	**549,086**
TOTAL EQUITY AND LIABILITIES		**696,533**	**714,420**

5.7.2. CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	31 Dec. 2024	31 Dec. 2023
Revenue	18	705,825	622,335
Other income from the activity		2,907	432
Stocked production		20,731	-8,169
Purchases and external expenses	19	-422,583	-396,817
Employee expenses	19	- 268,785	-234,644
Taxes		- 7,761	-6,510
Amortization and impairment	6.1	- 37,031	-47,664
Net allocations to operating provisions	19	2,307	-17,968
Net allocation to current assets	19	- 14,150	-2,481
Other income	19	13,973	26,614
Other expenses	19	-11,638	-3,428
CURRENT OPERATING INCOME		**-16,205**	**-68,301**
Other non-current operating income	20	5,982	12,608
Other non-current operating expenses	20	-30,809	-92,582
OPERATING INCOME		**-41,032**	**-148,275**
Cost of net financial debt	21	-12,611	-25,874
Foreign exchange gains and losses	21	-1,719	-1,817
Unrealized gains and losses on derivative financial instruments	21	215	-144
Other financial income and expenses	21	-693	176,293
FINANCIAL RESULT	**21**	**-14,808**	**148,458**
Income tax	22	-4,709	4,569
NET INCOME FROM CONTINUING OPERATIONS		-60,550	4,752
NET INCOME FROM DISCONTINUED OPERATIONS		-	1,406

In thousands of euros	Notes	31 Dec. 2024	31 Dec. 2023
NET INCOME		**-60,550**	**6,158**
• of which attributable to owners of the parent company		-60,550	6,158
• of which attributable to non-controlling investments		0	0
NET INCOME FROM CONTINUING OPERATIONS			
• of which attributable to owners of the parent company		-60,550	4,752
• of which attributable to non-controlling interests		0	0
NET INCOME FROM DISCONTINUED OPERATIONS			
• of which attributable to owners of the parent company		0	1,406
• of which attributable to non-controlling interests		0	0
NET INCOME (GROUP SHARE) PER SHARE			
• basic result	11.1	-0.005	0.004
• diluted earnings	11.1	-0.005	0.004
NET INCOME (GROUP SHARE) PER SHARE			
• basic earnings from continuing operations	11.1	-0.005	0.003
• Net income from continuing operations	11.1	-0.005	0.003
NET INCOME (GROUP SHARE) PER SHARE			
• basic earnings from discontinued operations	11.1	0.000	0.001
• diluted earnings from discontinued operations	11.1	0.000	0.001

5.7.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Note	Dec. 31 2024	31 Dec. 2023
NET INCOME FOR THE PERIOD (1)		**-60,550**	**6 159**
OTHER COMPREHENSIVE INCOME:			
• **Items not subsequently reclassified to net income:**			
Revaluation of net defined benefit liability (asset)	2.23	-440	-962
Tax income (expense) on items not subsequently reclassified		114	249
• **Items subsequently reclassified to net income:**			
Translation differences		-3,194	2 855
Derivative instruments for hedging future cash flows (change in fair value)	10.1	-37,743	17 713
Other comprehensive income		0	
Tax income (expense) on items subsequently reclassified		23	-4 574
TOTAL OTHER COMPREHENSIVE INCOME (2)		**-41,240**	**15 280**
TOTAL COMPREHENSIVE INCOME (1+2)	5.7.5	**- 101,790**	**21 438**

Due to the absence of minority interests, it was decided not to present the overall result - minority share in the table

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5.7.4. CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros		Dec. 31 2024	Dec. 31 2023
Net income for the period		-60,550	6 159
Adjustment for :			
Amortization and provisions		37,198	85 885
Elimination of revaluation gains/losses (fair value)		215	144
(Gain)/loss on disposal of assets		3,553	-628
Other with no impact on cash (*)		- 8,504	-179 725
Other (**)		4,823	947
CASH FLOW FROM OPERATIONS AFTER COST OF NET FINANCIAL DEBT AND TAX		**-23,265**	**-87 219**
Of which cash flow from discontinued operations		**0**	**-11 045**
Income tax expense	22	4,709	-4 569
Cost of financial debt	21	12,611	25 966
CASH FLOW FROM OPERATIONS BEFORE COST OF FINANCIAL DEBT AND TAX		**-5,945**	**-65 823**
Change in inventories net of provisions		- 30,773	-172
Change in trade and other receivables net of provisions		- 1,514	-21 129
Change in trade and other payables		24,346	2 591
Income Tax paid		- 6,194	-4 613
CASH FLOW FROM OPERATING ACTIVITIES		**-20,080**	**-89 145**
Of which cash flow from operating activities related to discontinued operations		**0**	**8 220**
Impact of changes in the scope of consolidation (***)		0	
Acquisition of tangible assets and intangible assets (including change in fixed asset suppliers) (****)	6	- 20,002	-34 320
Acquisition of financial assets		0	0
Change in loans and advances granted		32	-193
Disposal of tangible assets and intangible assets(*****)		5,533	13 031
Dividends received		0	0

In thousands of euros		Dec. 31 2024	Dec. 31 2023
CASH FLOW FROM INVESTMENT ACTIVITIES		**- 14,437**	**-21 482**
Of which cash flow from investment activities from discontinued operations		**0**	**-598**
Capital increase	11	0	124 432
Purchase or sale of treasury shares		-4	45
Issuance of loans	**14.2**	**35,116**	**88 876**
Repayment of loans	14.2	-1,675	-54 826
Repayment of debts on lease obligations	14.2	-10,474	-10 351
Financial interests paid		-13,738	-26 024
Flows related to repayable advances		-46	-423
CASH FLOW FROM FINANCING ACTIVITIES		**9,179**	**121 729**
+/- impact of currency fluctuations		-390	103
CHANGE IN NET CASH FLOW		**-25,728**	**11 205**
Of which cash flow from discontinued operations		**0**	**7 622**
Opening cash and cash equivalents (net of Overdrafts)		85 102	73 897
Closing cash and cash equivalents (net of Overdrafts)		59,374	85 102

* *In 2024, €4.8 million in expenses and income calculated relating to share-based payments*

** *Total acquisitions of tangible and intangible fixed assets differ from the total presented in note 6 due to the inclusion of changes in fixed asset suppliers and the impact of new credit leases having no impact on cash flow.*

*** *In 2023, sales of Gardena and Czech Republic assets. In 2024, sale of the Périole 3 site.*

**** *this is essentially the updating of various loans*

5.7.5. STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Issued capital	Reserves related to capital	Own shares	Reserves and consolidated results	Derivative instruments for hedging future cash flows	Translation differences	Attributable to owners of the parent company	Non-controlling investments	TOTAL
31-DÉC.-2022	**133,913**	**327,265**	**-484**	**-417,926**	**-11,606**	**-11,980**	**19,180**	**0**	**19,180**
Capital transactions (*)	-8,945	-14	0	133,390	0	0	124,432	0	124,432
Share-based payments	0	0	0	241	0	0	241	0	241
Treasury shares transactions	0	0	45	0	0	0	45	0	45
Transactions with Shareholders	-8,945	-14	45	133,631	0	0	124,717	0	124,717
Net Income of the Year (1)	0	0	0	6,159	0	0	6,159	0	6,159
Derivative instruments for hedging future cash flows (Change in fair value and release to income)	0	0	0	0	13,138	0	13,138	0	13,138
Translation differences : changes & release to income	0	0	0	0	0	2,855	2,855	0	2,855
Other variations (**)	0	0	0	-714	0	0	-714	0	-714
Other comprehensive income (2)	0	0	0	-714	13,138	2,855	15,280	0	15,280
TOTAL COMPREHENSIVE INCOME (1)+(2)	**0**	**0**	**0**	**5,444**	**13,138**	**2,855**	**21,438**	**0**	**21,438**
31 déc. 2023	124,968	327,251	-439	-278,850	1,532	-9 125	165,335	0	165,335
Capital transactions (*)	1,230	-1,230	0	0	0	0	0	0	0
Share-based payments	0	0	0	4,823	0	0	4,823	0	4,823
Treasury shares transactions	0	0	-4	0	0	0	-4	0	-4
Transactions with Shareholders	1,230	-1,230	-4	4,823	0	0	4,819	0	4,819
Net Income of the Year (1)	0	0	0	-60,550	0	0	-60,550	0	-60,550
Derivative instruments for hedging future cash flows (Change in fair value and release to income)	0	0	0	0	-37,743	0	-37,743	0	-37,743
Translation differences : changes & release to income	0	0	0	0	0	-3,194	-3,194	0	-3,194
Other variations (**)	0	0	0	-303	0	0	-303	0	-303
Other comprehensive income (2)	0	0	0	-303	-37,743	-3,194	-41,240	0	-41,240
TOTAL RESULTAT GLOBAL (1)+(2)	**0**	**0**	**0**	**-60,853**	**-37,743**	**-3,194**	**-101,790**	**0**	**-101,790**
31 DÉC. 2024	**126,198**	**326,020**	**-443**	**-334,879**	**-36,212**	**-12,319**	**68,365**	**0**	**68,365**

* *Capital increase of 124 million euros in 2023, and 1.2 million euros in December 2024*

** *Main impact related to the revaluation of the discount rate on employee benefit obligations*

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5.7.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES

INFORMATION ABOUT THE GROUP

Latecoere is a public limited company under French law, domiciled at 135 rue de Périole 31000 Toulouse – France, listed on the Euronext Paris stock exchange FR001400JY13 - LAT). The consolidated financial statements of the Latecoere Group for the year ended December 31, 2024, include the parent company and its subsidiaries (together referred to as the Group) and the Group's share in associates. The Group's consolidated accounts were approved by the Board of Directors on April 18, 2025. These accounts will be submitted for approval to the Annual General Meeting scheduled for June 6, 2025.

NOTE 1 | HIGHLIGHTS

1.1. GEOPOLITICAL CONTEXT AND SIGNIFICANT EVENTS HAVING AN IMPACT ON THE FINANCIAL SITUATION OF THE GROUP

The business continued its solid growth trajectory from 2023 onwards, as the industry restarts production after the COVID crisis. The business focused on optimizing operational production for customers despite a challenging environment, a fragile *supply chain* with many suppliers, particularly in the aerostructures segment, struggling to ramp up, and significant inflation, particularly in wages, raw materials, and energy. By focusing on the current supply chain challenges and pursuing its operational transformation, the Group plans to continue strengthening its business and will take full advantage of the ongoing recovery in the aerospace and defense industry. The implementation of the strategy has contributed to the recent winning of commercial contracts in the areas of aerostructures and interconnect systems in North America and Europe, both with existing and new customers. On Sunday, February 4, 2024, a fire broke out at Latecoere's elementary parts production facility in Hermosillo, Mexico. The Hermosillo Fire Department extinguished the fire without causing any injuries. Damage was limited to the surface treatment and painting building. Machining and sheet metal operations were not affected. Latecoere has established a dedicated team to manage the aftermath of this incident. To date, the estimated financial impact is €2.7 million, primarily comprised of: Depreciation of inventories of 4.1 million euros; Depreciation of damaged industrial assets for approximately 1.4 million euros; Insurance benefit received in advance for an amount of 5 million euros;

B787 program delivery delays from February 2024 to May 2024, while the supply chain was reorganized, resulting in additional production costs. A claim has been filed with the Group's insurance companies to cover material damage and operating losses due to business interruption. The financial consequences of these events, including the receipt of an insurance advance, have been fully recognized in the 2024 financial statements.

1.2. FINANCIAL RESTRUCTURING

Restructuring of financial liabilities

The debt restructuring enacted by this 2023 conciliation protocol concerns the State-guaranteed loans ("PGE") and the EIB loan, subject to the condition precedent of a capital increase of a minimum amount of €100 million carried out in November 2023. For all remaining bank loans, the contractual characteristics have been modified as follows:

- The final maturity date of these loans has been extended to 12/31/2027;
- The initial capital repayment terms (quarterly or annual) are changed to a single repayment on the maturity date of the loans;
- Interest rates have been revised effective from the "2023 Completion Date" (2023 Interest Rate Notification by Lenders).

Continued financing of inventories

In 2024, transfers of ownership of stocks continued between Latecoere and LATFI1. These financing securities create a debt of LATFI1 towards a creditor ACOFI.

LATFI1 owns the stocks sold by Latecoere and these stocks serve as counter-guarantee for the issue of bonds.

The inventories concerned are raw materials, basic parts and components, and work in progress. The transfer of inventory from Latecoere to LATFI1 takes place weekly. This service is regulated by a service contract. Each weekly cycle:

- In the event of a drop in stocks, LATFI1 will re-invoice the amounts of stocks used.
- In the event of an increase in stocks, the Latecoere company will re-invoice the additional amounts stored.

Invoice payments (regardless of the company) are made on the 5th business day following the end of a month.

These operations being inter-company operations by nature, they have no impact on the Group's results.

Sale & Lease Back Operations

In 2024, the Périole lot 3 real estate complex was sold for €9.3 million. A rental contract was simultaneously signed by Latecoere and took effect in April 2024, for a period of 15 years.

1.3. GOING CONCERN

The Latecoere Group has concluded a conciliation procedure with its creditors, its main shareholder (Searchlight Capital Partners) and the French State, approved on June 16, 2023, providing for:

- Reducing its debt by 185 million euros,
- The extension of the maturity of the residual "PGE" debt lines by 85 million euros to the end of 2027,
- A capital increase finally subscribed to the tune of 124 million euros.

This restructuring has reduced the burden of its financial debt. In 2024, the group continued to face operating conditions made complex by the investments and industrial and logistical reorganization operations it undertook to increase production rates, by disruptions in the supply chain caused by supplier delays and by inflationary pressures on its costs not reflected in sales prices.

Latecoere recorded a current EBITDA of €25.7 million in 2024, a significant improvement compared to the loss of €(18.5) million recorded in 2023. This turnaround was mainly supported by the operating leverage from the increase in volumes and the positive effects resulting from the operational and commercial initiatives carried out by the Group. However, these improvements are still partially offset by the continued inflationary pressure on material costs and persistent supply chain disruptions during the ramp-up of operations.

The group has notably renegotiated with some of its main commercial partners the price and payment conditions to be applied over the coming years.

The management of Latecoere SA has assessed the Group's ability to continue its activities for at least the next twelve months from the balance sheet date and the date of publication of these financial statements ending December 31, 2024.

The assessment takes into account the current financial situation and projected cash flows over a horizon extending to 2027. The development of cash flows is based on the following fundamentals:

- The sales price assumptions are based on current contracts and include the effects of renegotiations;
- The essential assumptions for the production ramp-up are in line with the aircraft manufacturers' order book and market consensus and have been shared with the group's main customers for whom Latecoere is the exclusive or essential supplier;
- A discount has been applied to efficiency and cost-saving targets, particularly those related to transformation plans. The EBITDA percentage, between 2025 and 2027, is within the range of a panel of comparable players in the aeronautics sector.

Risks that could impact production (and therefore cash flow) remain: insufficient ramp-up, customer-imposed delivery halts, supply chain failures, and poor production quality. The company has incorporated negative risks in this regard into these forecasts, but these risks carry an inherent degree of uncertainty that the company cannot fully cover.

By mid-2026, the projected cash position is consistent with the going concern principle, without taking into account new financing lines or disposals, even though the group is continuing to take action in this area to strengthen its liquidity. Furthermore, we remain attentive to ongoing trade tensions and the possibility of new customs tariffs, which represent risks for our supply chain and pricing strategies.

In view of the projections made, the group also anticipates respecting the covenants associated with its financing lines, namely:

- Minimum cash commitment: 20 million euros (tested quarterly);
- Positive current EBITDA in 2024;
- Net current LTM EBITDA ratio (current EBITDA determined over the last 12 months) / debt less than 7.0x as of June 30, 2025, and 5.0x as of December 31, 2025.

It is on this basis, and while maintaining a process of close monitoring of actions to strengthen the liquidity available to the group, that management has based the principle of going concern used to prepare its financial statements.

1.4. OPERATIONAL GROUP RESTRUCTURING

On April 4, 2025, the Latecoere Group signed a definitive agreement to sell its subsidiary, Malaga Aerospace, Defense & Electronics Systems ("MADES"), to the Cicor Group. The company will provide further information to the market upon completion of the transaction, which remains subject to conditions precedent, including approval by the Spanish Council of Ministers, in accordance with regulations governing foreign direct investment in the defense sector (expected in the second half of 2025).

NOTE 2 | ACCOUNTING PRINCIPLES

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated accounts for the 2024 financial year are prepared in accordance with the IFRS framework as published by the IASB and adopted by the European Union on the date of approval of the consolidated accounts by the Board of Directors.

The IFRS framework includes IFRS standards, IAS (International Accounting Standards), as well as their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The financial statements are presented in K€ rounded to the nearest thousand euros.

They are prepared on the basis of historical cost, except for the following assets and liabilities measured at fair value: derivative financial instruments, financial instruments held for trading, financial assets and liabilities designated at fair value through profit or loss.

2.2. APPLICATION OF APPLICABLE STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE FINANCIAL STATEMENTS

New standards, interpretations and amendments to IFRS standards mandatory from 1 January 2024:

- IFRS 9: Financial Instruments: Although this standard has been in effect since 2018, some of its provisions were amended in 2024. These changes concern the classification, measurement and recognition of financial instruments, such as shares, bonds and derivatives.
- IFRS 15: Revenue from Contracts with Customers: This standard, which replaces IAS 18 and IAS 11, focuses on the recognition of revenue based on the satisfaction of performance obligations.
- IFRS 16: Leases: already in force since 2019, this standard required adjustments in 2024, particularly for the accounting of long-term leases.

New standards, interpretations and amendments to IFRS standards published but not yet applicable or not applied in advance by the Group:

- Amendments to IAS 1 - Classification of liabilities as current and non-current and non-current liabilities with covenants
- Amendments to IFRS 16 - Lease Liabilities in a Sale and Leaseback Transaction
- Amendments to IAS 7 and IFRS 7 - Supplier Financing Arrangements
- Amendments to IAS 21 – Lack of Convertibility

2.3. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Group's management to make estimates and assumptions that have an impact on the application of accounting policies and on the amounts of assets and liabilities, income and expenses.

The Group makes assumptions and regularly establishes estimates on these bases relating to its various activities. These estimates are based on its past experience and other factors considered reasonable under the circumstances. The Group's management regularly reviews these estimates and assumptions based on experience and various other factors considered reasonable to estimate the carrying amount of assets and liabilities.

The impact of changes in accounting estimates is recognized in the period of the change if it affects only that period or in the period of the change and subsequent periods if they are also affected by the change.

The use of estimates and assumptions has been established with reference to the current environment, in particular for the estimates presented below:

- the assessment of goodwill (note 5);
- future cash flow assumptions and discount rates used for impairment tests on goodwill, intangible and tangible assets based on the 2024-2028 business plan approved by the Board of Directors (note 6);
- assessment of inventory depreciation (notes 2.15 and 7);
- fair value measurement of financial instruments and derivatives (note 10);
- assessment of provisions (note 12);
- fair value valuation of the financial liability linked to the Return to Better Fortune clause provided for in the conciliation protocol signed on June 9, 2023 (note 1.2 and 14)
- assessment of deferred taxes (note 16.2).

As of December 31, 2024, the estimates and assumptions used in the consolidated financial statements were determined based on the information in the Group's possession at the date of closing of the accounts, in particular concerning commercial information (order book and rates) communicated by the various aircraft manufacturers and information from the outlook for the aeronautics market and taking into account ongoing commercial negotiations.

Risks induced by climate change

The judgments and estimates used by the company to prepare the financial statements take into account the current assessment of risks induced by climate change, whether physical, regulatory, or related to customer expectations.

To date, the company has not identified any significant climate-related risk whose financial consequences could result an impact on its accounts.

An initial analysis of the risks and opportunities facing climate change was carried out with specialist consultants (ECODEV) and shared with the Executive Committee.

These risks include transition risks (political, legal, technological, market transition, reputation linked to the transition) and climate risks (extreme and chronic).

Latecoere will conduct a more comprehensive analysis of its resilience to climate challenges, while integrating the current results of the risk and opportunity analysis into a more detailed site-by-site review planned for 2025. This analysis will cover the entire Group and will provide a more detailed assessment of each climate-related risk.

Latecoere is developing its capacity to publish the estimated anticipated financial effects of significant physical and transition risks, as well as mitigation measures and resources.

Aware of environmental issues, Latecoere has formalized a sustainable development policy in line with the definition of its purpose "Serving the aerospace sector with innovative solutions for a sustainable world".

Based on all the new analysis elements planned for 2025, Latecoere should also be able to specify the ability of its strategy and business model to adjust to climate change in the short, medium, and long term. CO^2 emissions targets have been calculated for the Group.

Every two years, an environmental week is organized to raise awareness among the company's managers and employees on environmental issues (sustainable development/CO^2, climate fresco, etc.).

The details of these points are presented in part 4.2.1. Climate change (E1) of this reference document.

2.4. SUBSIDIARIES

Companies controlled directly or indirectly by Latecoere are consolidated using the global integration method.

Control of a company exists when the Group:

- holds power over society;
- is exposed or entitled to variable returns due to its links with the company;
- has the ability to exercise power over the activities deemed relevant to the company in such a way as to influence the amount of returns it obtains.

The full consolidation method involves integrating all assets, liabilities, income and expenses. The portion of assets and liabilities, as well as the portion of results attributable to non-controlling interests, is recognized as non-controlling interests in the balance sheet and consolidated income statement. Subsidiaries are included in the scope of consolidation from the date control is acquired.

All transactions between consolidated subsidiaries are eliminated, as are internal Group results (capital gains, profits on stocks, dividends).

2.5. ASSOCIATED COMPANIES

Associates are entities in which the Group exercises significant influence over the financial and operational policies without having sole or joint control. Significant influence is presumed when the Group's interest is greater than or equal to 20%. The consolidation method used is the equity method, which consists of recognizing on the balance sheet an amount reflecting the Group's share in the net assets of the associate, increased, where applicable, by the goodwill generated by the original acquisition.

2.6. EXIT FROM SCOPE

The exit of a company from the scope of consolidation is effective on the date on which control or significant influence is lost.

The sale of securities resulting in a loss of exclusive control will be recognized in the income statement and the income from disposals will be calculated on the basis of the entire shareholding at the date of the transaction.

2.7. ELIMINATION OF INTRA-GROUP TRANSACTIONS

Transactions between consolidated subsidiaries are eliminated in full, as are the resulting receivables and payables. The same applies to the Group's internal results (dividends, results of disposals) which are eliminated from the consolidated result.

2.8. METHOD OF TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currencies are converted into euros using the exchange rate on the day of the transaction. Monetary assets and liabilities recorded in the balance sheet at the closing date are revalued at the exchange rate of that date. Differences arising from this revaluation are recognized in the income statement.

2.9. FINANCIAL STATEMENTS OF FOREIGN ENTITIES

Assets and liabilities of consolidated entities whose functional currency is not the euro are translated at the closing rate, except for the equity of each entity, which is translated at the historical rate. Income and expenses are translated at the exchange rates prevailing at the dates of the transactions or, in practice, at a rate which approximates the average rate for the period, except in the case of significant exchange rate fluctuations. Exchange differences resulting from these translations are recognized in consolidated equity (translation adjustment in other comprehensive income).

In accordance with IAS 21, exchange differences relating to permanent financing forming part of the net investment in a consolidated subsidiary are recognized in equity (in the translation reserve). On subsequent disposal of these investments, the cumulative exchange gains and losses recognized in equity will be recorded in the income statement.

2.10. BUSINESS COMBINATIONS

Assets, liabilities and contingent liabilities acquired in business combinations are recognized and measured at fair value using the purchase method.

For each business combination, the acquirer shall, with certain exceptions, measure any non-controlling interest either at fair value (full goodwill method) or on the basis of the acquirer's share of the acquiree's identifiable net assets measured at fair value at the acquisition date. In the latter case, no goodwill is recognized for non-controlling interests (partial goodwill method).

The goodwill determined at the date of acquisition of control therefore corresponds on this basis to the difference between:

- The purchase price, generally measured at fair value at the acquisition date, plus the amount of any non-controlling interest in the acquiree measured as described above, and, in the case of a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree;
- The net balance of the amounts of identifiable assets acquired and liabilities assumed measured in accordance with IFRS 3 at the acquisition date.

The Group has a period of 12 months from the date of acquisition to finalize the accounting for a business combination, including any "measurement period adjustments".

These relate in particular to additional information that the acquirer has obtained after the acquisition date about facts and circumstances that existed at that date.

The consideration transferred in a business combination shall be measured at the fair value at the acquisition date calculated as the sum of the fair values of the assets transferred and the liabilities incurred by the acquirer to the previous owners of the acquiree and the equity interests issued by the acquirer. Any earn-outs at the acquisition date are systematically taken into account in this initial measurement of the consideration transferred, based on a probability scenario.

Any changes in the fair value of the consideration transferred that the acquirer recognizes after the acquisition date and that do not correspond to the measurement period adjustments mentioned above, such as the achievement of a profit or loss objective that differs from initial expectations, are mainly recognized as follows:

- The change in fair value corresponding to the portion of the consideration transferred that is classified as an equity instrument shall not be remeasured and its subsequent settlement shall be recognized in equity when it occurs;
- The change in fair value corresponding to the portion of the consideration transferred that is classified as an asset or liability meeting the definition of a financial instrument within the scope of IFRS 9 must be recognized in profit or loss (including the impact of accretion), or in other comprehensive income, as appropriate.

From the date of acquisition, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs defined by the Group. These CGUs or groups of CGUs, to which goodwill is allocated, are tested for depreciation (note 2.13) on an annual basis, or whenever events or circumstances indicate a potential impairment.

The Group recognizes the costs associated with the acquisition of a subsidiary as expenses over the periods in which the costs are incurred and the services are received. In the case of the issuance of equity instruments or debt-related transactions relating to the acquisition of a subsidiary, the related costs are allocated to equity or debt respectively in accordance with IFRS 9 and IAS 32.

2.11. INTANGIBLE FIXED ASSETS

Goodwill

Goodwill is detailled in note 2.10

Other intangible assets

Nature and evaluation

Intangible assets are identifiable non-monetary assets (arising from a legal right or that can be sold, transferred, leased or exchanged separately or together with a contract, another asset or liability), without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes.

Intangible assets must meet the following criteria:

- probability of obtaining future economic benefits attributable to that asset;
- reliable measurement of the cost of the asset.

Fixed assets acquired in a business combination

Intangible assets acquired in a business combination are recognized at their fair value separately from goodwill.

Fixed assets acquired separately

Intangible assets acquired separately are initially measured at cost in accordance with IAS 38.

Development costs

Development costs are expensed. Development costs are capitalized under IFRS if all the following criteria are met:

- the technical feasibility of completing the intangible asset so that it can be put into service or sold;
- the intention to complete the intangible asset and use or sell it ;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of technical, financial and other resources to complete the development and use or sell the intangible asset;
- the ability to reliably estimate expenses.

To date, the Group's development expenses are mainly incurred under "Design & Build" type partnership contracts.

Amortization and depreciation methods

The amortization method used reflects the rate at which the economic benefits of the asset are consumed by the company.

The intangible assets held by the Group are mainly:

- brands that are considered to have an indefinite life
- licenses, order books and customer relationships, which are amortized on a straight-line basis over the estimated period of economic benefits derived from them;
- development costs ;
- software and other licenses (amortized over 4 years).

Intangible assets are amortized over their useful life. With the exception of brands, the Group does not hold any intangible assets with an indefinite life. If there is an indication of impairment, a depreciation test is performed as described in note 2.13. Any impairment is recognized in operating result under "other non-recurring operating income and expenses".

2.12. TANGIBLE ASSETS

Tangible assets are stated at their directly attributable cost (including purchase price, taxes paid and direct purchase costs) less accumulated amortization and impairment.

Subsequent expenditures on tangible assets are recognized as an expense in the period in which they are incurred if they maintain the asset's level of performance. They are added to the book value of the initial asset when the future economic benefits exceed the initial level of performance and their cost can be reliably measured.

Where applicable, the total cost of an asset is allocated to its various components if the useful lives are different. As a result, each asset is amortized over a separate period. The Group has defined families of assets that can be broken down and the useful lives of the components thus determined.

Given that the assets acquired by the Group are not intended to be resold before the end of their economic life, no residual value has been applied to the various fixed assets.

The method of amortization reflects the pattern of consumption of the future economic benefits associated with the asset.

If there is an indication of impairment, a depreciation test is performed as described in note 2.13.

Any impairment is recognized in the operating result under "non-recurring operating income and expenses".

Subsidies received by the Group in connection with the financing of industrial fixed assets are recorded as a deduction from the original value of the asset.

All amortization associated with the assets is shown below.

Family	Amortization period
Construction	15 - 40 years
General facilities	5 -20 years
Technical facilities	6 2/3 – 20 years
Tools	3 years
Electronic equipment	5 years
Computer equipment	2 - 10 years
Transport equipment	4 years
Office equipment	6 2/3 years
Furniture	10 years

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2.13. FIXED ASSET DEPRECIATION

The book values of the Group's fixed assets (other than deferred tax assets) are reviewed at each balance sheet date to assess whether there is any indication that an asset may be impaired. If such an indication is identified (decline in market value or accelerated obsolescence for example), a depreciation test is performed.

For intangible assets not yet available for use or with an indefinite useful life and for goodwill, this depreciation test is performed at least once a year.

The depreciation test consists of comparing the book value of the asset or group of assets concerned with its recoverable amount.

The recoverable amount of an asset is the higher of its fair value less exit costs and its value in use. Fair value is the price that a knowledgeable market participant would be willing to pay, net of costs associated with the disposal that would be incurred by the group.

To determine the fair value of an asset, the Group uses:

- cash flow forecasts (after income tax) based on assumptions that retain the asset in its current state and represent the best estimate of the economic conditions that will exist during the remaining useful life of the asset;
- the after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The discount rate does not reflect the risks that were taken into account when estimating future cash flows;
- when available, observable market values, supported where appropriate by expert valuation reports.

A depreciation is recognized whenever the book value of an asset exceeds its recoverable amount.

The recoverable amount must be estimated for each individual asset. If this is not possible, IAS 36 requires a company to determine the recoverable amount of the cash-generating unit to which the asset belongs.

Assets are therefore "attached" to Cash Generating Units (the smallest identifiable group of assets whose continuing use generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets).

As the fixed assets used in each of the Group's business segments are not specific to one activity or branch, but can be used by the entire sector (cash inflows are not independent of each other), the Cash Generating Units used are the various Group business segments taken individually.

- CGUs of Aerostructures Branch
  - STRUCTURES (formerly AEROSTRUCTURES LEGACY)
  - AVCORP
  - TAC
- CGUs of Interconnection System Branch
  - INTECONNECTION SYSTEMS
  - MADES

An impairment recognized in respect of a Cash Generating Unit is allocated first to reduce the book value of any goodwill allocated to that Cash Generating Unit, and then to reduce the book value of the other assets of the Unit, pro rata to the relative values of each asset in the CGU, but not below the fair value net of exit costs of each individual asset if determinable, or below its fair value.

An impairment recognized in respect of goodwill cannot be reversed.

An impairment recognized for another asset is reversed if there has been a change in the estimates used to determine the recoverable amount.

The book value of an asset, increased as a result of the reversal of an impairment, must not exceed the book value that would have been determined, net of amortization, if no impairment had been recognized.

Additional information on depreciation and sensitivity testing of the model is provided in note 6.2.

2.14. BORROWING COSTS

Borrowing costs directly attributable to the acquisition of tangible assets and intangible assets requiring at least 12 months' preparation before being put into service are included in the gross value of these so-called "qualified" assets. The gross value of the Group's inventories that meet the definition of a qualifying asset under IAS 23 "Borrowing Costs" is also adjusted.

When a qualifying asset is financed by a specific loan, the additional cost included in its gross value corresponds to the interest actually recorded over the period, net of income received on funds not yet used. Where a qualifying asset does not benefit from a specific loan, the capitalized borrowing cost corresponds to the average general borrowing rate over the period.

2.15. INVENTORIES AND WORK IN PROGRESS

Nature and evaluation

Materials

The gross value of raw materials and supplies includes purchase price and incidental costs. Inventories of materials are valued using the weighted average cost method.

Work in progress and semi finished goods

The gross value of work in progress and semi-finished products is valued using the full cost method. Non-production costs (financial costs, marketing costs, unsolicited quotations, administrative costs, etc.) are excluded from this valuation.

Depreciation method

Inventory write-downs are recognised after analysing future requirements by type, based on average and long-term build rates and plans provided by aircraft manufacturers. Provisions for impairment may also be booked when the net realisable value of the inventories concerned is less than their book value in accordance with IAS2.

2.16. RECOGNITION OF REVENUE

Revenues are recognized under IFRS 15 according to the following criteria:

- for door manufacturing contracts (“design & build” type contracts), sales of mass-produced components are recognized on delivery. Development costs (NRC “Non recurring cost”) are presented as intangible assets, as they correspond to an identifiable asset based on a contractual obligation. These costs are amortized using the external milestone method (number of aircraft delivered). Advances received (or pre-financing) in respect of development costs are recognized in the balance sheet under "Contract liabilities" and converted into revenues when the products are delivered.
- for other types of contracts (excluding services), revenue is recognized when control of the goods is transferred, generally on the date of delivery.
- for service contracts, revenue is recognized on the basis of the percentage of completion of costs when the transfer of control is continuous or on completion of the service when the transfer of control is at a specific point in time. The Group generally uses the percentage-of-completion method to measure the progress of its projects: revenue is recognized on the basis of costs incurred to date, compared with all costs expected to be incurred on completion.

2.17. LEASES (IFRS 16)

All property leases and main fleet leases (vehicles, handling equipment, etc.) are accounted for in accordance with IFRS 16.

At the start of the lease, the following are recorded:

- A lease liability equal to the present value of the lease payments to be made over the estimated term of the lease (fixed rental payments + variable rental payments indexed to an index or rate + payments under a residual value guarantee + price of exercising a purchase or renewal option if the exercise is reasonably certain + early exit penalty unless unlikely),
- A right of use equal to the lease liability plus any payments made prior to the start of the contract, initial direct costs relating to the contract (commissions and fees) and the costs of refurbishment or dismantling.

The duration of the lease is determined by taking into account the contractual provisions and those of the applicable legislative framework.

Subsequent to initial recognition of the lease:

- The lease liability is measured at amortized cost using the effective interest rate, which is equal to the discount rate used at inception.
- The right of use is amortized on a straight-line basis over the lease term or over the useful life of the underlying asset if the exercise of a purchase option is reasonably certain. A loss of value of the right of use may be recognized where applicable.

In the event of a change in the payments to be made as a result of a change in an index or rate, the lease liability is recalculated using the original discount rate, which depends on the nature of the contract and its geographical area.

In the event of an extension of the lease term following the exercise of a renewal option not initially taken into account, the lease liability is recalculated using a discount rate determined at the exercise date.

In these cases, the change in the amount of the debt is offset by a change in the right of use of the same amount.

These leases are recorded under "Future lease payments" on the liabilities side and under "Rights of use" on the assets side. They are amortized over the term of the contract, which generally corresponds to the non-cancelable term of the contract adjusted for the intervals covered by any extension option that the lessee is reasonably certain to exercise and any termination option that the lessee is reasonably certain not to exercise.

In the income statement, and due to the balance sheet accounting mentioned above, leases are recorded partly as amortization expenses in the operating margin and partly as interest expenses in the financial result.

The tax impact of this consolidation restatement is taken into account through the recognition of deferred taxes.

In the cash flow statement, lease payments are presented in "Cash flows from financing activities" under "Issuance (repayment) of borrowings" for the amount allocated to the repayment of "Future lease payments", and under "Interest paid" for the amount allocated to the payment of interest on "Future lease payments ".

In France, for the so-called "3/6/9" commercial leases, the term initially adopted at the time of the implementation of IFRS 16 was 9 years. The IFRIC clarified in December 2019 that the term to be used for the measurement of lease assets and liabilities should reflect the term over which the lessee is reasonably certain to continue the lease. The Group performs an analysis of the so-called "3/6/9" commercial leases every year and the terms of these contracts are adjusted if necessary in accordance with the IFRIC decision.

In order to simplify matters, as permitted by the standard, the Group has chosen to exclude from the scope of IFRS 16 short-term leases or leases for low-value assets. Payments under these contracts are expensed over the term of the lease.

During the year, sale and leaseback operations were carried out on assets in Gimont and Prague. The operations were considered in two stages, with an analysis on the land and on the building in a second stage. For each asset, an analysis was performed to determine whether the disposal constituted a sale under IFRS 15 and then the rules applicable to leases set out above were applied. If the disposal does not constitute a sale within the meaning of IFRS 15, the treatment of the assets continues as before the disposal with an IFRS 9 liability as counterpart and the gains and losses realized in the transaction are neutralized.

2.18. FINANCIAL ASSETS AND LIABILITIES

The Group applies IAS 32, IFRS 9 and IFRS 7. These standards define four categories of financial assets and two categories of financial liabilities:

- financial assets and liabilities at fair value through the income statement: These are derivatives that do not qualify for hedge accounting and cash investments designated at fair value through the income statement;
- available-for-sale financial assets measured at fair value with changes in fair value recognized in other comprehensive income (the Group does not hold such assets);
- held-to-maturity financial assets measured at amortized cost: no assets are currently included in this family;
- loans and receivables obtained by the company valued at amortized cost;
- They are accounted for at amortized cost using the effective interest rate method.

These financial assets and liabilities are broken down in the balance sheet into current and non-current items according to their maturity date of less or more than one year.

Derivative instruments

The Group uses derivative financial instruments such as foreign currency hedging contracts to hedge its current or future foreign exchange positions. The derivative instruments used by the Group are forward sales and purchases of currencies and combinations of options. The fair value of derivative instruments is assessed by an independent firm. It takes into account the value of the derivative instrument on the closing date (mark to market). Derivative instruments are accounted for on the trade date.

The Group generates a significant portion of its revenues in US dollars. In view of the importance of these flows, a strategy for hedging future flows in this currency has been put in place in accordance with the following principles:

- hedging of a portion of estimated future cash receipts with certain customers;
- taking into account the probability of realisation of these future flows; This allows the hedging needs of each underlying to be assessed for the purposes of hedge accounting.

Derivative instruments that are subject to hedge accounting have been documented in accordance with IFRS 9. Depending on the nature of the hedged item, the Group uses two forms of accounting:

- fair value hedges, which hedge the exposure to changes in the fair value of an asset or liability recognized in the balance sheet as a result of changes in interest rates or exchange rates ;
- cash flow hedges, which hedge the exposure to changes in future cash flows of existing or future assets or liabilities.

Hedges of future cash flows that qualify for hedge accounting are treated in the Group's consolidated financial statements as follows :

- the effective portion of the gain or loss on the hedging instrument is recognized directly in equity (net of deferred tax); the ineffective portion and the time value of the options (unqualified) are recognized immediately in the financial result;
- gains or losses recognized in equity are recognized in the income statement in the period in which the hedged item is recognized in the income statement, such as when the forecast revenue is realized.

At each balance sheet date, the fair value of each hedging instrument is updated and the effectiveness test for each hedge is updated. If a hedge is found to be ineffective at the end of the test, hedge accounting is discontinued. Certain financial instruments are not treated as hedging instruments because they do not meet the qualification criteria set by IFRS 9. In this case, gains or losses resulting from changes in the fair value of these instruments are recognized in the financial result.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Bank overdrafts repayable on demand and receivables financing (which do not meet the criteria for deconsolidation of assets) that are an integral part of the Group's cash management are a component of cash and cash equivalents for the purposes of the cash flow statement. Short-term, highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value are considered to be cash equivalents. These investments are measured at fair value.

Borrowings

On initial recognition, borrowings are recorded at fair value, to which transaction costs directly attributable to the issuance of the liability are charged. Borrowings are measured at amortized cost using the effective interest rate method.

In the event of renegotiation, borrowings that do not give rise to derecognition are maintained at the original effective interest rate and the impact of the renegotiation (gain or expense) is recognized immediately in the income statement.

Determination of the market value

Financial assets and liabilities at fair value through profit or loss and derivatives qualifying as hedging instruments are measured and recognized at their market value, both at the date of initial recognition and at the subsequent measurement date.

The market value is determined:

- either from prices quoted on an active market;
- or from a recovery technique using:
  - mathematical calculation methods based on recognized financial theories
  - parameters whose value is determined, for some, from the prices of instruments traded on active markets and for others, from statistical estimates or other quantitative methods

The distinction between the two valuation methods depends on whether the market in which the instrument is traded is active or not.

For a given instrument, a market is considered to be active and therefore liquid if transactions are regularly carried out or if transactions are carried out on instruments that are very similar to the instrument being valued.

In accordance with IFRS 13, the Group has distinguished three categories of financial instruments according to the impact of their characteristics on their valuation method and uses this classification to make certain disclosures required by IFRS 7:

- Level 1 category "Market Price": financial instruments listed on an active market;
- Level 2 category "Model with observable parameters": financial instruments whose valuation involves the use of valuation techniques based on observable parameters;
- Level 3 category "Model with unobservable parameters": financial instruments whose valuation involves the use of valuation techniques based on unobservable parameters; An unobservable parameter is defined as a parameter whose value results from assumptions or correlations that are not based on observable market transaction prices for the same instrument at the valuation date, or on observable market data available at the same date.

In the event of an inactive market, for example as expressed by a scarcity of counterparties, the Group reserves the right to use mathematical models assessing risks on the basis of assumptions that would normally be made by market participants, over a time horizon corresponding to the duration of the instruments concerned, in compliance with the provisions of IFRS 9.

2.19. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable and other receivables are measured at fair value on initial recognition and subsequently at amortized cost less any impairment. At the close of each financial year, the risk of non-recovery is analyzed and assessed on a case-by-case basis. Where necessary, an impairment loss is recorded on the trade receivables concerned. Impairment losses are recognized in the income statement.

As part of the implementation of short-term financing, the Group carries out receivables factoring operations with certain financial partners. The corresponding financial assets are deconsolidated in whole or in part if the debt securitisation contracts meet the following conditions:

- transfer of the contractual right to receive cash;
- assignment to a financial partner of the risks and benefits associated with this receivable;
- the financial partner bears the entire risk of non-payment of this claim for financial reasons only; the Group remains the guarantor of all technical and industrial risks;
- the recovery of the debt is the responsibility of the financial partner. However, the latter may contractually request the Group to carry out this procedure on its behalf vis-à-vis the creditors.

Factoring contracts that do not meet these criteria do not result in the derecognition of receivables. On the other hand, reverse factoring contracts offered by some of the Group's customers give rise to the derecognition of receivables.

As of December 31, 2024, no assignment of receivables with recourse has been made.

2.20. TRADE AND OTHER PAYABLES

Trade and other payables are measured at fair value on initial recognition and subsequently at amortized cost.

2.21. OWN SHARES

In accordance with IAS 32-33, treasury shares, regardless of their use, are recognized as a deduction from equity. Any proceeds from the sale of treasury shares are recognized directly in equity, so that any capital gains or losses on disposal do not affect profit or loss for the year.

2.22. PROVISIONS

The Group records a provision when:

- there is a present obligation (legal or constructive) resulting from a past event;
- it is probable that an exit of resources will be required to settle the obligation;
- the amount of this obligation can be reliably estimated.

The amount of the provision is determined on the basis of the best estimate related to the obligation. The estimate of provisions is analysed at each closing and, if necessary, the amount is updated.

The provision is maintained in the accounts as long as precise information (time and amount) is not available to determine its outcome. Where the effect of the time value of money may be material, provisions are discounted. The provisions recognized by the Group have not been discounted.

2.23. EMPLOYEE BENEFITS

The Group makes provisions for certain employee benefits. After analysis of the specific regulations of the countries in which the Group operates, it appears that these provisions mainly concern French companies.

Defined contribution plans

Contributions payable to a defined contribution plan are expensed as incurred.

Pension obligations

The Group's pension obligations consist of indemnities paid on the departure of the employee. In accordance with IAS 19, pension obligations under defined benefit plans are calculated using the projected unit credit method. The method takes into account, on the basis of actuarial assumptions, the probability of the employee's future length of service, the future level of compensation, life expectancy and staff revenue. The obligation, calculated including social security charges, is discounted and is recorded on the basis of the employees' years of service. Actuarial gains and losses resulting from these assumptions are recognized in equity as a non-recyclable component of other other comprehensive income within equity without subsequent reclassification to profit or loss.

In accordance with the IFRS IC decision of April 2021, the liability is deferred on a straight-line basis only over the last few years corresponding to the lower limit of the entitlement level reached by the beneficiary at the time of retirement, or from the date of hire if the period of employment before retirement is shorter.

Labor medals

The Latecoere Group recognizes a provision based on actuarial assumptions, future salary levels, life expectancy and employee revenue (IAS 19).

Free share allocation plan

The Group may grant its employees various types of share-based payments : allocation of free shares, long-term variable compensation in the form of performance shares and Group savings plans with or without leverage. In accordance with IFRS 2 "Share-based payment", these plans are measured at fair value less the present value of dividends not received by employees during the vesting period. The fair value of equity-settled instruments is measured at the grant date, while the fair value of cash-settled instruments is subject to review until settlement. For plans subject to performance conditions, external conditions are included in the unit fair value at the grant date and internal conditions are reflected in the number of instruments. These employee benefits are recognized as employee expenses on a straight-line basis over the vesting period, with a corresponding entry to retained earnings in the case of equity-settled plans, and as a liability in the case of cash-settled plans.

2.24. PUBLIC FUNDING

The Group has obtained public funding for the development of certain programs.

These "Advance Payment" types of financing are contractually interest-bearing (calculated on the basis of a market rate) vis-à-vis the managing organisations. Consequently, these types of financing do not fall within the management framework of government grants and are outside the scope of IAS 20 insofar as the success of the program is likely.

They are initially valued for the cash received. At each balance sheet date, they are valued using the amortized cost method, calculated using the effective interest rate.

These advances are repayable if the program is successful, and repayments are made as each product for which an advance was made is delivered.

For certain contracts, after full repayment of the advance, the Group continues to pay a fee based on program revenues, which is considered an operating expense.

2.25. OTHER INCOME

The Group recognizes operating subsidies and the tax credit in other income .

2.26. OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

Items (income and expenses) which, by their nature, are not sufficiently predictable, given their unusual, abnormal or infrequent nature and significant amounts, are presented under other non-recurring operating income and expenses.

Other non-recurring operating income includes in particular gains on the disposal of investments or businesses and gains on the disposal of tangible assets and intangible assets resulting from divested businesses or businesses subject to restructuring plans, as well as any income relating to past disposals.

Other non-recurring operating expenses include in particular losses on disposal of investments or businesses and losses on disposal of tangible assets and intangible assets resulting from divested businesses or businesses subject to restructuring plans, as well as any costs relating to past disposals, restructuring costs, rationalisation costs, significant impairment of assets, costs incurred in carrying out business combinations, costs relating to litigation not in the ordinary course of business, and expenses), as well as a portion of expenses relating to retirement and similar commitments (impact of plan amendments, impact of plan curtailments and closures). Note 19 provides details of other non-recurring operating income and expenses for the year.

2.27. INCOME TAX

Income tax comprises current and deferred tax expense or income. Income tax is recognized in the income statement, unless it relates to items that are recognized directly in equity. In this case, it is recognized in equity. Current tax is the amount of estimated tax due for the period and any adjustments to current tax for prior periods.

Deferred taxes are determined using the balance sheet liability method. It is calculated on the temporary differences between the book value of assets and liabilities and their tax basis, except for the following items (Initial Recognition Exemption):

- goodwill;
- temporary differences relating to investments to the extent that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the closing date, based on the Group's expectation that the assets or liabilities will be settled. A deferred tax asset is recognized only if it is probable that future taxable profits will be available against which the tax can be utilized. Deferred tax assets are reduced when it is no longer probable that sufficient profit will be realized. In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

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2.28. DISCONTINUED OPERATIONS AND ASSETS/GROUPS OF ASSETS HELD FOR SALE

A fixed asset or a group of directly related assets and liabilities is considered to be held for sale when its book value will be recovered principally through a sale and not through continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable within a maximum of 12 months. These assets or groups of assets held for sale are measured at the lower of book value and estimated selling price, net of costs related to the disposal, and are presented on specific lines in the consolidated balance sheet.

In accordance with the provisions of IFRS 5, a principal and distinct business or geographical area is classified as a discontinued operation when it is either disposed of or classified as an operation held for sale.

For discontinued operations, the income statement and cash flow statement items relating to the business to be sold or disposed of are presented on specific lines in the consolidated financial statements for all periods presented.

The assets and liabilities of the business to be sold or disposed of are presented on specific lines of the consolidated balance sheet only for the latest period presented. In accordance with the provisions of IFRS 5, as from the classification of a business as held for sale:

- the business as a whole is measured at the lower of its net book value and its fair value less estimated costs to sell;
- amortization of non-current assets included in the business is discontinued;
- the non-current assets included in this activity are no longer subject to depreciation tests;
- the reciprocal balance sheet positions between continuing operations and the business to be disposed of continue to be eliminated.

NOTE 3 | SCOPE OF CONSOLIDATION

As the Group exercises exclusive control over all companies, directly or indirectly, they are fully consolidated. All significant companies in the scope of consolidation close their accounts on December 31.

	Country	% of voting rights	% of interest	Consolidation method
Aerostructures				
Latecoere	France			Consolidating company
Latecoere do Brasil	Brazil	100%	100%	Full consolidation
Latecoere Czech Republic s.r.o	Czech Republic	100%	100%	Full consolidation
LETOV LV a.s.	Czech Republic	100%	100%	Full consolidation
Latecoere Inc.	United States	100%	100%	Full consolidation
Latecoere Développement	France	100%	100%	Full consolidation
Latecoere Bienes Raices	Mexico	100%	100%	Full consolidation
Latecoere Mexico	Mexico	100%	100%	Full consolidation
Latecoere Mexico Services	Mexico	100%	100%	Full consolidation
Latecoere Bulgaria	Bulgaria	100%	100%	Full consolidation
Shimtech de Mexico	Mexico	100%	100%	Full consolidation
Technical Airborne Components (TAC)	Belgium	100%	100%	Full consolidation
Latfi1	France	100%	100%	Full consolidation
Avcorp Industries Inc.	Canada	100%	100%	Full consolidation
Avcorp Composite Fabrication Inc.	United States	100%	100%	Full consolidation
Comteck Advanced Structures Ltd.	Canada	100%	100%	Full consolidation
Avcorp Us Holding Inc.	United States	100%	100%	Full consolidation
Interconnection Systems				
LATelec	France	100%	100%	Full consolidation
LATelec GmbH	Germany	100%	100%	Full consolidation
SEA LATelec	Tunisia	100%	100%	Full consolidation
LATelec Mexico	Mexico	100%	100%	Full consolidation
LATelec Mexico Services	Mexico	100%	100%	Full consolidation
LATsima	Morocco	100%	100%	Full consolidation
LATelec Interconnection Inc.	Canada	100%	100%	Full consolidation
Latecoere Interconnection Systems US	United States	100%	100%	Full consolidation
Latecoere Interconnection Systems UK	England	100%	100%	Full consolidation
Latecoere India Private Limited	India	100%	100%	Full consolidation
Malaga Aerospace, Defence & Electronics Systems SA (MADES)	Spain	100%	100%	Full consolidation

NOTE 4 | OPERATING SEGMENTS

The segments reported by the Group are distinct components of the Group engaged in providing related goods or services (business segments) and are subject to risks and returns that are different from those of other segments.

The business segments defined by the Group are:

- **Aerostructures :** the division supplies aircraft manufacturers with doors, fuselages, wing and tail components, and connecting rods;
- **Interconnection systems:** teams design, manufacture to order and industrialise avionics wiring and furniture. This division also offers test benches for the aeronautics, defence and space industries, as well as a wide range of on-board video products for outdoor and in-cabin applications.

In accordance with IFRS 8, the information presented by segment is based on the Group's internal reporting, which is regularly reviewed by the Executive Committee.

4.1. ECONOMIC PERFORMANCE MEASUREMENT

4.1.1 Key indicators by sector

The performance measure for each business segment, as reviewed by the Executive Committee, is based on the following key indicators.

- **Revenue**
- **Current EBITDA** , which corresponds to the operating result before depreciation, amortization and impairment of tangible assets and intangible assets, and adjusted for any IFRS 2 impacts.
- **Current Operating Income,** which excludes from operating income non-recurring items (income or expenses) which, by their nature, are not sufficiently predictable due to their unusual, abnormal or infrequent and significant nature;
- **Net Investments,** which measure the volume of new investments. They correspond to assets net of depreciation restated for disposals during the period.

FISCAL YEAR 2024

31 Dec. 2024 – *In thousands of euros*	**Aerostructures**	**Interconnection systems**	**Intersector elimination**	**Total**
Revenue	441 143	288,941	-24,259	705,825
Inter-segment revenue	-21,782	-2,477	24,259	0
CONSOLIDATED REVENUES FROM CONTINUING OPERATIONS	**419,361**	**286,465**	**0**	**705,825**
Current EBITDA from continuing operations	**-1,807**	**27,456**	**0**	**25,649**
Current operating result from continuing operations	**-26,241**	**10,036**	**0**	**-16,205**
Current operating result from continuing operations	-6%	4%		-3%
Other non-recurring operating income and expenses from continuing operations	**-24,031**	**-796**		**-24,827**
Operating result from continuing operations	**-50,272**	**9,240**	**0**	**-41,032**
Net investments (excluding income from disposals)	**-20,730**	**-5,006**	**0**	**-25,736**

FISCAL YEAR 2023

31 Dec. 2023 – *In thousands of euros*	Aerostructures	Interconnection systems	Inter-segment elimination	Total
Revenue	436 679	299 623	-113 967	622 335
Inter-segment revenue	-55 665	-58 301	113 967	0
CONSOLIDATED REVENUES FROM CONTINUING OPERATIONS	**381 014**	**241 321**	**0**	**622 335**
Current EBITDA from continuing operations	**-18 751**	**125**	**0**	**-18 626**
Current operating result from continuing operations	**-50 189**	**-18 112**	**0**	**-68 301**
Current operating result from continuing operations	-13%	-8%		-21%
Other non-recurring operating income and expenses from continuing operations	**-72 069**	**-7 905**		**-79 973**
Current operating result from continuing operations	**-122 258**	**-26 016**	**0**	**-148 274**
Net investments (excluding income from disposals)	**-16 062**	**-3 457**	**0**	**-19 519**

The 2023 inter-sector flows include the purchase and sale flows of Latecoere and Latelec stocks with the company LATFI1, in operation since July 2023. For 2024, these are only flows between companies in the Aerostructures and Interconnection System sectors.

BALANCE SHEET ITEMS AS AT DECEMBER 31, 2024

31 Dec. 2024 – *In thousands of euros*	**Aerostructures**	**Interconnection systems**	**Intersector elimination**	**Total**
Goodwill	16,953	1,017	0	17,970
Intangible assets	*91,941*	*28,007*	*0*	*119,949*
Tangible assets	*78 102*	*23,577*	*0*	*101,679*
Other financial assets	*5,672*	*736*		*6,408*
FIXED ASSETS	**192,668**	**53,337**	**0**	**246,006**
Inventories and work in progress	172,255	74,157	-16	246,396
Accounts receivable and other receivables	103,893	62,776	-39,671	126,998
Other assets	49,868	27,280	-14	77,133
TOTAL SEGMENT ASSETS	**518,684**	**217,550**	**-39,701**	**696,533**
Provisions	31,458	3,786	0	35,243
Reimbursable advances	13,269	9,633	0	22,902
Trade and other payables	114,439	72,466	-6,732	180 173
Contract liabilities	16,372	10 72 8		27 10 0
Other liabilities	84,470	34,959	-745	118,684
TOTAL SEGMENT LIABILITIES EXCLUDING FINANCIAL LIABILITIES	**260,008**	**121,939**	**-7,477**	**384 102**

Other assets of €77.1 million include cash and cash equivalents of €59.8 million.

BALANCE SHEET ITEMS AS AT DECEMBER 31, 2023

31 Dec. 2023 – *In thousands of euros*	**Aerostructures**	**Interconnection systems**	**Inter-sectoral elimination**	**Total**
Goodwill	16,953	1,017	0	17,970
Intangible assets	*96,452*	35,970	0	132,422
Tangible assets	*84,986*	28,435	0	113,421
Other financial assets	*5,456*	711	-16	6,151
FIXED ASSETS	**203,847**	**66,133**	**-16**	**269,964**
Inventories and work in progress	146,638	69,001	-16	215,622
Accounts receivable and other receivables	242,842	194,492	-320,794	116,540
Other assets	86,977	25,316	0	112,293
TOTAL SEGMENT ASSETS	**680 304**	**354,942**	**-320,827**	**714,420**
Provisions	29,329	5,052	0	34,381
Reimbursable advances	13,420	9,527	0	22,948
Trade and other payables	152,775	107 154	-86,859	173,070
Contract liabilities	11,177	14,543		25,720
Other liabilities	54,197	21,126	-262	75,061
TOTAL SEGMENT LIABILITIES excluding financial liabilities	**260,898**	**157,402**	**-87 121**	**331,180**

Other assets of €112.3 million include cash and cash equivalents of €85.4 million.

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4.1.2 Reconciliation with Group data

Current EBITDA is reconciled with the Group's operating result as follows :

In thousands of euros	Dec. 31 2024
(+) Current operating result	-16,205
(-) Amortization and impairment	37,031
(+/-) Other non-cash items	4,823
CURRENT EBITDA	**25,649**

NOTE 5 | GOODWILL

In thousands of euros		31 Dec. 2023	Dec. 31 2024 Gross Value	Dec. 31 2024 Dépréciation	Dec. 31 2024 Net Value
CGU TAC	Technical Airborne Components (TAC)	2,229	2,230		2,230
CGU MADES	Malaga Aerospace, Defense & Electronics Systems SA (MADES)	1,017	1,017		1,017
CGU AVCORP	Avcorp Industries Inc.	14,723	22,723	- 8,000	14,723
UGT	**GOODWILL**	**17,970**	**25,970**	**- 8,000**	**17,970**

NOTE 6 | FIXED ASSETS

6.1. VARIATION OF FIXED ASSETS

GROSS VALUE OF FIXED ASSETS

In thousands of euros	Dec. 31 2023	Incidence of exchange var.	Reclassification and disposal of assets	Acquisitions	Disposals	Dec. 31 2024
Capitalized development costs	203 032	- 168	-	3,200	-	206,064
Brands	1 467	-	-	-	-	1,467
Customer relations	77 626	-	-	-	-	77,626
Order book	1 940	-	-	-	-	1,940
Licenses	4 807	-	-	-	-	4,807
Software	54 277	- 148	3,154	475	- 648	57,110
Other intangible fixed assets	14 831	- 50	- 2,954	1,792	- 4,149	9,470
INTANGIBLE ASSETS	**357 980**	**- 366**	**200**	**5,467**	**- 4,797**	**358,484**
Land	9 640	- 374	9	544	- 2,239	7,581
Construction	100 916	- 2,075	291	508	- 6,301	93,337
Technical facilities, equipment and tools	214 603	- 3,600	1,559	6,693	- 4,142	215 112
Other tangible assets	28 954	- 478	748	1,499	-41	30,681
Assets under construction	6 827	- 523	- 3,239	4,399	- 364	7,099
Advances and deposits on tangible assets	1 207	- 2	-98	976	- 908	1,175
Right of use contracts	94 867	- 2007	-63	5,651	- 1,625	96,823
TANGIBLE ASSETS	**457 012**	**- 9,059**	**-794**	**20,269**	**- 15,621**	**451,807**

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In thousands of euros	December 31, 2022	Impact of exchange rate variations	Reclassification and scrapping	Acquisitions	Disposals	Dec. 31 2023
Capitalised development costs	199,570	-111	-384	3,957	0	203,032
Brands	1,467	0	0	0	0	1,467
Customer relations	80,342	0	-2,716	0	0	77,626
Order book	1,940	0	0	0	0	1,940
Licenses	4,807	0	0	0	0	4,807
Software	47,661	-68	6,057	648	-20	54,277
Other intangible assets	15,549	-60	-4,177	3,636	-117	14,831
INTANGIBLE ASSETS	**351 335**	**-239**	**-1,220**	**8,240**	**-136**	**357,980**
Land	10,274	223	0	183	-1,040	9,640
Construction	105,829	657	3,132	1,530	-10,232	100,916
Technical installations, equipment and tools	180 115	-770	30,446	8,032	-3,220	214,603
Other tangible assets	24,907	98	3,903	2,397	-2,352	28,954
Assets under construction	3,783	216	-3,989	6,942	-125	6,827
Advances and deposits on tangible assets	1,455	-3	-8	2,245	-2,483	1,207
Right of use contracts	144,568	1,459	-28,009	3,076	-26,226	94,867
TANGIBLE ASSETS	**470,931**	**1,878**	**5,475**	**24,405**	**-45,677**	**457,012**

AMORTIZATION OF FIXED ASSETS

In thousands of euros	Dec. 31 2023	Incidence of exchange var.	Reclassification and disposal of assets	Allowance	Release	Dec. 31 2024
Capitalised development costs	156 368	- 3	- 2,257	9,149	-	163,257
Brands	0	-	-	-	-	-
Customer relations	7 672	- 114	-	6,052	-	13,609
Order book	1 635	-	-	305	-	1,940
Licenses	1 317	-	-	486	-	1,803
Software	49 412	- 141	2,257	2,032	- 648	52,913
Other intangible assets	9 155	- 88	-	97	- 4,149	5,015
AMORTIZATION OF INTANGIBLE ASSETS	**225 557**	**- 346**	**-**	**18,121**	**- 4,797**	**238,535**
Land	1 375		-			1,375
Construction	74 345	- 862	17	5,556	- 2,160	76,896
Technical facilities, equipment and tools	182 968	- 2,998	27	7,061	- 2,719	184,339
Other tangible assets	25 558	- 410	444	410	- 35	25,968
Assets under construction	4 683	- 4	- 1,073	1,073		4,679
Advances and deposits on tangible assets	1 207		-	-	- 331	876
Right of use contracts	53 455	- 977	- 1	4,809	- 1,292	55,995
AMORTIZATION OF TANGIBLE ASSETS	**343 591**	**- 5,251**	**- 586**	**18,910**	**- 6,535**	**350 129**

In thousands of euros	Dec. 31 2022	Entry into scope	Incidence of exchange var.	Reclassification and disposal of assets	Allowance	Release	Dec. 31 2023
Capitalized development costs	147 210	-3	-238	9,398			156,368
Brands							0
Customer relations	4 450		-1,970	5,191			7,672
Order book	1 050			585			1,635
Licenses	831			486			1,317
Software	36 881	-67	3,341	9,277	-20		49,412
Other intangible assets	9 188	-74	-87	128			9,155
AMORTIZATION OF INTANGIBLE ASSETS	**199 609**	**-144**	**1,046**	**25,065**	**-20**		**225,557**
Land	1 789		-414				1,375
Construction	66 707	-137	2,810	10,387	-5,422		74,345
Technical facilities, equipment and tools	142 446	-735	23,214	20,058	-2,015		182,968
Other tangible assets	20 305	50	2,975	3,809	-1,581		25,558
Assets under construction	552	-1		4,132			4,683
Advances and deposits on tangible assets	302			905			1,207
Right of use contracts	77 603	550	-24,223	23,897	-24,372		53,455
AMORTIZATION OF TANGIBLE ASSETS	**309 704**	**-273**	**4,362**	**63,188**	**-33,390**		**343,591**

NET VALUE OF FIXED ASSETS

In thousands of euros	Dec. 31 2023	December 31, 2024
Capitalized development costs	46 664	42,808
Brands	1 467	1,467
Customer relations	69 954	64,017
Order book	305	0
Licenses	3 490	3,004
Software	4 865	4,197
Other intangible assets	5 676	4,456
INTANGIBLE ASSETS	**132 422**	**119,949**
Land	8 265	6,206
Construction	26 571	16,441
Technical facilities, equipment and tools	31 635	30,773
Other tangible assets	3 396	4,713
Assets under construction	2 143	2,419
Advances and deposits on tangible assets	0	299
Right of use contracts	41 412	40,828
TANGIBLE ASSETS	**113 421**	**101,679**

DEVELOPMENT COSTS

Development costs correspond mainly to NRC costs on contracts (design, tooling). When an indication of loss of value is identified (termination of a program, significant drop in production rate forecasts by the client), a case-by-case analysis is carried out and an impairment loss is recorded when the future gross margin of the program concerned is lower than the net book value of the development costs.

Significant development costs not related to contracts are subject to an annual review of future profitability prospects to ensure that there is no indication of impairment. Impairment is recognized where appropriate.

The majority of development costs relate to the following programs: A400M (electrical cabinet), F7X (harness, rear fuselage section), Embraer E2 (doors) and A350 (harness) and A321 (doors).

Sales & Lease back

In 2024, the Périole property complex, lot 3, was sold, generating a capital gain of €6 million. A lease agreement was simultaneously signed by Latecoere, which took effect in April 2024, for a period of 15 years.

DETAILS OF CONTRACTUAL RIGHTS OF USE BY ASSET TYPE:

GROSS VALUE

In thousands of euros	Dec. 31 2023	Incidence of exchange var.	Reclassification and disposal of assets	Acquisitions	Disposal	Dec. 31 2024
Construction	79 327	-1,919	23	445	-623	77,253
Computer equipment	1 468	-1	-5	407	-285	1,584
Technical facilities, equipment and tools	11 576	-61	-126	4,048	0	15,437
Transport equipment	2 496	-26	45	751	-717	2,549
TOTAL	**94 867**	**-2,007**	**-63**	**5,651**	**-1,625**	**96,823**

AMORTIZATION

In thousands of euros	Dec. 31 2023	Incidence of exchange var.	Reclassification and disposal of assets	Allowance	Release	Dec. 31 2024
Construction	37 058	837	49	602	380	52,766
Computer equipment	218	1	0	-461	293	50
Technical installations, equipment and tools	15 111	-1,830	-26	5,362	-2,579	2,198
Transport equipment	1 069	14	-24	-693	615	981
TOTAL	**53 456**	**-977**	**-1**	**4,809**	**-1,292**	**55,996**

NET VALUE

In thousands of euros	December 31, 2023	December 31, 2024
Construction	28,429	24,486
Computer equipment	1,250	1,534
Technical installations, equipment and tools	10,305	13,238
Transport equipment	1,427	1,568
TOTAL	**41,411**	**40,827**

6.2. IMPAIRMENT OF ASSETS

TAC, MADES AND INTERCONNECTION SYSTEM CGUS

The tests were carried out on the TAC and MADES CGUs within the framework of IAS 36.

The main assumptions used for the evaluation of the value in use of these two CGUs are as follows:

- Future cash flows are established from five-year operating forecasts of the tested CGU;
- Operating forecasts take into account general economic data, specific inflation rates by geographic area, a US dollar rate based on available market information and medium and long-term macroeconomic assumptions;
- The utility value of the CGUs is equal to the sum of these discounted forecast cash flows to which is added a terminal value calculated by applying an expected growth rate of the activities considered to a standard flow representative of the long-term activity;
- The growth rate used to determine the terminal value was set at 2% for all CGUs (identical in 2023);
- The reference discount rate used is 9.89% applied to after-tax cash flows (compared to 10.8% in 2023).

The forecasts and assumptions used have been reviewed and adjusted by Management on the basis of the latest available financial forecasts.

The utility values of the TAC and MADES CGUs are higher than the net value of the tested assets. No depreciation was recorded in the accounts as of December 31, 2024.

A variation in the discount rate of +/- 0.5% and a variation in the long-term growth rate of +/- 0.5% compared to the rates used mentioned above, either in combination or individually, do not result in values in use lower than the net carrying values.

UGT TAC sensitivity analysis:

	Discount rate		
Growth rate in million of euros	**9.4%**	**9.89%**	**10.4%**
1.5%	50.0	45.1	40.7
2.0%	53.8	48.5	43.6
2.5%	58.2	52.2	46.8

UGT MADES sensitivity analysis :

	Discount rate		
Growth rate in million of euros	**9.4%**	**9.89%**	**10.4%**
1.5%	33.3	30.9	28.6
2.0%	35.6	32.8	30.3
2.5%	38.1	35.0	32.3

CGU AVCORP

The test was carried out in accordance with IAS 36. The main assumptions used for the evaluation of the value in use of the CGU are as follows:

- Future cash flows are established from five-year operating forecasts of the tested CGU;
- The operating forecasts used take into account general economic data, specific inflation rates by geographic area, a US dollar rate based on available market information and medium and long-term macroeconomic assumptions;
- The utility value of the CGUs is equal to the sum of these discounted forecast cash flows to which is added a terminal value calculated by applying an expected growth rate of the activities considered to a standard flow representative of the long-term activity;
- The growth rate used to determine the terminal value was set at 2.1% (compared to 2.5% in 2023);
- The reference discount rate used is 9.89% applied to after-tax cash flows (compared to 11.5% in 2023).

The forecasts and assumptions used have been reviewed and adjusted with the latest forecast financial elements available by Management.

The value in use of the AVCORP CGU is higher than the net value of the assets tested. No additional depreciation was recorded in the accounts as of December 31, 2024.

Sensitivity analyses led to the following results:

	Discount rate		
Growth rate in million of euros	**9.4%**	**9.89%**	**10.4%**
1.6%	1.4	-3.9	-8.8
2.1%	7	1	-4.5
2.6%	13.4	6.6	0.4

STRUCTURES AND INTERCONNECTION SYSTEMS CGUs

As of December 31, 2024, no indication of impairment has been identified on the assets of the Structures and Interconnection Systems CGUs.

Furthermore, no evidence has been identified that historically recorded impairment losses are likely to no longer exist or to have decreased. Consequently, no impairment test was carried out on the assets of these two CGUs, and no allocation or reversal of impairment was recorded for the 2024 financial year.

Concerning the STRUCTURES CGU, the market values by type of asset had been determined, for the closing of the accounts closed on December 31, 2023, on the basis of observable data, supported where appropriate by expert valuation reports. These values remain current as of December 31, 2024.

As of December 31, 2024 , the total depreciation recorded in the accounts for the STRUCTURES CGU remains unchanged, and amounts to €77.9 million:

- €19.2 million for technical installations, equipment and tools;
- €19 million for buildings;
- €16 million for the right to use assets;
- €6.5 million for software;
- €6.2 million for acquisition differences;
- €4.9 million for other tangible fixed assets;
- €4.3 million on fixed assets in progress;
- €1.8 million for other intangible assets.

6.3. SEGMENT INFORMATION

The amount of non-current assets held in the country of the registered office and in all countries in which the Group holds significant assets - IFRS 8.33(b) - breaks down as follows :

	Net Value 31 Dec. 2024	
Country	Intangible Assets (except goodwill)	Tangible Assets
France	51,065	23,890
Belgium	6,870	10,547
Brazil	-	2,514
Bulgaria	24	9,827
Canada	56,702	16,261
Morocco	1	1,631
Mexico	-	11,176
Czech Republic	-	16,275
Tunisia	1	1,933
India	1	732
Spain	5,286	6,663
Others	-	230
TOTAL	***119,949***	***101,679***

	Net Value 31 Dec. 2023	
Country	Intangible assets w/o GW)	Tangible assets
France	56 841	26 894
Belgium	7 752	9 632
Brasil	0	3 406
Bulgaria	28	10 434
Canada	61 778	16 241
Morroco	3	1 891
Mexico	0	17 748
Czech Republic	0	15 997
Tunisia	3	2 717
India	1	852
Spain	6 016	7 457
Other		152
TOTAL	**132 422**	**113 421**

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NOTE 7 | INVENTORIES AND WORK IN PROGRESS

	Dec. 31 2024			Dec. 31 2022			Change		
In thousands of euros	**Gross**	**Provision**	**Net**	**Gross**	**Provision**	**Net**	**Gross**	**Provision**	**Net**
Raw materials and supplies	131,706	-20,968	110,737	116 254	-17 966	98 287	15,452	-3,002	12,450
Work in progress and finished goods	153,008	-17,350	135,658	128 392	-11 056	117 335	24,617	-6,294	18,323
INDUSTRIAL STOCKS	**284,714**	**-38,318**	**246,396**	**244 645**	**-29 023**	**215 622**	**40,069**	**-9,295**	**30,773**

NOTE 8 | FINANCIAL ASSETS

The Group has distinguished three categories of financial instruments according to the impact of their characteristics on their valuation method and uses this classification to make certain disclosures required by IFRS 7:

- Level 1 category "Market Price": financial instruments listed on an active market;
- Level 2 category "Model with observable parameters": financial instruments whose valuation involves the use of valuation techniques based on observable parameters;
- Level 3 category "Model with unobservable parameters".

In thousands of euros	Amortized cost	Financial assets at fair value through profit or loss	Derivatives qualified as hedges	Dec. 31 2023	Fair value
Non-current financial assets	6,408			6,408	6,408
Trade and other receivables	126,998			126,998	126,998
Derivative instruments in assets		150	0	150	150
Cash and cash equivalents	59,791			59,791	59,791
TOTAL FINANCIAL ASSETS	**203,366**	**150**	**0**	**203,516**	**203,516**

In thousands of euros	Amortiz ed cost	Financial assets at fair value through profit or loss	Derivatives qualified as hedges	Dec. 31 2023	Fair value
Non-derivative financial assets	6 186			6 186	6 186
Trade and other receivables	109 089			109 089	109 089
Derivative instruments in assets		31	7 297	7 328	7 328
Cash and cash equivalents	85 423			85 423	85 423
TOTAL FINANCIAL ASSETS	**200 698**	**31**	**7 297**	**208 026**	**208 026**

In thousands of euros	Level 1	Level 2	Level 3	Fair value
Financial instruments:		150		150
TOTAL		**150**		**150**

In thousands of euros	Level 1	Level 2	Level 3	Fair value
Financial instruments:		7 328		7 328
TOTAL	**0**	**7 328**		**7 328**

The fair value of accounts receivable corresponds to their balance sheet value, given the very short payment terms. The same applies to other debtors.

NOTE 9 | TRADE AND OTHER RECEIVABLES

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Advances and deposits paid on orders	8,145	4,898
Accounts receivable	76,115	54,414
Invoices to be issued	16,672	28,380
Allowance for doubtful accounts	- 450	- 1,278
Tax receivables	15,754	22,036
Other receivables	10,762	8,090
TOTAL TRADE AND OTHER RECEIVABLES	**126,998**	**116,540**
Prepaid expenses	2,280	2,634
Other current assets	8,778	2013
TOTAL OTHER CURRENT ASSETS	**11,058**	**4,647**

The ageing of trade receivables breaks down as follows :

In thousands of euros	Dec. 31 2023		Dec. 31 2023	
	Gross Value	Provision	Gross Value	Provision
Unmatured receivables	66,854		46,020	
Receivables due < 30 days	3,748		4,275	
Receivables due between 30 and 60 days	2,056		957	
Receivables due between 60 and 90 days	1,805		817	
Receivables due between 90 and 180 days			628	
Receivables overdue > 6 months	1,652	- 450	1,718	-1,278
ACCOUNTS RECEIVABLE	**76,115**	**- 450**	**54,414**	**-1,278**

NOTE 10 | INSTRUMENTS AND DERIVATIVES

Due to its international exposure and the fact that its customers are invoiced in dollars (USD), the Group is exposed to foreign exchange risks. The Group has therefore developed a natural hedging policy by making a portion of its purchases in USD. Thus, the Group's entities exposed to this foreign exchange risk invoice approximately 75% of its sales in dollars and purchase approximately 60% of supplies or subcontracting in dollars. The Group's natural hedge on the USD represents approximately 36%.

As in 2023, to cover its residual net exposure as of December 31, 2024, the Group has set up foreign exchange hedging financial instruments, such as forward sales.

The change in fair value of financial instruments does not impact the financial result in 2024.

Note that the variation in CVA/DVA on the financial result amounted to +€0.2 million in 2024 and -€0.1 million in 2023.

10.1. INFORMATION ON THE VALUE OF DERIVATIVE INSTRUMENTS AND NOTIONAL AMOUNTS HEDGED

The Group mainly uses forward exchange contracts and collar options to hedge its foreign exchange risk.

	Balance sheet value			Deadlines		
In thousands of euros	Assets	Liabilities	Notional*	< 1 year	from 1 to 5 years	> 5 years
CVA/DVA on EUR/USD instruments	150			150		
NON QUALIFIED INSTRUMENTS	**150**			**150**		
Cash flow hedges	-	-	-	-	-	
• EUR/USD currency options	-	-	-	-	-	
• EUR/USD forward exchange contracts	-	35,647	597,844	299,548	298 296	
QUALIFIED INSTRUMENTS	**150**	**35,647**	**597,844**	**299,548**	**298 296**	
Instruments not qualifying for hedge accounting	150	35,647				
Instruments qualifying for hedge accounting	-	16,235	597,844	299,548	298 296	
TOTAL DERIVATIVE INSTRUMENTS	**150**	**19,412**	**597,844**	**299,548**	**298 296**	
• of which non-current derivative instruments	-	16,235				
• of which current derivative instruments	150	19,412				

* *The notional amount is valued in thousands of euros using the exchange rate at the closing date.*

10.2. INFORMATION ON THE IMPACT OF DERIVATIVES ON INCOME AND EQUITY

IMPACT OF FUTURE CASH FLOW HEDGES

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Equity - Hedging instruments (net of tax) at beginning of year	**1,532**	-11 606
Change in effective fair value	-37,743	17 858
Reclassification to net income for the year	0	-144
Tax effect on changes for the year*	0	-4 574
Equity - Hedging instruments (net of tax) at end of year	-36,212	1 533

IMPACT OF DERIVATIVES TO WHICH HEDGE ACCOUNTING IS NOT APPLIED

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Opening fair value	**-34**	**110**
Pre-tax impact on income	184	-144
Fair value at closing	**150**	**-34**

NOTE 11 | EQUITY

11.1. CAPITAL STRUCTURE AND EARNINGS PER SHARE

	December 31, 2024	December 31, 2023
Number of shares	12,619,804,726	12,496,777,165
Par value of a share	0.01	0.01
Share capital in euros	126,198,048	124,967,772

The main movements in securities over the financial year are:

The Board of Directors of December 30, 2024 made new free allocations of preference shares and ordinary shares with removal of preferential subscription rights, for the benefit of salaried staff members, or certain categories of them, and corporate officers, or certain of them, of the Company and/or its related companies.

The allocation, by decision of 12/30/2024 under the conditions set out in the Regulations of the 2023 Free Ordinary Share Allocation Plan of: 5,000 new preference shares and 30,000,000 ordinary shares.

(see details of the allocation of 12/30/2024 under the conditions set out in the Regulations of the 2023 Free Ordinary Share Allocation Plan, in note 13.3).

	Dec. 31 2024	Dec. 31 2023
Average number of securities issued	12,506,655,698	1,583,923,490
Average number of treasury securities	541,078	110 220
Weighted average of securities (a)	**12,497,449,447**	**1,583,813,270**
Dilutive effect of the performance share plan (b)	128 203 278	8,786,322
Total diluted securities (a+b)	**12,625,652,725**	**1,592,599,592**
INCOME (GROUP SHARE) IN EUROS	**-60,549,635**	**6,159,158**
Earnings per share	-0.0048	0.0039
Diluted earnings per share	-0.0048	0.0039
Earnings per share 2022 with the number of shares 2023		0.0005
Diluted earnings per share 2022 with the number of shares 2023		0.0005

11.2. TREASURY SHARES

In quantity	December 31, 2023	Acquisitions	Transfers	December 31, 2024	% of Capital
LATECOERE securities	106,729	18,310,905	17,799,440	618,194	0.00%

In thousands of euros	December 31, 2023	Acquisitions	Transfers	December 31, 2024	Average Course Acquisitions
LATECOERE securities	1,713	186,838	183,068	5,483	0.01

Transactions in treasury shares are carried out under the liquidity contract managed by Gilbert Dupont. (see detail Part 6 of this URD 2023 regarding the liquidity contract).

In accordance with IAS 32 – 33, treasury shares are recognized directly in equity.

NOTE 12 | CURRENT AND NON-CURRENT PROVISIONS

In thousands of euros	Dec. 31 2023	Allocations	Used Reversals	Unused reversals	Reclassification	Incidence of exchange var.	Dec. 31 2024
Non-current provisions	33,229	6,098	-744	-7,543	-5,179	309	26,169
Restructuring provisions (non-current)	0						0
TOTAL NON-CURRENT PROVISIONS	**33,229**	**6,098**	**-744**	**-7,543**	**-5,179**	**309**	**26,169**
Current provisions	490	7,175		-4,819	5,620	-53	8,414
Restructuring provisions (current)	661			0			661
TOTAL CURRENT PROVISIONS	**1,151**	**7,175**		**-4,819**	**5,620**	**-53**	**9,075**
TOTAL PROVISIONS	**34,380**	**13,273**	**-744**	**-12,362**	**441**	**255**	**35,244**

The current/non-current assessment results from the nature of these provisions, as well as the Group's experience in terms of the time required to settle these matters. Provisions for risks and charges are in fact mainly presented as non-current, because their settlement most often exceeds 12 months, particularly in the case of customer claims. Allocations amounting to €13.3 million mainly include provisions for disputes over commercial contracts, amounting to €9 million (late payment penalties and customer claims). Reversals amounting to €13.1 million concern the use of the provision on commercial contracts for €0.7 million, as well as the reversal of unused provisions, corresponding mainly to risks linked to commercial contracts that were extinguished or resolved during the year. The balance at December 31, 2024 is mainly composed of €24.7 million of provisions for disputes over commercial contracts. The remaining balance relates to the decontamination of the Périole site, provisions for PSE/GEPP and other HR risks.

NOTE 13 | EMPLOYEE BENEFITS

In thousands of euros	December 31, 2024	December 31, 2023
Pension obligations	9,702	9,809
Labor medals	2,677	2,620
TOTAL	**12,379**	**12,429**

13.1. PENSION OBLIGATIONS

The pension commitments recorded as of December 31, 2024 concern the French companies (end-of-career benefits), Tunisian companies (end-of-career benefits), and Bulgarian companies (end-of-career benefits and illness). They were calculated using the method described in note 2.23.

Only the commitments concerning French entities are significant and the calculation assumptions used for these entities are as follows:

- discount rate of 3.38% (compared to 3.17% in 2023), rate calculated on the basis of the rates observed as of December 31, 2024 for the return on 1st category corporate bonds, the Group referring in particular to the Iboxx Corp AA 10+ index for a duration of 12 years;
- use of the INSEE 2D-TV 2019 mortality table differentiated by sex;
- staff turnover observed by age group and by company;
- retirement age:
- the chosen method of employee departure is voluntary departure. Employees are expected to liquidate their full pension at an age in accordance with the new pension regulations and the reform of April 2023. In particular, the legal retirement age is gradually increasing from 62 to 64 years and the increase in the insurance period resulting from the Touraine reform for a departure without accelerated reduction.
- in order to determine the retirement age, an assumption is made that the age at which a career begins is no later than 25 years for managers and 22 years for non-managers.
- 2% salary increase for all employees, at the level of long-term anticipated inflation.

Actuarial gains and losses are recognized in other comprehensive income that cannot be recycled from equity and in accordance with IAS 19 "Employee Benefits". The commitment is recognized in the balance sheet as a non-current liability, for the amount of the total commitment. Compensation related to employees who are expected to leave in 2024 amounts to €71,000 for the French entities.

An increase of 0.25 points in the discount rate would lead to a reduction in the provision for retirement benefits of -€246,000 for French entities.

In thousands of euros	December 31, 2024	December 31, 2023
Opening commitments	**9,809**	**8,622**
Current & past service cost	381	-23
Net interest expense	299	306
Allowances paid	-257	-58
Actuarial gains and losses (OCI)	-530	962
Change in scope of consolidation		
COMMITMENTS AT THE END OF THE YEAR	**9,702**	**9,809**
Expenses for the period:		
Current service cost	381	-23
Net interest expense	299	306
TOTAL	**68 0**	**283**

13.2. LABOR MEDALS

The long-service medal commitments recorded as of December 31, 2024 concern French, Mexican, and Czech companies. They were calculated using the method described in Note 2.23.

Only the commitments concerning French entities are significant and the calculation assumptions used are as follows:

- discount rate of 3.38% (compared to 3.17% in 2023), rate calculated on the basis of the rates observed as of December 31, 2024 for the return on 1st category corporate bonds, the Group referring in particular to the Iboxx Corp AA 10+ index for a duration of 12 years;
- use of the INSEE 2D-TV 2019 mortality table differentiated by sex;
- staff turnover observed by age group and by company;
- 2% salary increase for all employees, i.e. at the level of anticipated long-term inflation;

Compensation for employees eligible for the long-service medal in 2024 amounts to €166,000 in French companies.

An increase of 0.25 points in the discount rate would lead to a reduction in the provision for long-service medals of -€29,000 for French companies.

In thousands of euros	December 31, 2024	December 31, 2023
Opening commitments	**2,620**	**2,235**
Current & past service cost	15	383
Net interest expense	51	53
Allowances paid	-98	-151
Actuarial gains and losses	89	99
Change in scope of consolidation		
COMMITMENTS AT THE END OF THE YEAR	**2,677**	**2,620**
Expenses for the period:		
Current service cost	15	383
Net interest expense	51	53
TOTAL	**6 6**	**437**

13.3. FREE SHARE ALLOCATION PLAN

PLAN FROM JULY 1, 2022

The Board of Directors of July 1, 2022, granted new free share allocations to members of the Executive Committee who hold executive or employee positions and to certain employees holding managerial positions within the Latecoère Group. The main features of the plan are summarized in the table below:

Authorization of the Shareholders' Meeting	22/03/2022
Date of the Board of Directors meeting	01/07/2022
Beneficiaries	Members of the Executive Committee exercising management or employee functions and certain employees exercising managerial functions within the Latecoere Group
Number of beneficiaries at the time of the initial grant	69
Total number of shares that may be granted	The Regulations of the 2022 Plan concern the free allocation of a maximum of 4,606,897 preference shares
Number of shares granted	3,386,420 shares
Grant date	01/07/2022
Date of acquisition	12/31/2026 (subject to cumulative presence and performance conditions)
Performance conditions	At the date of acquisition: Performance conditions detailed below

The performance conditions are as follows:

The number of shares to be delivered will be calculated under the EBITDA performance criteria (EBITDA @hedged rate with M&A). At the end of the vesting period, the Board will assess the performance of the criterion on the basis of the following scale:

- Performance : if the realized Ebitda is higher than €113 million then the totality of the allocated shares will be delivered.
- Underperformance: if the realized Ebitda is less than €83 million then no allocated shares will be delivered.
- Between these 2 thresholds, the progression will be done by steps.

Information on the fair value of the plan

Given the insignificant nature of the valuation at the end of the year, no valuation has been registered in the financial statements at December 31, 2024.

PLAN FROM DECEMBER 19, 2023

The Board of Directors of December 19, 2023 made new free allocations of preference shares and ordinary shares with cancellation of preferential subscription rights, for the benefit of salaried staff members, or certain categories of them, and corporate officers, or certain of them, of the Company and/or its related companies.

This plan was finalized at the end of December 2024 by a capital increase, amounting to €1,230,275.61

The main features of the plan are summarized in the table below:

FREE PREFERENCE SHARES

Authorization of the Shareholders' Meeting	07/26/2023
Date of the Board of Directors meeting	12/22/2023
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at the time of the initial grant	13
Total number of shares that may be granted	The 2023 Plan Regulations cover the free allocation of a maximum number of 48,500 preference shares
Number of shares granted	45,000
Grant date	12/22/2023
Acquisition period	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At the date of acquisition: N/A
	On the conversion date: see below

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The performance conditions are thus constituted:

The conversion parity is based on the IRR achieved by the financial investor on the earliest of the following dates: the Exit Date or the Merger Date, corresponding to the effective date of one of the transactions described in the Terms and Conditions of the regulations of the Preference Share plan included in the Company's articles of association, or the expiry of a period of 6 months from the completion of the transaction(s) in question.

INFORMATION ON THE FAIR VALUE OF THE PLAN:

The fair value of the plan, calculated by an external actuary, is determined on the grant date. The valuation is based on the Cox, Ross and Rubinstein binomial model as part of the valuation of a European option. A specific model has been developed to take into account the payoff of ADPs, which are economically and financially similar to options, the value of which depends on a performance criterion (IRR achieved by the financial investor, the SCP company).

The valuation of the plan as initially determined on the grant date amounted to 5.5 million euros. The charge was spread over the rights acquisition period (including 4.9 million euros recorded in personnel costs for the 2024 financial year).

The fair value of the plan reestimated by the actuary as of December 31, 2024 amounts to 2.4 million euros.

FREE ORDINARY SHARES

Authorization of the Shareholders' Meeting	07/26/2023
Date of the Board of Directors meeting	12/22/2023
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at the time of the initial grant	8
Total number of shares that may be granted	The 2023 Plan Regulations cover the free allocation of a maximum number of 400,000,000 ordinary shares
Number of shares granted	133,999,797
Grant date	12/22/2023
Acquisition period	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At the date of acquisition: N/A

Information on the fair value of the plan

No performance condition is established.

Information on the fair value of the plan:

Given the insignificant nature of the valuation at closing, no valuation was recorded in the accounts as of 12/31/2024.

AWARD FROM DECEMBER 30, 2024

The Board of Directors of December 30, 2024 made new free allocations of preferred shares and ordinary shares with cancellation of preferential subscription rights, for the benefit of salaried employees, or certain categories of them, and corporate officers, or certain of them, of the Company and/or its affiliated companies. The main features of the plan are summarized in the table below:

FREE PREFERENCE SHARES

Authorization of the Shareholders' Meeting	07/26/2023
Date of the Board of Directors meeting	12/30/2024
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at the time of the initial grant	1
Total number of shares that may be granted	The 2023 Plan Regulations cover the free allocation of a maximum number of 48,500 preference shares
Number of shares granted	5,000
Grant date	12/30/2024
Acquisition period	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At the date of acquisition: N/A
	On the conversion date: see below

The performance conditions are thus constituted: the conversion parity is based on the IRR achieved by the financial investor on the first of the following dates: the Exit Date or the Merger Date, corresponding to the effective date of one of the transactions described in the Terms and Conditions of the regulations of the Preferred Share plan included in the Company's articles of association, or the expiry of a period of 6 months from the completion of the transaction(s) in question.

FREE ORDINARY SHARES

Authorization of the Shareholders' Meeting	07/26/2023
Date of the Board of Directors meeting	12/30/2024
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at the time of the initial grant	1
Total number of shares that may be granted	The 2023 Plan Regulations cover the free allocation of a maximum number of 400,000,000 ordinary shares
Number of shares granted	30,000,000
Grant date	12/30/2024
Acquisition period	1 year from the date of award by the Director General on delegation from the Board (without presence condition)
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At the date of acquisition: N/A
	As of the conversion date: N/A

The fair value of the free allocations (ordinary shares and preference shares) made in December 2024, calculated on the basis of the report of an external actuary, amounts to 547 thousand euros.

NOTE 14 | FINANCIAL LIABILITIES

14.1. DETAILS OF FINANCIAL LIABILITIES

In thousands of euros	Financial liabilities at fair value through profit or loss	Derivatives qualified as hedges	Other financial liabilities	Dec. 31 2024
PGE and RMF loan			**92,395**	92,395
Sienna Bond Loan (LATFI1)			**17,500**	17,500
Miscellaneous Loans			**43,890**	43,890
Debts on rental obligations			**83,064**	83,064
Banking and other facilities			**417**	417
Subtotal Loans and Financial Debts			**237 267**	**237 267**
Repayable advances			**22,902**	22,902
Other long-term liabilities			6,488	6,488
Derivative financial instruments		35,647		35,647
SUPPLIERS AND OTHER CREDITORS			**191,303**	**191,303**
Subtotal other financial liabilities	**0**	**35,647**	**197,791**	**233,438**
TOTAL FINANCIAL LIABILITIES	**0**	**35,647**	**435,058**	**470,705**

In thousands of euros	Financial liabilities at fair value through profit or loss	Derivatives qualified as hedges	Other financial liabilities	Dec. 31 2023
PGE and RMF loan			**92,183**	92,183
Sienna Bond Loan (LATFI1)			**17,500**	17,500
Miscellaneous Loans			**24,405**	24,405
Debts on rental obligations			**82,504**	82,504
Banking and other facilities			**1,402**	1,402
Subtotal Loans and Financial Debts			**217,994**	**217,994**
Repayable advances			**22,948**	22,948
Other long-term liabilities			6,853	6,853
Derivative financial instruments	65	5,231		5,297
SUPPLIERS AND OTHER CREDITORS			**173,070**	**173,070**
Subtotal other financial liabilities	**65**	**5,231**	**202,871**	**208 168**
TOTAL FINANCIAL LIABILITIES	**65**	**5,231**	**420,865**	**426 162**

In thousands of euros	Level 1	Level 2	Level 3	Fair value
Derivative financial instruments		35,647		35,647
TOTAL		**35,647**		**35,647**

In thousands of euros	Level 1	Level 2	Level 3	Fair value
Derivative financial instruments	0	5,297		5,297
TOTAL	**0**	**5,297**		**5,297**

The fair value of trade payables is considered to correspond to their balance sheet value, given the very short payment terms. The same applies to other creditors. Borrowings and financial liabilities are stated at amortized cost, calculated using the effective interest rate (EIR).

Repayable advances: Advances are repayable upon program success, and repayments are tied to deliveries of each product advanced. Repayment terms are set out in the agreement signed with the lending institution.

14.2. BORROWINGS AND FINANCIAL LIABILITIES

In thousands of euros	31 Dec. 2023	Increase	Decrease	Changes with no cash impact	Reclassification	31 Dec. 2024
Loans and debts to credit institutions – portion due in more than one year	111 783	27,481	-	- 8,276	1,137	132 126
Debts on rental obligations– portion due in more than one year	71 403	10,867	-	197	- 11,234	71,233
Other financial liabilities						-
Non-current liabilities	183 186	38,349	-	- 8,079	- 5,249	203,359
Loans and debts to credit institutions – share within one year	21 810	2,294	- 662	-499	- 1,137	21,806
Debts on rental obligations– share within one year	11 101	-82	- 10,474	53	11,234	11,831
Other financial liabilities	1 897	-	- 1,013	-613		271
Current liabilities	34 808	2,212	- 12,149	- 1,060	5,248	33,908
TOTAL LOANS AND FINANCIAL LIABILITIES	**217 994**	**40,560**	**- 12,149**	**- 9,139**	**0**	**237 267**

The deadlines for the "Miscellaneous Loans" item have been renegotiated and are now spread from 2026 to 2031.

They are subject to classification as non-current in the accounts as of December 31, 2024. The total presented as a borrowing increase above for €40.6 million differs from the total of the Loan Issue line of the cash flow statement (detailed in Note 3.5). Indeed, the new IFRS 16 debts are considered as non-cash items. The discount rate applied corresponds to the borrowing rate at market conditions to which the Group would be exposed to finance itself.

The terms and conditions of the outstanding loans are as follows:

				Dec. 31 2023	
In thousands of euros	Currency	Interest rate	Year of maturity	Original par value	Book value
PGE Loan (State Guaranteed Loan) - *including RMF*	EURO	Fixed Rates / Variable Rates	2027	92,200	92,395
Sienna - Latfi1	EURO	Variable rate	2031	23,500	17,500
Avcorp bank loans	CAD	Variable rate	2026	25,000	25,119
Other miscellaneous Borrowing	Multi-currency	Fixed rate	2026 to 2031	27,481	18,771
Debts on rental obligations	Multi-currency	Fixed rate	N / A	N / A	83,064
Bank and other facilities	EURO	Fixed Rates / Variable Rates	N / A	417	417
TOTAL LOANS AND FINANCIAL LIABILITIES				**168,599**	**237 267**

The contractual deadlines for loans and financial debts are as follows :

In thousands of euros	**December 31, 2024**
Less than 1 year	**33,908**
PGE and RMF loans (State-Guaranteed Loan and Return to Better Fortune)	0
Avcorp Bank Loan	21,806
Debts on rental obligations	11,831
Sienna Bond Loan (Latfi1)	**0**
Other miscellaneous loans	0
Banking and other facilities	271
From 1 year to 5 years	**143,525**
PGE and RMF loans (State-Guaranteed Loan and Return to Better Fortune)	**92,395**
Avcorp Bank Loan	3,313
Debts on rental obligations	35,068
Sienna Bond Loan (Latfi1)	0
OTHER MISCELLANEOUS LOANS	**12,602**
Banking and other facilities	147
More than 5 years	59,833
PGE and RMF loans (State-Guaranteed Loan and Return to Better Fortune)	0
Avcorp Bank Loan	0
Debts on rental obligations	36,164
Sienna Bond Loan (Latfi1)	17,500
Other miscellaneous loans	6,169
Banking and other facilities	0
TOTAL	**237 267**

NOTE 15 TRADE AND OTHER PAYABLES

In thousands of euros	December 31, 2024	December 31, 2023
Trade payables	94,964	103,666
Social debts	52,868	45,349
Tax liabilities	4,492	4,713
Accounts payable	19,368	15,706
Other debts	8,481	3,636
TOTAL TRADE AND OTHER RECEIVABLES	**180 173**	**173,070**

NOTE 16 TAXES

16.1. TAX RECEIVABLES

The amount recognized in tax receivables at December 31, 2024 in tax receivables for €4.4 million corresponds to €1.0 million in tax credits and €2.6 million in corporate tax advance payments.

16.2. DEFERRED TAXES

In thousands of euros	December 31, 2024	December 31, 2023
Deferred taxes assets	3,078	1,341
Deferred tax liabilities	-7,826	-12,091
OPENING DEFERRED TAXES	**-4,748**	**-10,750**
Deferred tax income (expense) for the period	-193	-193
Change in deferred taxes recognized in equity	-102	6,195
DEFERRED TAXES AT CLOSE	**-5,044**	**-4,748**
Of which deferred tax assets	*1,755*	*3,078*
Of which deferred tax liabilities	*-6,798*	*-7,826*

The analysis of net deferred tax assets by nature is as follows :

In thousands of euros	DTA	DTL
Intangible assets and tangible assets	813	6,041
Leases	2,386	1,963
Sales & Lease Back	1,672	168
Financial instruments	0	0
Commitments to personnel	2,599	149
Other provisions (regulated provisions)		3,221
Deffered taxes (*)	13,146	0
Avcorp PPA allocation		14,656
Other	3,366	2,829
SUB TOTAL	**23,982**	**29,025**
Reclassification deferred Taxes	**-22,227**	**-22,227**
NET DEFERRED TAX ASSETS (LIABILITIES)	**1,755**	**6,798**

* *The activated carryforward losses relate to the amount of €12.7 million for Avcorp's Canadian scope. The remainder mainly corresponds to taxes historically activated for the French scope.*

Deferred taxes in the French scope are not recognized since the recovery of these future taxes cannot be assured in the medium term in view of the tax forecasts established by the Group.

NOTE 17 CONTRACT LIABILITIES

The pre-financed development costs recycled from the "Contract liabilities" item in revenue amounted to €7.2 million for the 2024 financial year and €3.1 million for the 2023 financial year. Contract liabilities include deferred revenue relating to development costs, deferred income relating to repricing and liabilities relating to customer complaints regarding delivery times.

In thousands of euros	December 31, 2023	Reclassification	New contract liabilities	Revenues recognized during the period	December 31, 2024
Contract liabilities	25,689	-1,442	10,065	-7,212	27,100

NOTE 18 REVENUE

BY DOMAIN

	Dec. 31 2024		Dec. 31 2023	
In thousands of euros	Amount	%	Amount	%
Civilian activity	624,195	88.4%	547 094	93,3%
Military activity	81,630	11.6%	75 241	6,7%
TOTAL	**705,825**	**100.0%**	**622 335**	**100,0%**

BY GEOGRAPHICAL AREA

	Dec. 31 2024		Dec. 31 2023	
In thousands of euros	Amount	%	Amount	%
France	269,732	38.2%	259,298	43.4%
Export	436,094	61.8%	363,037	56.6%
TOTAL	**705,825**	**100.0%**	**622,335**	**100.0%**

BY GEOGRAPHIC MARKET (DIRECT EXPORTS)

In thousands of euros	Dec. 31 2024		Dec. 31 2023	
Europe	**424,910**	**60.2%**	**369,301**	**67.9%**
America	267,501	37.9%	186,592	30.1%
Asia	8,492	1.2%	13,783	1.3%
OTHERS	4,921	0.7%	52,659	0.7%
TOTAL	705,825	100.0%	622,335	100.0%

BY CUSTOMER

	Dec. 31 2024		Dec. 31 2023	
In thousands of euros	Amount	%	Amount	%
Airbus	315,186	44.7%	232,701	37.4%
Embraer	72,155	10.2%	60 160	9.7%
Dassault	56,663	8.0%	38,679	6.2%
Boeing	98,644	14.0%	89,248	14.3%
Bombardier	9,735	1.4%	10,745	1.7%
Others	153,442	21.7%	190,803	30.7%
TOTAL	**705,825**	**100.0%**	**622,335**	**100.0%**

NOTE 19 | DETAILS OF OTHER COMPONENTS OF CURRENT OPERATING RESULT

PURCHASES CONSUMED AND EXTERNAL EXPENSES

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Purchases consumed	-193 153	-182,286
Goods consumed	-288	-26
Subcontracting	-125,333	-97,953
External expenses	-103,809	-116,552
PURCHASES CONSUMED AND EXTERNAL EXPENSES	**-422,583**	**-396,817**

EMPLOYEE EXPENSES

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Wages and salaries	-178,416	-171,754
Social charges	-44,902	-37,538
External staff	-30,064	-18,770
Incentives and profit-sharing	-2,280	-1,964
Employee benefits	51	1,334
Other social costs	-13,175	-5,953
EMPLOYEE EXPENSES	**-268,785**	**-234,644**

NET ALLOCATIONS TO OPERATING PROVISIONS AND DEPRECIATION OF CURRENT ASSETS

	Dec. 31 2024			Dec. 31 2023		
In thousands of euros	Allocation	Reversal	Net	Allocation	Reversal	Net
Net allocations to operating provisions	-16,308	16,141	**-167**	-14,713	- 3,256	**-11,457**

	Dec. 31 2024			Dec. 31 2023		
In thousands of euros	Allocation	Reversal	Net	Allocation	Reversal	Net
Receivables	-119	943	**824**	-28	782	**754**
Stocks	-22,041	12,631	**-9,411**	-1,209	-2,026	**-3,235**
Net allocations to / depreciation of current assets	**-22 160**	**13,574**	**-8,587**	**-1,237**	**-1,245**	**-2,481**

OTHER INCOME

As of December 31, 2024, other income of €14.0 million includes grants and tax credits of €3.7 million, capitalized development costs of €4.3 million, and disposals of fixed assets of €5.5 million. Other expenses of -€11.6 million include, in addition to the net book value of the assets sold of -€8.4 million, other current management expenses of -€3.4 million, such as losses on irrecoverable debts and patent royalties and various non-current expenses of -€3.3 million.

NOTE 20 | OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Impairment of assets	0	-44,292
Restructuring costs	-13,921	-23,528
Other unusual items	-10,906	-12,154
OTHER NON-RECURRING OPERATING INCOME AND EXPENSES	**-24,827**	**-79,974**
• *of which expenses*	**-30,809**	*-92,582*
• *of which income*	**5,982**	**12,608**
• *of which Release*	**354**	**9,979**
• *of which Allowance*	**- 2,602**	**-63,525**

Restructuring costs are mainly linked to transformation and adaptation costs to rationalize the Group's industrial footprint (-€13.9 million) with:

- the Focus project, including costs of industrialization, transfers and purchases of machines, and restructuring, for a total of -€4.1 million;
- the closure of the Gardena plant at Avcorp, an event in 2023, the residual effects of which were recorded in the 2024 accounts;
- the reorganization of the Montredon site, and
- various projects such as "derisking" the supply chain.

Other unusual items mainly consist of consulting fees related to the specific context of the restructuring for -€5.8 million. The cost of the fire at the surface treatment workshop at the Hermosillo site in Mexico represents a contribution of -€2.7 million, after taking into account an insurance indemnity of €5 million.

NOTE 21 | FINANCIAL RESULT

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Cost of net debt	-12,611	-25,874
• of which financial expenses related to interest-bearing liabilities	*-14,037*	*-26,766*
• of which financial income from cash and cash equivalents	*1,426*	*892*
Foreign exchange gains and losses	-1,719	-1,817
Change in fair value of financial instruments	215	-144
Other financial expenses	-16,983	-10,469
Other financial income	16,290	186,762
FINANCIAL RESULT	**-14,808**	**148,457**
• *of which financial expenses*	-49,730	-39,197
• *of which financial income*	34,922	187,654

The cost of net debt totalling -€12.6 million for the 2024 financial year includes in particular :

- - €8.2 million in interest charges on loans
- - €1.8 million in interest charges on lease contract debts
- -€0.9 million in commissions and fees related to the Group's financing, comparable to transaction costs.

The exchange rate result, realized and latent, includes exchange rate gains of €17.2 million and exchange rate losses of -€18.9 million.

Other financial income amounted to €9.9 million for the discounting of various new loans. Discounts granted made up the majority of other financial expenses.

NOTE 22 | TAX EXPENSE

22.1. TAX CONSOLIDATION AGREEMENT

In France, Latecoere has been the only company liable for corporate income tax, additional corporate income tax and the annual flat-rate tax due in respect of the tax group comprising Latecoere, LATelec Latfi1 and Latecoere Développement since the 2009 financial year.

Under the terms of the tax consolidation agreement, the tax consolidated subsidiaries bear their own tax liability, as they would in the absence of tax consolidation, and pay the corresponding amounts to Latecoere, as a contribution to the payment of tax for the tax group.

The Group higlight that there is no significant impact for Pillier 2 at the closing, because it does not reach the thresholds set for the application of the GloBE (Global Anti-Base Erosion) rules.

22.2. INCOME TAX EXPENSE

In thousands of euros	Dec. 31 2024	Dec. 31 2023
Taxes payable	-4,516	-5,162
Deferred taxes	-193	9,731
TOTAL	**-4,709**	**4,569**

22.3. RECONCILIATION BETWEEN THEORETICAL AND ACTUAL TAXES

In thousands of euros	Dec. 31 2024
Consolidated net income of integrated companies	**-60,550**
• Consolidated income tax expense (current and deferred)	4,709
Consolidated profit before tax (before group/minority split)	**-55,840**
• Income from companies accounted for by the equity method	0
Consolidated income before taxes (A)	**-55,840**
Theoretical rate (current rate applicable to parent company) (B)	**25.83%**
Theoretical tax burden (A*B)	**-14,424**
Permanent differences	3,384
Impact related to the rate	-172
Impact of tax reduction / tax credits*	-86
Tax losses arising during the period not capitalized**	9,301
Deferred tax ceiling	7,360
Other	-654
Subtotal	**19,133**
ACTUAL TAX BURDEN	**4,709**
EFFECTIVE TAX RATE	**N / A**

* *This amount essentially corresponds to the tax credit*

** *Unused tax losses have no carry-forward limit*

NOTE 23 | RISK MANAGEMENT

23.1. COUNTERPARTY RISK

The Group is mainly exposed to credit and counterparty risk relating to customers, derivative financial instruments and temporary financial investments.

The risk of counterparty default linked to customers is very limited due to the credit quality of the main customers (tier 1 aircraft manufacturers) of the Aerostructures and Interconnection Systems branches.

At the end of the financial year, the Group had not identified any significant credit risk on these unprovisioned overdue assets.

The Group implements derivative financial instruments in order to reduce its exposure to foreign exchange and interest rate risks. These transactions are entered into over-the-counter with leading banks .

Cash is invested through risk-free monetary instruments with top-tier banking institutions.

Banking covenants

As part of the protocol signed with the banks, the provisions of the Maintained PGE Contracts have been modified to include, in a limited manner, the following financial commitments for the Company:

Liquidity threshold : A minimum level of consolidated cash of €20 million, tested on a quarterly basis from December 2023;

Positive current EBITDA : A positive current EBITDA in 2024, calculated on the basis of the last twelve months and tested on December 31, 2024 on the basis of the Consolidated Accounts;

Leverage ratio : Two levels of leverage ratio Consolidated Net Financial Debt / Consolidated Current EBITDA, it being specified that, for each ratio, the test will be carried out on a half-yearly basis with a first test date of June 30, 2025

Testing Date	First level of Leverage Ratio (Ratio 1)	Second level of Leverage Ratio (Ratio 2)
June 30, 2025	6	7
December 31, 2025	4	5
June 30, 2026	3.5	4.5
December 31, 2026	3	3.75
June 30, 2027	3	3

A breach of Ratio 1 will not constitute an event of early repayment, an event of default or a potential event of default, provided in particular that it does not at the same time constitute a breach of Ratio 2.

On the other hand, it will give rise to new obligations for the Group in terms of communication with the Lenders, monthly reporting, and the preparation and communication of action plans and/or capital remediation. Failure to comply with any one of these three points will constitute an event of default and early repayment.

Failure to comply with any one of these three points will constitute an event of default and early repayment. Furthermore, if the lapse, resolution, termination or cancellation of the Conciliation Protocol were to be declared or pronounced, for example pursuant to article L. 611-10-3 of the French Commercial Code (resolution for non-performance) or article L. 611-12 of the French Commercial Code (opening of insolvency proceedings automatically terminating the Protocol), it should be noted that (i) such lapse, resolution, termination or cancellation will have no retroactive effect, (ii) all sums previously waived, received or capitalised by any of the Parties pursuant to the Protocol, for whatever reason, will be retained and acquired, and (iii) such lapse, termination or cancellation shall not affect (a) any subsequent agreements entered into pursuant to the Protocol, which shall remain in force and enforceable in accordance with their terms, and (b) any security interests, guarantees and liens granted or created pursuant to the Protocol, any waivers and repayments made and/or payments and/or reductions already made, which shall remain definitively acquired.

As at 31 December 2024, the Group was in compliance with its covenants.

23.2. LIQUIDITY RISK

.The Group manages its cash flow through a centralized approach. Its subsidiaries' surplus or financing requirements are invested or financed by the parent company in market conditions.

The Group's treasury department manages the Group's current and forecast financing and ensures its ability to meet its financial commitments.

In addition, the Group has joined financing programs through reverse factoring from its key customers, enabling the anticipation of accounts receivable settlements.

The Group is working to implement new financing sources in the form of Sale & Lease Back for properties. Two transactions have been completed. in 2023 on the Gimont and Prague sites. In 2024, an equivalent operation was carried out on the Périole 3 site.

A specific and periodic review of the cash flow's risk and situation is carried out by the Audit and risk committee. Details of Group financing are presented in notes 14.1 and 14.2 to the consolidated financial statements.

Going concern

Information regarding going concern is presented in detail in note 1.4 - Going concern.

23.3. FOREIGN EXCHANGE RISK

Dollar exchange risk

Due to its international exposure and the fact that it invoices its French customers in dollars, the Group faces foreign exchange risks. The Group has therefore developed a natural hedging policy by making a portion of its purchases in USD. Thus, the Group invoices approximately 75% of its sales in dollars and purchases approximately 60% of its supplies or subcontracting in dollars. The Group's natural hedge on the USD represents approximately 36%.

As in 2023, to cover its residual net exposure as of December 31, 2024, the Group has set up foreign exchange hedging financial instruments, such as forward sales.

The foreign exchange risk hedging policy limits the impact on the Latecoere Group's corporate and consolidated financial statements. It should be noted that the table below only reflects the situation as of December 31, 2024 and does not reflect all future hedging.

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A) BALANCE SHEET EXPOSURE AND SENSITIVITY TO THE DOLLAR

The Group's balance sheet exposure to foreign exchange risk in dollars is as follows:

	Dec. 31 2024		Dec. 31 2023	
	K$	K€	K$	K€
Accounts receivable	100 143	96,393	62 179	56 271
Trade payables	-109,010	-104,928	-50 351	-45 566
Other (including factoring)	-3,050	-2,936	128	116
Net debt	2,914	2,805	2 970	2 688
NET EXPOSURE BEFORE HEDGING	**-9,004**	**-8,666**	**14 926**	**13 508**
Hedging instruments relating to balance sheet receivables	0		0	
NET EXPOSURE AFTER HEDGING	**-9,004**	**-8,666**	**14 926**	**13 508**

As of December 31, 2024, the Group has not implemented any hedging instruments to cover its balance sheet exposure.

A sensitivity analysis was carried out assuming a 5% variation in the USD currency against the euro based on the Group's net exposure on the balance sheet as of December 31, 2024.

This variation would have resulted in a decrease in pre-tax profit of €333,000 as of December 31, 2024 compared to a decrease of €643,000 as of December 31, 2023.

B) SENSITIVITY ON TRANSACTIONAL FLOWS IN DOLLARS

A sensitivity analysis was performed on flows relating to transactions in USD by companies whose functional currency is the euro, net of the impact of EUR/USD currency hedges for the period.

	Dec. 31 2024		Dec. 31 2023	
Assuming a change in the euro/US dollar exchange rate	**-5%**	**+5%**	**-5%**	**+5%**
Average FX rate for the period	**1,08205**		**1,08159**	
Average FX rate after sensitivity	1,028	1,136	1.028	1.136
Operating result	3,169	-2,867	2,383	-2,156
Financial result	0	0	0	0
PROFIT BEFORE TAX	**3,169**	**-2,867**	**2,383**	**-2,156**

C) SENSITIVITY OF DERIVATIVE FINANCIAL INSTRUMENTS IN DOLLARS

A sensitivity analysis was performed based on the portfolio of derivatives designated as cash flow hedges held at the end of the financial year. A 5% increase in the USD currency against the euro would have resulted in a decrease in equity of -€27 million. A 5% decrease in the USD currency against the euro would have resulted in an increase in equity of +€7.3 million.

Foreign exchange translation risk

Foreign exchange risk is the risk related to the translation into euros of the financial statements of companies whose functional currency is different from the euro. The main companies whose functional currency is different from the euro are Latecoere Czech Republic (EUR/CZK risk), Latecoere Do Brazil (EUR/BRL risk), SEA-LATelec (EUR/TND risk), LATsima (EUR/MAD risk), Mexican subsidiaries (EUR/MXN risk), India (EUR/INR risk) and Canada (EUR/CAD risk). A sensitivity test was implemented on the main subsidiaries outside the eurozone (Czech Republic, Brazil, Mexico, Tunisia, Morocco, India, Canada). Thus, a 5% devaluation of local currencies against the euro would not impact the Group's accounts by -€1 million. As a reminder, the amount of the translation reserve in equity amounts to -€12 million as of December 31, 2023, compared to -€9 million as of December 31, 2023.

23.4. INTEREST RATE RISK

In thousands of euros		< 1 year	from 1 to 5 years	> 5 years	Dec. 31 2024	Dec. 31 2023
	Fixed rate	0	0	0	**0**	
Financial assets	**Variable rate**	**59,791**	**0**	**0**	**59,791**	**85,423**
	Fixed rate	12,055	25,498	59,803	**97,357**	102,376
Financial liabilities	**Variable rate**	**21,853**	**111,642**	**0**	**133,495**	**133,618**
	FIXED RATE	12,055	25,498	59,803	**97,357**	102,376
NET EXPOSURE BEFORE HEDGING	**VARIABLE RATE**	**81,644**	**111,642**	**0**	**193,286**	**219,041**
	Fixed rate	0	0	0	**0**	
Derivative financial instruments	**Variable rate**	**0**	**0**	**0**	**0**	
	Fixed rate	12,055	25,498	59,803	**97,357**	102,376
NET POSITION AFTER HEDGING	**VARIABLE RATE**	**81,644**	**111,642**	**0**	**193,286**	**219,041**

As of December 31, 2024, the Group had not implemented any interest rate hedging instruments.

The sensitivity test implemented was carried out on a net basis of interest rate hedging of variable rate loans as of December 31, 2024. Assuming an increase in short-term rates of 100 basis points, the impact on the Group's pre-tax profit would be -€1.3 million.

NOTE 24 | ASSETS HELD FOR SALE

N/A

NOTE 25 | AVERAGE HEADCOUNT

	Dec. 31 2024	Dec. 31 2023
	Total	**Total**
Latecoere	694	660
Latecoere do BRASIL	**243**	**211**
Latecoere Czech Republic s.r.o.	439	459
Latecoere Mexico	**350**	**495**
Latecoere Inc.	12	11
Latecoere Bulgaria	439	354
Technical Airborne Components (TAC)	163	163
Shimtech de Mexico	**77**	**41**
Avcorp ASI	389	371
Avcorp ACF	-	60
Avcorp AEC	92	84
Aerostructures	**2,897**	**2 908**
LATelec	522	544
SEA LATelec	569	585
LATelec GmbH	41	66
LATelec Mexico	585	**1 117**
LATsima	574	559
LATelec Interconnection Inc. (Canada)	15	26
Latecoere Interconnection Systems US	39	34
Latecoere Interconnection Systems UK	4	4
Latecoere Interconnection Systems Japan	-	2
Latecoere India Private Limited	222	223
Malaga Aerospace, Defence & Electronics Systems SA (MADES)	97	98
Interconnection systems	**2,667**	**3 259**
GROUP	**5,564**	**6 167**

NOTE 26 | FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

26.1. FINANCIAL COMMITMENTS

THE COMMITMENTS GIVEN BY THE GROUP AT THE END OF THE YEAR WERE AS FOLLOWS :

	Dec. 31 2024				Dec. 31 2023
In thousands of euros	< 1 year	from 1 to 5 years	> 5 years	Total	Total
Accounts receivable pledged as security	0	0	0	0	0
Pledges, mortgages and security interests [1]	0	21,177	0	21,177	2,095
TOTAL	**0**	**21,177**	**0**	**21,177**	**2,095**

(1) These pledges relate to the pledge of inventories and work in progress in the Czech Republic and Bulgaria, as well as up to €1,000 on LATFI1 securities placed in trust. The value of the inventories carried by LATFI1 amounts to €54.3 million at the end of 2024, compared to €53.3 million at the end of 2023.

26.2. OTHER COMMITMENTS

As part of its day-to-day business, the Group has commitments to purchase goods related to production.. These commitments are primarily based on the production rate forecasts of customers and are made under normal market conditions.

The Group has also made commitments to customs as part of its current activities, for a total amount of €1.4 million.

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26.3. OTHER CONTINGENT LIABILITIES

IFRIC 23 requires companies to take into account the probability of an adverse tax position and to recognize this position on the liabilities side of the balance sheet when it is considered probable.

No provision was recorded at the end of the financial year.

Certain potential obligations may constitute contingent liabilities within the meaning of IAS 37. As such, an exposure not included in the accounts at the end of 2024, because it cannot be measured with sufficient reliability, must be mentioned: a claim is currently open between our Moroccan subsidiary and the local customs authorities. The discussions relate to declarations historically made by our subsidiary.

26.4. NON-CONSOLIDATED ENTITIES

Latécoere holds a 2.09% stake in Caeli Nova. This stake is recorded under "other financial assets" on the balance sheet for €0.9 million.

Latecoere holds a 24.81% stake in CORSE COMPOSITES AERONAUTIQUE (CCA). This stake is recorded under "other financial assets" on the balance sheet for €2.7 million.

It allows the Group, alongside the other shareholders, Airbus, Dassault and Safran, to strengthen its skills in the field of composite materials.

The Group no longer exercises significant influence over Corse Composites Aéronautique since April 1 · 2013, as the criteria set out in IAS 28 for the definition of significant influence are not met (low volume of insignificant transactions, no participation in policy-making processes, no exchange of management personnel or essential technical information, and representation on the board of directors without decision-making power). Consequently, this company has been deconsolidated and the financial asset has been classified as other financial assets.

The data below summarizes the main financial indicators of CORSE COMPOSITES AERONAUTIQUE (100% data): the 2024 accounting data not being available,

- 2023 turnover: €55.1 million
- Net result 2023: -€0.1 million
- Equity 2023: €8.9 million

The Group has not provided financial support to the company CORSE COMPOSITES AERONAUTIQUE.

NOTE 27 | RELATED PARTIES

27.1. MAIN FLOWS WITH RELATED PARTIES

2023 relationship with unconsolidated entities as of December 31, 2023 :

In thousands of euros	Total	SCP SKN Holding 1 S.AS. et SCP L.P.	Corse Composites Aéronautique
Operating income	40	40	0
Purchasing	1,514	844	670
Customers	108	108	0
Debts	368	344	24

Transactions with related parties are carried out on the basis of market prices.

27.2. EXECUTIVE COMPENSATION

The Group has defined as "Key managers" the persons having the following functions :

- members of the Board of Directors of Latecoere;
- members of the executive committee of Latecoere;
- directors or managers of fully consolidated subsidiaries.

For all persons falling within the definition above, the total remuneration and benefits acquired or to be acquired represent the sum of €6,391,000 as of December 31, 2024, compared to €6,513,000 as of December 31, 2023. The amount relating to pension commitments and long-service medals amounts to €306,000 for the 2024 financial year, compared to €402,000 for the 2023 financial year.

The remuneration for the corporate mandate of all members of the board of directors, including the Chairman of the board, amounts to €526,000 for the 2024 financial year compared to €412,000 for the 2023 financial year.

There is no Group-wide top-up pension scheme.

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27.3. MAIN RELATIONSHIPS BETWEEN LATECOERE AND ITS SUBSIDIARIES

The main intra-Group flows concern economic flows relating to the production of sub-assemblies.

The Group is organized around two activities : “Aerostructures" and "Interconnection Systems”. Each leading company of a division or activity has subsidiaries (in France or abroad) allowing it to meet its industrial needs. Given the general organization of the Group, the various companies included in the scope of consolidation may have industrial and commercial relations with each other in order to meet the production needs of each entity. As intra-Group transactions vary, it is not possible to define the annual amounts a priori.

The terms of payment applicable between the various Group companies are in line with those applicable to other suppliers and take into account, where appropriate, the occasional needs related to centralized cash management.

Latecoere, the Group's parent company, centralizes certain aspects of the global management of the subsidiaries (general management, insurance and risk management, financial management, etc.). As a result, it invoices its subsidiaries for "head office expenses" which include the relative costs of these items.

In addition, as part of its centralized cash management, Latecoere may grant current account advances (short-term cash) or loans (medium or long-term) to its subsidiaries (directly held) in order to finance real estate and industrial investments. Short-term financing is subject to related-party agreements and bears interest. The loans are subject to specific contracts stating the purpose of the financing, the term and the rate applied.

In certain cases, this internal financing method may be set up between a subsidiary of Latecoere and its sub-subsidiary(ies), the procedures and conditions remaining identical to those described above. With the exception of the Group companies and the relationships with key managers mentioned above, there are no significant transactions with related parties outside the Group.

In France, Latecoere has been the only company liable for corporate income tax, additional corporate income tax and the annual flat-rate tax due by the tax group comprising Latecoere, Latecoere Développement and LATelec since fiscal year 2009.

In accordance with the tax consolidation agreement, the tax-consolidated subsidiaries bear their own tax liability, as they would in the absence of tax consolidation, and pay the corresponding amounts to Latecoere, as a contribution to the payment of taxes for the tax group.

NOTE 28 | FEES PAID TO THE STATUTORY AUDITORS

Pursuant to ANC regulation no. 2016-09 of December 2, 2016, the following table presents the amount of fees paid to the Group's statutory auditors included in the consolidated income statement for the year, distinguishing between fees relating to the certification of the financial statements and those relating to other services, where applicable. The fees mentioned for subsidiaries relate to those that are fully consolidated.

	2024						2023					
In thousands of euros	KPMG		PWC		Other		KPMG		PWC		Other	
	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%
A) Fees related to the certification of the accounts												
A.1) Latecoere (issuer)	437	38%	357	100%			450	34%	309	72%		
A.2) Subsidiaries	600	52%	0	0%	40	100%	659	50%	0	0%	42	100%
SUBTOTAL	**1,037**	**91%**	**357**	**100%**	**40**	**100%**	**1,109**	**84%**	**309**	**72%**	**42**	**100%**
B) Fees for other services												
(IOM-related due diligence and various certificates and OTI due diligence on the CSRD/DPEF)												
B.1) Latecoere (issuer)	104	9%	0	0%			180	14%	120	28%		
B.2) Subsidiaries	3	0%	0	0%			26	2%	0	0%		
SUBTOTAL	**107**	**9%**	**0**	**0%**	**0**	**0%**	**206**	**16%**	**120**	**28%**	**0**	**0%**
TOTAL	**1,144**	**100%**	**357**	**100%**	**40**	**100%**	**1 315**	**100%**	**429**	**100%**	**42**	**100%**

NOTE 29 | POST-CLOSING EVENTS

On April 4, 2025, the Latecoere Group signed an agreement for **the sale and acquisition** of its subsidiary, Malaga Aerospace, Defense & Electronics Systems ("MADES"), to the Cicor Group. The company will provide further information to the market upon completion of the transaction, which remains subject to conditions precedent, including approval by the Spanish Council of Ministers, in accordance with regulations governing foreign direct investment in the defense sector (expected in the second half of 2025).

The subsidiary's activities will be classified as operations in the process of being sold in the consolidated half-yearly information of June 30, 2025.

This transaction is part of Latecoere's overall strategy to invest in its core aerostructures and interconnection systems businesses to meet the growing needs of its customers. The proceeds from this sale will be used by Latecoere to reduce debt and reinvest in other businesses. MADES was an integral part of the interconnection systems operating segment .

Tariffs : Current trade tensions and the possibility of new tariffs pose risks to our supply chain and pricing strategies. While we are actively collaborating with our suppliers, customers, and trade organizations, and exploring potential alternative sourcing options, the overall impact remains uncertain and could significantly affect our financial results.

5.7.7. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2024

To the shareholders of **Latecoere S.A**.,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Latecoere for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of the application of the going concern principle for the preparation of the consolidated financial statements

DESCRIPTION OF RISK

The consolidated financial statements for the year ended 31 December 2024 have been prepared on a going concern basis.

As indicated in Note 1.3 "Going concern" and Note 29 "Subsequent Events" to the consolidated financial statements, despite a positive trend in results in 2024, the Group continues to operate in complex operating conditions, an environment characterized by trade tensions and the risk of new customs tariffs that could affect its financial results and has generated negative operating cash flows. To address the challenges facing the Group, management has implemented and continues to implement several cost reduction initiatives, as well as actions to strengthen its liquidity.

Given:

- the business plan and cash flow forecasts prepared by management with the assistance of a specialist consultant, which take account of the latest contractual terms signed with the Company's main commercial partners,
- the market dynamics reflected in the order books of major aircraft manufacturers,
- discounts applied to the target business plan to cover the risks associated with ramp-up, efficiency gains and cost savings assumptions,

management, while maintaining a process of close monitoring of actions to strengthen available liquidity, estimated that the group is able to continue its activity for at least the next twelve months from the date of publication of the consolidated accounts for the financial year ending December 31, 2024.

We considered the assessment of the application of the going concern principle in the preparation of the consolidated financial statements to be a key audit matter due to the significance of the judgements and estimates made by management in preparing the business outlook and related cash flows underlying that principle.

HOW OUR AUDIT ADDRESSED THIS RISK

As part of our procedures, we assessed the Group's liquidity requirements with regard to forecast cash flows, current resources and existing credit facilities. Our work consisted primarily in:

- critically assessing the main budgetary assumptions included in the business plan for the Group prepared by Executive Management and presented to the Board of Directors, in particular through interviews with the operational and financial departments and comparative analyses with available sectoral information and comparisons with the Group's historical results;
- conducting our own sensitivity analyses to assess the prudence of the key assumptions in the medium-term business plan;
- assessing the consistency of the items included in the business plan with the latest agreements signed by the Company with its commercial partners;
- critically assessing the budget to the end of March 2025, taking into account any impact of post-balance sheet events on the medium-term plan;
- assessing compliance with bank covenants over the next 12 months on the basis of the business plan drawn up by management;
- assessing the appropriateness of the disclosures provided in note 1.3. "Going concern" of the appendix to the consolidated financial statements as of December 31, 2024. Impairment test of Cash Generating Units (CGUs) in application of IAS 36.

Non-current asset impairment tests

DESCRIPTION OF RISK

In accordance with IAS 36, the Group carried out its annual impairment test on all its Cash Generating Units (CGUs), based on medium-term plan data validated by management.

As indicated in Notes 2.13 "Fixed assets depreciation" and 6.2 "Impairment of assets" to the consolidated financial statements, this impairment test, which is based on discounted future cash flows, incorporates business forecasts and key assumptions such as the discount rate and growth rate, and requires considerable judgement by management. Accordingly, we considered the non-current asset impairment test to be a key audit matter.

HOW OUR AUDIT ADDRESSED THIS RISK

With regard to the "Structures" and "Avcorp" CGUs, we, with the assistance of our valuation experts:

- assessed the consistency with market practices of the valuation methods used by management;
- critically reviewed the main assumptions underlying the 2025 to 2028 medium-term business plan prepared by Executive Management with the assistance of a specialist consultant and presented to the Board of Directors;
- critically reviewed the financial inputs used to determine the value in use of the CGUs, and, in particular, the long-term growth assumptions and discount rates used to calculate terminal value;
- critically reviewed the market values used for the "Structures" CGU, and more specifically the expert valuation reports used to determine them;
- assessed the appropriateness of the disclosures provided in the above-mentioned notes to the consolidated financial statements.

With regard to the other CGUs, we carried out a critical review of the model used to determine the value in use of the assets and performed our own sensitivity tests of this model to the main discount rate and long-term growth rate assumptions in order to corroborate the absence of recognition of impairment.

Revenue recognition pursuant to IFRS 15

DESCRIPTION OF RISK

The Group's revenue is generated through several types of construction contracts for avionics sub-assemblies, in some cases including development activities and covering several financial years, or through service contracts. The recognition of revenue associated with these contracts is complex due to the diversity of activities and the variety of contract types, which vary according to the customer.

The Group analyses each new contract in its portfolio to determine the revenue recognition method to be adopted and recognises the corresponding revenue as described in Note 2.16 "Recognition of revenue" to the consolidated financial statements.

Revenue recognition is a key audit matter insofar as the analysis of the different types of contracts that constitute the Group's revenue requires a significant degree of judgement.

HOW OUR AUDIT ADDRESSED THIS RISK

Our audit procedures mainly consisted in:

- assessing whether the accounting policies presented in Note 2.16 "Recognition of revenue" to the consolidated financial statements comply with IFRS 15;
- reviewing the procedures and controls put in place by the Group to analyse contracts and determine revenue, and testing the operational effectiveness of these controls;
- verifying, based on a sample of individual transactions, that revenue has been recognised properly in the light of the supporting documents available and the provisions of IFRS 15;
- examining the potential impact of post-balance sheet events on the determination of unbilled revenue at 31 December 2024;
- critically reviewing the estimated items included in revenue for the financial year in order to assess the highly probable recoverability of these items.

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

Presentation of the consolidated financial statements included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the consolidated financial statements included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

Due to the technical limitations inherent to block tagging the consolidated financial statements in the European single electronic reporting format, the content of some of the tags in the notes may not be rendered identically to the accompanying consolidated financial statements.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Latecoere by the Annual General Meeting held on 25 June 1993 for KPMG S.A. and on 26 July 2023 for PricewaterhouseCoopers Audit.

At 31 December 2024, KPMG S.A. was in the thirty firsteth consecutive year of its engagement since the securities of the Company were admitted to trading on a regulated market, and PricewaterhouseCoopers Audit was in the second year of its engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Labège, May 14, 2025

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG S.A.
Sébastien Lasou	Pierre Subreville
Partner	Partner

5.8. 2024 STATUTORY FINANCIAL STATEMENTS

5.8.1. BALANCE SHEET

In thousands of euros	Gross amount	Amort. Prov.	31 Dec. 2024	31 Dec. 2023
Establishment fees	9,011	9,011	0	0
Commercial funds	500	500	0	0
Software	31,761	31,595	166	0
Other intangible assets	9,813	9,813	0	0
Intangible assets in progress	2,268	1,232	1,035	0
Advances and deposits	0	0	0	0
Intangible fixed assets	**53,353**	**52,151**	**1,202**	**0**
Land	0	0	0	53
Buildings	1,143	439	703	1,588
Technical installations and tools	58,449	45,977	12,472	15,446
Other tangible fixed assets	3,962	3,951	12	13
Assets under construction	1945	287	1,658	0
Advances and deposits	1,117	1,107	10	0
Tangible fixed assets	**66,616**	**51,761**	**14,854**	**17,100**
Investments in subsidiaries and affiliates	295,370	99,202	196 168	247 224
Loans to subsidiaries and affiliates	85,039	18,834	66,205	61,227
Other long-term investments	75	0	75	75
Loans	0	0	0	0
Other long-term investments	2,956	113	2,843	2,798
Long-term investments	**383,439**	**118 148**	**265 291**	**311 324**
FIXED ASSETS	**503,408**	**222,061**	**281,347**	**328,424**
Raw materials	13,351	5,158	8,193	6,989
Production of goods and services	61,912	55,435	6,477	4,372
Intermediate and finished products	19,272	8,541	10,730	7,710
Inventories and work in progress	**94,535**	**69,134**	**25,401**	**19,070**
Advance payments on orders	4,176	0	4,176	1,956
Trade receivables and related accounts	154,452	3,600	150,852	124,674
Other receivables	66,997	766	66,230	151,586
Marketable securities	212	0	212	40 112
Availability	28,125	0	28,125	14,117
Receivables	**253,962**	**4,366**	**249,595**	**332,445**
Prepaid expenses, deferred charges	919	0	919	1,092
Accruals and deferred income	**919**	**0**	919	**1,092**
CURRENT ASSETS	**349,416**	**73,500**	**275,915**	**352,607**
Translation differences	3,231	**0**	3,231	739
TOTAL ASSETS	**856,054**	**295,561**	**560,493**	**681,771**

In thousands of euros	31 Dec. 2024	31 Dec. 2023
Share or individual capital	126,198	124 968
Issue, merger and contribution premiums	326,021	327 251
Legal reserve	1,722	1 722
Other reserves	106,796	106 796
Retained earnings	-285 301	-295 931
Net profit for the year	-88,761	10 630
Regulated provisions	5,359	5 313
Shareholders' equity	**192,033**	**280 749**
Repayable advances	15,980	13 420
Total shareholders' equity	**208 013**	294 169
Provisions for risks	11,511	8 690
Provisions for charges	28,215	25 674
Provisions for liabilities and charges	**39,726**	**34 364**
Loans and borrowings from credit institutions, miscellaneous and bank overdrafts	104,530	93 858
Advances and deposits received on contracts in progress	3,608	1 728
Trade payables and related accounts	142,069	129 496
Tax and social security liabilities	28,151	23 752
Payables on fixed assets and related accounts	2017	2 181
Other liabilities (1)	21,076	97 304
Deferred income	9,181	4 378
Total debt	**310,632**	**352 698**
Currency translation adjustment	2,123	539
TOTAL LIABILITIES	**560,493**	**681 771**

(1) Including current accounts in credit of €86,104K as of 12/31/2023 and €11,445K as of 12/31/2024

5.8.2. INCOME STATEMENT

In thousands of euros	31 Dec. 2024	31 Dec. 2023
Production sold of goods	372,041	336 936
Production sold of services	116,532	65 740
Net sales	**488,574**	**402 675**
Stocked production	4,939	-26 181
Capitalised production	1,235	1 696
Operating subsidies	2,130	2 219
Write-backs of depreciation, provisions and expense transfers (1)	12,914	13 032
Other products (2)	7,724	8 712
Operating income	**517 515**	**402 152**
Purchases of raw materials and supplies	116,409	69 066
Change in inventories (raw materials, supplies)	-3,616	9 260
Other purchases, external charges	372,645	322 594
Taxes and similar payments	3,073	2 623
Wages and salaries	44,756	47 393
Social security charges	20,528	18 908
Depreciation, amortisation and provisions (fixed assets)	2,921	7 015
Provisions for current assets + liabilities and charges	21,654	13 303
Other operating expenses (3)	6,041	6 241
Operating expenses	**584,411**	**496 402**
OPERATING PROFIT	**-66,897**	**-94 250**
Financial income from investments	31,047	13 551
Other interest and similar income	994	183 462
Reversals of provisions and expense transfers	2,461	0
Positive exchange rate differences	1,382	3 802
Net proceeds from disposals of marketable securities	0	0
Financial income	**35,883**	**200 815**

In thousands of euros	31 Dec. 2024	31 Dec. 2023
Depreciation, amortisation and provisions	55,370	74 016
Interest and similar expenses	14,716	19 212
Negative exchange rate differences	-611	2 974
Net expenses on disposals of marketable securities	1	64
Financial expenses	**69,476**	**96 266**
FINANCIAL RESULT	**-33,593**	**104 550**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**-100,490**	**10 300**
Extraordinary income from management operations	2	8
Extraordinary income from capital transactions	7,981	7 184
Reversals of provisions and expense transfers	8,600	12 033
Extraordinary income	16,583	19 224
Exceptional expenses on management transactions	-158	1 801
Exceptional charges on capital transactions	2,025	2 013
Exceptional allowances	3,588	16 497
Exceptional expenses	5,456	20 312
EXCEPTIONAL RESULT	**11,128**	**-1 088**
Employee profit sharing	0	-414
Income tax	-601	-1 003
TOTAL INCOME	**569,981**	**622 192**
TOTAL EXPENSES	**658,742**	**611 562**
NET INCOME	**-88,761**	**10 630**

(1) €4,015k in operating expense transfers.

(2) €2,674k in exchange gains made on commercial transactions and €5,050k in re-invoicing of hours to subsidiaries (Branch fees, etc.)

(3) €4,103k in exchange losses on commercial transactions, €639k in royalties and patents, €305k in attendance fees, €942k in irrecoverable debts and other items for €52k.

5.8.3. NOTES TO THE COMPANY FINANCIAL STATEMENTS

The financial year in question covers a 12-month period from 1er January 2024 to 31 December 2024.

The notes and tables below form an integral part of the financial statements. The financial statements are presented in thousands of euros, rounded to the nearest thousand.

DETAILED SUMMARY OF NOTES

NOTE 1 HIGHLIGHTS AND ACCOUNTING POLICIES

1.1. IMPACT OF THE GEOPOLITICAL AND INFLATIONARY CONTEXT ON THE FINANCIAL SITUATION

In 2024, the solid revenue growth trajectory continued (+13.4% vs. 2023), supported by higher production rates at aircraft manufacturers, additional revenue from new contracts and the conclusion of commercial initiatives to offset the effects of inflation. The activity focused on optimizing operational production for customers despite a challenging environment, a fragile *supply chain* with many suppliers, particularly in the aerostructures segment, struggling to ramp up.

By focusing on current supply chain challenges and continuing its operational transformation, the company plans to further strengthen its business to take full advantage of the ongoing recovery in the aerospace and defence industry. The implementation of this strategy has contributed to the recent award of commercial aerostructure contracts in North America and Europe, both with existing and new customers.

1.2. FINANCIAL RESTRUCTURING OF THE GROUP

Sale and Lease of lot 3 of the Périole building (Toulouse)

Latecoere sold lot 3 of Périole in April 2024 for a value of €9,250k with a net book value of €933k.

The estimated value in the valuation report being €7,542.8k, the excess of the sale price of €1,707k was recorded as deferred income, and is spread linearly over the duration of the contract (15 years) as a reduction in rents.

1.3. GOING CONCERN

The Group recorded a current EBITDA of 25.7 million euros in 2024 , a significant improvement compared to the loss of (18.5) million euros recorded in 2023. This positive development results in particular from the increase in production volumes and the operational initiatives and commercial negotiations carried out by the Group However, the Group is still experiencing continued inflationary pressure on material costs, remains exposed to ongoing supply chain disruptions during the ramp-up of operations and must continue its transformation efforts.

The Group's net result was negative at (60.5) million euros.

The management of Latecoere SA has assessed the Group's ability to continue its activities for at least the next twelve months from the balance sheet date and the date of publication of these financial statements ending December 31, 2024.

The assessment takes into account the current financial situation and projected cash flows over a horizon extending to 2027. The development of cash flows is based on the following fundamentals:

- The sales price assumptions are based on current contracts and include the effects of price renegotiations carried out by the Group in 2024. These will continue to bear fruit in the years to come;
- The essential assumptions for the production ramp-up are in line with the aircraft manufacturers' order book and market consensus and have been shared with the group's main customers for whom Latecoere is the exclusive or essential supplier;
- A discount has been applied to efficiency and cost-saving targets, particularly those related to transformation plans. The EBITDA percentage, between 2025 and 2027, is within the range of a panel of comparable players in the aeronautics sector.

Risks that could impact production (and therefore cash flow) remain: insufficient ramp-up, customer-imposed delivery halts, supply chain failures, and poor production quality. As such, the company has adopted assumptions that it considers prudent in these forecasts, but these risks carry an inherent degree of uncertainty that the company cannot fully cover.

By mid-2026, the projected cash position is consistent with the going concern principle, without taking into account new financing lines or disposals, even though the group is continuing to take action in this area to strengthen its liquidity. Furthermore, we remain attentive to ongoing trade tensions and the possibility of new customs tariffs, which represent risks for our supply chain and pricing strategies.

In view of the projections made, the group also anticipates respecting the covenants associated with its financing lines, namely:

- Minimum cash commitment: 20 million euros (tested quarterly);
- Positive current EBITDA in 2024;
- Net LTM current EBITDA ratio (current EBITDA determined over the last 12 months) / debt less than 7.0x as of June 30, 2025, and 5.0x as of December 31, 2025.

On this basis, and while maintaining a process of close monitoring of actions to strengthen the liquidity available to the group, the management has based the principle of going concern used to prepare its financial statements

1.4. PRESENTATION OF THE FINANCIAL STATEMENTS

The parent company financial statements of Latecoere SA have been prepared in accordance with the accounting rules and principles generally accepted in France, in accordance with the provisions of the French General Chart of Accounts (Réglement ANC 2014-03 relative au PGG).

The accounting conventions used to prepare and present the parent company financial statements have been applied in accordance with the principle of prudence and the following basic assumptions:

- continuity of operation,
- consistency of accounting policies from one period to the next ,
- independence of exercises.

The basic method used to value items recorded in the accounts is the historical cost method. Only material information is disclosed.

1.5. ASSUMPTIONS AND ESTIMATES

The preparation of the financial statements requires Management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The Company formulates assumptions and, on this basis, regularly prepares estimates relating to its various activities. These estimates are based on past experience and other factors considered reasonable in the circumstances; they incorporate the assumptions and conditions presented in note 1.4 "Going concern" and are prepared on the basis of information available at the date of preparation of the financial statements. Management reviews these estimates and assumptions regularly, based on experience and various other factors considered reasonable for estimating the carrying amount of assets and liabilities.

Judgements made by Management that have a material impact on the financial statements and estimates that present a significant risk of change during the period mainly concern the recoverable amount of operating assets and financial assets.

At 31 December 2024, the estimates and assumptions used in the annual financial statements were determined on the basis of information available to the company at the balance sheet date, in particular commercial information (order book and production rates) provided by the various aircraft manufacturers and information on the outlook for the aerospace market, and taking into account ongoing commercial negotiations.

1.6. RISKS INDUCED BY CLIMATE CHANGE

The judgments and estimates used by the company to prepare the financial statements take into account the current assessment of risks induced by climate change, whether physical, regulatory, or related to customer expectations.

To date, the company has not identified any significant climate-related risk whose financial consequences could result an impact on its accounts.

An initial analysis of the risks and opportunities facing climate change was carried out with specialist consultants (EKODEV) and shared with the Executive Committee.

These risks include transition risks (political, legal, technological, market transition, reputation linked to the transition) and climate risks (extreme and chronic).

Latecoere will conduct a more comprehensive analysis of its resilience to climate challenges, while integrating the current results of the risk and opportunity analysis into a more detailed site-by-site review planned for 2025. This analysis will cover the entire Group and will provide a more detailed assessment of each climate-related risk.

Latecoere is developing its capacity to publish the estimated anticipated financial effects of significant physical and transition risks, as well as mitigation measures and resources.

Based on all the new analysis elements planned for 2025, Latecoere should also be able to specify the adjustment capacity of its strategy and its business model to climate change in the short, medium and long term.

Aware of environmental issues, Latecoere has formalized a sustainable development policy in line with the definition of its purpose "Serving the aerospace sector with innovative solutions for a sustainable world".

CO_2 emissions targets have been calculated for the Group.

The details of these points are presented in part 4.2.1. Climate change (E1) of this reference document.

Every two years, an environmental week is organized to raise awareness among the company's managers and employees on environmental issues (sustainable development/CO_2, climate fresco, etc.).

1.7. OTHER INTANGIBLE ASSETS

Composed mainly of computer software, they are recorded at acquisition cost (purchase price and ancillary expenses) or production cost (capitalised production). Interest on loans specifically for the production of fixed assets is not included in the production cost of these assets.

The difference between the economic depreciation, based on the useful life, and the depreciation calculated on the basis of the tax useful life is recorded as accelerated depreciation. Other intangible assets are amortised over their useful lives.

1.8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at acquisition cost (including purchase price, non-recoverable taxes paid and direct purchase expenses) or production cost.

Subsequent expenditure on property, plant and equipment is recognised as an expense in the period in which it is incurred if it maintains the asset's level of performance. On the other hand, they are added to the carrying amount of the initial asset when the future economic benefits exceed the initial level of performance and their cost can be measured reliably.

Where appropriate, the total cost of an asset is apportioned between its component parts if they have different useful lives. As a result, each asset is depreciated over a separate period. Latecoere has defined families of assets that may be broken down and the useful lives of the components thus determined.

Given that the assets acquired by Latecoere are not intended to be resold before the end of their economic life, no residual value has been applied to the various tangible fixed assets.

The depreciation method reflects the rate at which the future economic benefits associated with the asset are consumed.

In addition, Latecoere has not elected to include in the cost of creating a fixed asset the interest expense associated with a specific financing arrangement put in place for this purpose.

All the depreciation associated with families and sub-families is shown below.

Family	Amortisation period
Construction	15-40 years old
General installations	10-20 years
Technical installations	6 2/3-20 years
Tools	3 years
Electronic equipment	5 years
Computer equipment	3-5 years
Transport equipment	4 years
Office equipment	6 2/3 years
Furniture	10 years

In general, Latecoere has opted to use the straight-line method of depreciation for all its assets. However, when the nature and specificity of the asset allows it, the declining balance method of depreciation may be used.

Impairment of assets

- If there is any indication of impairment, the carrying amounts of the company's intangible assets and property, plant and equipment are tested for impairment. Impairment testing consists of comparing the book value of the asset concerned with its inventory value (the higher of its value in use and its market value). When the inventory value of the asset showing an indication of impairment is determinable, the asset is tested at that level. Otherwise, the value of the asset group to which it belongs is tested. Please refer to note 3 for the sub-total net value of fixed assets.

To determine value in use, the company uses :

- cash flow forecasts (after corporate income tax) drawn up on the basis of a business plan approved by management, and based on assumptions that retain the asset in its current condition and represent the best estimate of the economic conditions that will prevail during the asset's remaining useful life;
- the post-tax discount rate, which reflects current market assessments of the time value of money and the risks specific to the asset. The discount rate does not reflect the risks taken into account when estimating future cash flows.
- To determine market value, and when market values are observable, the company relies on expert valuation reports.

An impairment loss is recognized for each asset whenever its book value exceeds its inventory value.

When an impairment loss is recognized for a group of assets, it is allocated first to the goodwill, then pro rata to the net book value of the other fixed assets, without reducing their value below their market value.

The carrying amount of an asset, increased due to the reversal of an impairment loss, must not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

As of 12/31/2024, no new conditions or contextual elements have been identified that would call into question this depreciation of €23.8 million recorded in 2023.

1.9. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES AND OTHER NON-CURRENT FINANCIAL ASSETS

Equity investments

The gross value of equity investments comprises their acquisition or subscription price and acquisition costs.

Impairment of investments in subsidiaries and affiliates and related receivables

At year-end, an analysis was carried out to determine any impairment losses to be recognized on investments in subsidiaries and affiliates. To this end, the net book value of investments was compared with :

- the share of equity restated for subsidiaries excluding Latelec, Avcorp and TAC ;
- the enterprise value (determined on the basis of discounted future cash flows) less net financial debt, for the Latelec, Avcorp and TAC subsidiaries.

In cases where the value defined above is lower than the net book value of the shares, an impairment loss has been recognized on the equity investments, extending the impairment loss to include receivables from equity investments and current account advances.

Impairment losses recognized this year under financial provisions amounted to €51.1 million on equity interests, €3.4 million on related receivables and a reversal of €2.5 million on related receivables (refer to note 4).

A sensitivity analysis was carried out on the impairment of TAC, Avcorp and Latelec shares.

The results for AVCORP and Latelec are shown below. The results for TAC (performed with the same parameters as for Latelec), given a very clearly positive *headroom* regardless of the scenarios, are not presented.

AVCORP Shares - depreciation Sensitivity in M€

	WACC		
Growth Rate	**9.4%**	**9.89%**	**10.4%**
1.6%	-34.8	-40.2	-45.0
2.1%	-29.2	-35.9	-40.6
2.6 %	-22.7	-29.7	-35.8

Latelec Shares - Shares - depreciation Sensitivity in M€

	WACC		
Growth Rate	**11%**	**11.5%**	**12%**
1.5 %	-57.1	-61.4	-65.3
2 %	-55.1	-59.7	-63.8
2.5 %	-52.9	-57.9	-62.3

Other long-term investments

Their gross value is their purchase cost excluding incidental expenses. They correspond mainly to receivables from participating interests.

1.10. INVENTORIES AND WORK-IN-PROGRESS

Raw materials

The gross value of raw materials and supplies includes the purchase price and ancillary costs. They are valued at the weighted average price. Provisions for depreciation are made for raw materials and equipment that are not expected to be used in the short term.

Work in progress excluding construction contracts

The gross value of work-in-progress is valued using the full cost method, excluding non-production costs (interest, marketing costs, unsolicited quotations, administrative costs, etc.). Impairment losses are recognised on work-in-progress when its realisable value is less than its carrying amount.

When the expected revenue from a programme is not sufficient to cover direct and indirect production costs, a write-down is recognised on work-in-progress and finished goods inventories at the year-end to bring their net book value to their estimated realisable value. Existence of a stock financing contract with LATFI1 (Refer to note 1: 1.2).

1.11. REVENUE RECOGNITION

Revenue is recognized by stream, as described below, and from the moment it is certain in principle and amount, and is earned during the year.

- for design & build contracts, the revenue recognition rhythm for mass-produced items is recognized upon delivery. In the case of Design/Development contracts, the corresponding revenue is recognized on a percentage-of-completion basis, with a ratio between the cost of work performed and the estimated total cost.
- for other types of contract (excluding services), sales are recognized when control of the asset is transferred, generally on the delivery date.
- for service contracts, sales are recognized on the basis of the percentage of completion of costs when the transfer of control is continuous, or on completion of the service when the transfer of control is at a specific point in time. The percentage-of-completion method used by the Group is generally the percentage-of-expenditure method: sales are recognized on the basis of costs incurred to date, divided by all costs expected to be incurred on completion.

1.12. RECEIVABLES

Receivables are valued at their nominal value. At the end of each financial year, the risk of non-recovery is taken into account and a provision for impairment is recorded where appropriate. The amount of receivables transferred to the factor is reduced from the item at 12/31/2024 and 12/31/2023 (Refer to note 16: 16.6).

1.13. MARKETABLE SECURITIES

They consist exclusively of marketable securities (other than treasury shares). Their gross value is their historical purchase cost, excluding expenses and incidentals. When the net asset value is less than the gross value, an impairment loss is recognised.

1.14. PROVISIONS FOR CONTINGENCIES

Provisions are established in accordance with the provisions of article 322-1 of the French General Chart of Accounts. A provision is recognised when the company has an obligation to a third party and it is probable or certain that this obligation will result in an outflow of resources to the third party without at least equivalent consideration being expected from the third party.

1.15. DEBTS AND BORROWING COSTS.

LDebts are recorded at their nominal repayment value and are not discounted. Loan issue costs are expensed in full in the year in which they are incurred. Debts are classified in the maturity schedule (see note 7) according to the period remaining to maturity at the balance sheet date, with a distinction being made between debts falling due within one year, debts falling due in more than one year and five years and debts falling due in more than five years.

The company's borrowings are subject to early repayment clauses in the event of failure to meet defined targets (see note 16.7).

1.16. REGULATED PROVISIONS

Regulated provisions in the balance sheet comprise only accelerated depreciation. Accelerated depreciation represents the difference between the straight-line depreciation recorded in the income statement and the declining-balance depreciation authorised by current tax legislation.

1.17. RECORDING OF FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the transaction date.

Payables and receivables in foreign currencies are revalued at the closing rate on 31 December, and unrealised gains and losses resulting from this revaluation are taken to translation adjustments. Unrealised foreign exchange losses at 31 December are covered by provisions.

Exchange gains and losses relating to operating items are recorded in operating income. Gains and losses relating to financial items are included in net financial expense.

Currency hedging

HEDGING TRANSACTIONS

The market values of financial instruments used in transactions qualifying for hedge accounting, known as "hedging transactions", are not entered on the company's balance sheet but are recorded as off-balance sheet commitments.

Unrealised gains and losses are not recognised in the income statement. On the other hand, realised gains and losses on these transactions are recognised in the income statement symmetrically with the hedged item.

In most cases, the company hedges its invoicing flows in USD. The result of these hedges is therefore recorded in sales.

SPECULATIVE TRANSACTIONS

The market values of financial instruments used in transactions that do not qualify for hedge accounting, known as "speculative transactions", are recorded on the company's balance sheet.

Unrealised losses are subject to a financial provision and realised gains and losses on these transactions are recorded in the financial result. There are no so-called speculative transactions on the company's balance sheet as of 12/31/2024.

1.18. LONG-SERVICE AWARDS

In accordance with the Regulation on liabilities (PCG art. 321-2 s), Latecoere accounts for a long- service awards.

The calculation assumptions used are as follows:

- discount rate of 3.38% (compared with 3.17% in 2023), calculated on the basis of observed yields on 1st category corporate bonds at December 31, 2024, the company referring in particular to the Iboxx Corp AA 10+ index for a duration of 12 years;
- use of the INSEE 2D-TV 2019 mortality table, differentiated by gender;
- staff turnover by age group;
- salary increases of 2% for all employees, i.e. at the level of anticipated long-term inflation.

1.19. TAX

- Since the 2009 tax year, Latecoere has been solely liable for corporation tax, additional corporation tax and the annual flat-rate tax due in respect of the tax group comprising Latecoere, Latecoere Développement and Latfi1, which will join the group in 2023.

Under the terms of the tax consolidation agreement, the tax consolidated subsidiaries bear their own tax liability, as they would in the absence of tax consolidation, and pay the corresponding amounts to Latecoere, as a contribution to the payment of tax for the tax group.

NOTE 2 | FIXED ASSETS

In thousands of euros	31 Dec. 2023	Acquisitions	Reclassification	Disposals	31 Dec. 2024
Establishment fees	9 011	**0**	**0**	**0**	9,011
Business assets	500	**0**	**0**	**0**	500
Software	29 300	204	2,257	0	31,761
Other intangible assets	9 813	0	0	0	9,813
Intangible assets in progress	3 490	1,035	-2,257	0	2,268
Advances and deposits	0	0	0	0	0
INTANGIBLE ASSETS	**52 113**	**1,239**	**0**	**0**	**53,353**
Land	53	0	0	53	0
Buildings	2 583	0	0	1,440	1,143
Technical installations, equipment and industrial tools	60 332	849	30	2,763	58,449
General installations	4 087	94	284	3,352	1,113
Transport equipment	89	0	0	0	89
Office equipment, computers, furniture	1 948	52	760	0	2,761
Property, plant and equipment in progress	1 360	1,658	-1,073	0	1945
Advances and deposits	1 107	918	0	908	1,117
TANGIBLE FIXED ASSETS	**71 561**	**3,572**	**0**	**8,516**	**66,616**
Equity investments	295 370	0	0	0	295,370
Loans to subsidiaries and affiliates	79 122	11,771	0	5,854	85,039
Other long-term investments	75	0	0	0	75
Other long-term investments	2 910	381	0	336	2,956
FINANCIAL ASSETS	**377 477**	**12,152**	**0**	**6,190**	**383,439**
TOTAL GROSS FIXED ASSETS	**501 151**	**16,963**	**0**	**14,706**	**503,408**

NOTE 3 | DEPRECIATION AND AMORTIZATION INTANGIBLE AND TANGIBLE

In thousands of euros	31 Dec. 2023	Endowments	Disposals	31 Dec. 2024
Establishment fees	9 011	0	0	9,011
Business assets	500	0	0	500
Software	25 607	38	0	25,645
INTANGIBLE ASSETS	**55 118**	**38**	**0**	**35,155**
Buildings	991	136	692	435
Technical installations, equipment and industrial tools	41 822	2,747	1,687	42,883
General installations	3 315	0	3,205	111
Transport equipment	89	0	0	89
Office equipment, computers, furniture	1 439	0	0	1,439
TANGIBLE FIXED ASSETS	**47 657**	**2,883**	**5,583**	**44,958**
TOTAL DEPRECIATION	**82 775**	**2,921**	**5,583**	**80 113**

			DEPRECIATION DEROGATORY	
In thousands of euros	Linear	Declining balance	Endowments	Trade-in4
INTANGIBLE ASSETS	**458**	**0**	**1,751**	**1,449**
Buildings	136	0	7	96
Technical installations, equipment and industrial tools	2,757	0	151	212
general facilities	57	0	1	108
Transport equipment	0	0	0	0
Office equipment, computers, furniture	168	0	0	0
TANGIBLE FIXED ASSETS	**3,118**	**0**	**158**	**415**
TOTAL ALLOCATIONS FOR THE YEAR	**3,575**	**0**	**1,910**	**1,865**

In thousands of euros	31 Dec 2023	Provisions	Trade-ins	31 Dec 2024
Establishment fees	0	0	0	0
Business assets	0	0	0	0
Software	3 693	0	2,257	5,950
Other intangible assets	9 813	0	0	9,813
Intangible assets in progress	3 490	0	-2,257	1,232
INTANGIBLE ASSETS	**16 996**	**0**	**0**	**16,996**
Land	0		0	0
Buildings	4	0	0	4
Plant, machinery and equipment	3 064	0	30	3,094
General fixtures and fittings	771	0	241	1,012
Transport equipment	0	0	0	0
Office equipment, computers, furniture	497	0	803	1,300
Property, plant and equipment in progress	1 360	0	-1,073	287
Advances and deposits	1 107	0	0	1,107
TANGIBLE FIXED ASSETS	**6 804**	**0**	**0**	**6,804**
TOTAL DEPRECIATIONS	**23 800**	**0**	**0**	**23,800**

En milliers d'euros	Brut amount déc.2024	Amort.	Déprec.	Net amount déc 24
NET BOOK VALUE OF FIXED ASSETS INTANGIBLES AND TANGIBLES	119,969	80 113	23,800	16,056

As of 31.12.2024, no indication of impairment has been identified on the assets of Latecoere SA. Furthermore, no indication has been identified showing that the historically recognized impairment losses are likely to no longer exist or to have decreased. Consequently, no impairment test has been carried out on the company's assets, and no impairment charge or reversal has been recognized for the 2024 financial year. No sensitivity analysis has been performed, as historical impairment is based on market values for each type of asset and determined on the basis of observable data, supported where appropriate by expert valuation reports.

NOTE 4 PROVISIONS

In thousands of euros	31 Dec. 2023	Endowments	Trade-ins	31 Dec. 2024
Excess tax depreciation	5 313	1,910	1,865	5,359
Regulated provisions	**5 313**	**1,910**	**1,865**	**5,359**
Provisions for foreign exchange losses	739	3,231	739	3,231
Tax provisions	0	0	0	0
Other provisions for liabilities and charges	33 625	10,624	7,752	36,496
Provisions for liabilities and charges	**34 364**	**13,854**	**8,492**	**39,726**
Provisions for depreciation of fixed assets Intangible and tangible	23 800	0	0	23,800
Provisions for impairment in value of long-term investments	66 040	54,456	2,461	118,036
Provisions for impairment in value of inventories and work in progress	66 910	8,242	6,018	69,134
Provisions for impairment in value of trade receivables	2 573	2,151	1,124	3,600
provisions for current accounts	766	0	0	766
Other provisions for impairment	113	0	0	112
Provisions for impairment	**160 202**	**64,849**	**9,603**	**215,448**
TOTAL PROVISIONS	**199 879**	**80,613**	**19,959**	**260,533**

In thousands of euros	Endowments	Trade-ins
Farms	21,654	8,899
Financial	55,370	2,461
Exceptional	3,588	8,600
TOTAL	**80,613**	**19,959**

PROVISIONS FOR LIABILITIES AND CHARGES :

At December 31, 2024, "Other provisions for liabilities and charges" mainly comprised provisions for commercial disputes, depollution, long-service awards, foreign exchange losses and provisions for financial recovery. The net increase in this item (+€10.6 million) is mainly explained by a provision for commercial disputes of €8.5 million, a provision for loss on completion of €0.5 million and a provision for decontamination of €1.6 million. The decrease in this item (€7.7 million) is mainly explained by a reversal of a provision for commercial disputes for €7 million, a reversal of a PSE of €0.5 million and a reversal of an industrial tribunal provision of €0.2 million. The total amount of €7.7 million in provisions for risks and charges includes unused recoveries from commercial disputes amounting to €6.5 million. These are results acquired through commercial negotiations.

PROVISION FOR DEPRECIATION OF TRADE RECEIVABLES :

Provisions for depreciation of customer accounts are impacted by an allocation of €2.2 million (Latecoere Bulgaria) and a reversal of €1.2 million (composed of €0.9 million of doubtful customers > 5 years, and a reversal of €0.3 million from Latecoere India).

PROVISIONS FOR DEPRECIATION OF LONG-TERM INVESTMENTS:

The provision for depreciation of financial fixed assets of €66 million corresponded as of December 31, 2023 to:

- A depreciation of equity securities of €48 million:
- €0.1M Latecoere Bulgaria, €0.3M Latecoere India, €0.5M Latecoere Inc, €5.3M Latecoere Mexico, €1.3M Simtech de Mexico, €16M Avcorp and €24.5M for Latelec,

A depreciation of related receivables of €18 million

- €10.6M Latecoere Bulgaria, €1.3M Latecoere India and Latecoere Interconnexion Systems for €6M.

As of December 31, 2024, the following were noted:

- An allocation to financial fixed assets of €54.5 million amounting to:
  - €51.1 million for equity securities (€35.2 million for Latelec and €15.9 million for Avcorp);
  - and €3.4 million for the Avcorp loan.
- A reversal of the provision on related receivables of €2.5 million (€2.2 million Latecoere Bulgaria and €0.3 million Latecoere India). The balance of this provision for depreciation stands at €118 million as of December 31, 2024.

NOTE 5 | DEPRECIATION OF CURRENT ACCOUNTS AND RECEIVABLES

The analysis of current accounts was carried out in conjunction with the analysis of impairment of investments in subsidiaries and associates. See section 5.8 of 1.10 for details of the methodology applied.

NOTE 6 | STOCKS

In thousands of euros	Gross amount	Amort. Prov.	31 Dec. 2024	31 Dec. 2023
Raw materials	13,351	5,158	8,193	6 989
Production of goods and services	61,912	55,435	6,477	4 372
• of which learning curve	49,238	49,238	0	0
• of which NRC	2,523	2,315	208	223
Intermediate and finished products	19,272	8,541	10,730	7 710
INVENTORIES AND WORK IN PROGRESS	**94,535**	**69,134**	**25,401**	**19 070**
Amount of stocks and work in progress carried by LATFI1 as of December 31, 2023: €34,084K				
Amount of stocks and work in progress carried by LATFI1 as of December 31, 2024: €38,993K				

NOTE 7 STATEMENT OF RECEIVABLES AND PAYABLES

In thousands of euros	Gross amount	within 1 year	more than 1 year
Loans to subsidiaries and affiliates	85,039	7,552	77,487
Loans	0	0	0
Other long-term investments	2,956	153	2,803
Doubtful or disputed customers	157	157	0
Other trade receivables	154,294	154,294	0
Staff and related accounts	20	20	0
Social security, other social organisations	4	4	0
State and other local authorities	11,350	8,459	2,892
Group and associates	48,195	48,195	0
Sundry debtors	7,427	7,427	0
Prepaid expenses	919	919	0
TOTAL RECEIVABLES AND PREPAID EXPENSES	**310 362**	**227 180**	**83 182**
Loans granted during the year (1)	1,848		
Repayments obtained during the year (2)	4,679		

(1) Avcorp loan €1.8 million ($2 million)

(2) including repayment of advances from Late

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In thousands of euros	Gross amount	< 1 year	from 1 to 5 years	> 5 years
Repayable advances	15,980	621	3,856	11,503
Borrowings with original maturities of up to 1 year	217	217	0	0
Borrowings at more than 1 year at inception	85,000	0	85,000	0
Other borrowings	19,313	0	9,626	9,688
Suppliers and related accounts	142,069	142,069	0	0
Staff and related accounts	12 101	12 101	0	0
Social security, other social organisations	12,472	12,472	0	0
State: tax on profits	0	0	0	0
State: value added tax	2,082	2,082	0	0
State: other taxes, assimilated taxes	1,496	1,496	0	0
Payables on fixed assets and related accounts	2017	2017	0	0
Group and associates	12,189	12,189	0	0
Other liabilities	8,887	8,166	0	720
Deferred income	9,181	7,673	455	1,053
TOTAL LIABILITIES AND ACCRUED INCOME	**323 003**	**201 103**	**98,937**	**22,964**
Borrowings taken out during the year	19,251			
Borrowings repaid during the year (1)	8,280			

(1) Loans repaid in 2024 of €1,018k from BPI and €7,262k from TAC

NOTE 8 BORROWINGS AND FINANCIAL DEBTS

In thousands of euros	Currency	Interest rate	Year of expiry	31 Dec. 2024 Nominal value €	31 Dec. 2024 Book value € (in ')
PGE Loan (State Guaranteed Loan)	EURO	Fixed rate	2027	85,000	85,000
Accrued interest PGE loans				195	195
Bank Current accounts				21	21
Other miscellaneous loans ($20 million) (1)	USD		2026 to 2031	19,251	19,313
Deposits and guarantees received	EURO			62	62
TOTAL BORROWINGS				**104,530**	**104,530**

(1) Refer to note 16.8

NOTE 9 REPAYABLE ADVANCES

Repayable advances mainly relate to the A350 (€9 million) and Embraer (€6.9 million) programs. The advances are repayable upon program success, and repayments are tied to deliveries of each product for which an advance was made. Repayment terms are set out in the agreement signed with the lender.

NOTE 10 ACCRUED INCOME AND EXPENSES

In thousands of euros	31 Dec. 2024	31 Dec. 2023
Invoices to be established	22,840	24,443
Assets receivable	1,114	351
Accrued interest receivable and miscellaneous	43	129
Total accrued income	**23,996**	**24,924**
Accrued interest on loans	195	489
Suppliers invoices not received	31,641	49,755
Assets to be established	7,529	4,710
Tax and social security contributions to be paid	17,142	17,262
Accrued interest on overdraft	21	26
Others	4,063	3,363
Total charges payable	**60,592**	**75,604**

NOTE 11 | SHAREHOLDERS' EQUITY

11.1. OWNERSHIP STRUCTURE AND EARNINGS PER SHARE

Latecoere shares are listed on EURONEXT PARIS, NYSE EURONEXT compartment "B". ISIN code: FR FR001400JY13

The share capital amounts to € 126,198,047.26 and breaks down as follows:

In thousands of euros	Number	Nominal value
Shares comprising the share capital at the start of the financial year	12,496,777,165	0.01
capital increase 27,750 preferred shares on December 23, 2024	27,750	0.01
capital increase 122,999,811 ordinary shares on December 23, 2024	122 999 811	0.01
Shares making up the share capital at year-end	12,619,804,726	0,01

In thousands of euros	Amount
Shareholders' equity at 31/12/22	144,801
Capital increase	-8,945
Bonus	133,377
Result 2022	10,630
Dividend payout 2022	0
Regulated provisions	887
Shareholders' equity at 31/12/23	**280,749**
Capital increase	1,230
Bonus	-1,230
Result 2024	-88,761
Dividend distribution 2024	0
Regulated provisions	45
Shareholders' equity at 31/12/24	**192,033**
capital increase costs are recorded under bank charges and financial expenses, depending on their nature.	

11.2. TREASURY SHARES

	31 Dec. 2023		Acquisitions		Capital reduction (14 September)		Disposals		31 Dec. 2024	
	In quantity	In thousands of euros	In quantity	In thousands of euros	In quantity	In thousands of euros	In quantity	In thousands of euros	In quantity	In thousands of euros
LATECOERE shares	106 729	2	18,310,905	187		-1	17,799,440	182	618,194	6

NOTE 12 | SALES FIGURES

BY DOMAIN

	31 Dec. 2024		31 Dec. 2023	
In thousands of euros	Amount	%	Amount	%
Civil activity	475,666	97%	395 137	98%
Military activity	12,908	3%	7 538	2%
TOTAL	**488,574**	**100%**	**402 675**	**100%**

By geographical area

In thousands of euros	31 Dec. 2024		31 Dec. 2023	
	Amount	%	Amount	%
France	206,239	42%	189,497	47%
Export	282,335	58%	213 178	53%
TOTAL	**488,574**	**100%**	**402,675**	**100%**

BY GEOGRAPHIC MARKET (DIRECT EXPORTS)

	31 Dec. 2024		31 Dec. 2023	
In thousands of euros	Amount	%	Amount	%
Europe	314,193	64%	259 682	64%
America	168,839	35%	140 044	35%
Asia	3,468	1%	2 370	1%
Other	2,074	0%	580	0%
TOTAL	**488,574**	**100%**	**402 675**	**100%**

It should be noted that this breakdown does not reflect the final destination of the equipment produced by our company. Most sales to our French customers (Airbus France, Dassault, etc.) may end up being exported.

- Sales to the subsidiary LATFI1 in connection with inventory financing amounted to €88,258K in 2024, compared with €68,211K in 2023 (This share corresponds to a civil activity in France).

NOTE 13 | FINANCIAL RESULT

In thousands of euros	31 Dec. 2024	31 Dec. 2023
Financial income from investments (1)	31,047	13 551
Other interest and similar income	994	183 462
Reversal of provisions and expense transfers	2,461	0
Positive exchange differences	1,382	3 802
FINANCIAL PRODUCTS	**35,883**	**200 815**
Depreciation, amortisation and provisions	55,370	74 016
Other interest and similar expenses	14,716	19 212
Negative exchange rate differences	-611	2 974
Net expenses on disposals of marketable securities	1	64
FINANCIAL EXPENSES	**69,476**	**96 266**
FINANCIAL RESULT	**-33,593**	**104 550**

The 2024 financial result amounts to -€33.6 million, resulting mainly from provisions on financial fixed assets of -€51.9 million (-€51.1 million for subsidiaries' equity securities and -€3.4 million for subsidiaries' loans and €2.5 million in reversals of current account advances: Refer to note 4) and dividends received from TAC for an amount of €19.1 million. The 2023 financial result amounted to €104.5 million, resulting mainly from the write-off of PGE/EIB debts in the amount of +€183 million, a provision of -€7.2 million under the return to better fortune clause, provisions for depreciation of financial fixed assets for -€66.8 million (€48 million for equity securities, €18 million for loans to subsidiaries and €0.8 million for current accounts).

(1) As of December 31, 2024: The share of TAC dividends is €19,086k and interest income from subsidiaries €11,961k. As of December 31, 2023: €13,551k of interest income from subsidiaries.

NOTE 14 | CORPORATION TAX

The tax relating to each item of income is determined by taking into account the tax deductions and additions made and the tax rates applicable to the transactions concerned.

In thousands of euros	Net amount
Profit on ordinary activities	-100,490
Exceptional items	11,128
Incentives	0
Employee profit-sharing	0
Tax credits	520
Miscellaneous	82
ACCOUNTING RESULT	**-88,761**

The miscellaneous item includes tax savings related to tax consolidation (LATFI1 for €66K and LATECOERE DEVELOPPEMENT for €16K). The tax credit item of €520K corresponds to patronage for -€222K (2023 patronage for €9K and cancellation of 2017 patronage for -€231K) and CIR for €742K (including revision of CIR 2013 for €320K).

As of December 31, 2024, the tax deficit of Latecoere SA amounts to €(584.2) million. Note that the tax deficit of the tax consolidation group amounts to €(671) million.

NOTE 15 | EXCEPTIONAL INCOME AND EXPENSES

In thousands of euros	31 Dec. 2024	31 Dec. 2023
Excess tax depreciation	1,910	2 177
Exceptional expenses on management transactions	-158	1 804
Asset value of fixed assets sold	2,025	2 011
Exceptional depreciation, amortisation and provisions	1,678	14 321
TOTAL EXCEPTIONAL EXPENSES	**5,456**	**20 312**
Reversal of accelerated depreciation	1,865	1 290
Proceeds from disposal of assets	7,981	7 184
Extraordinary income on management transactions	2	8
Miscellaneous exceptional income exceptional write-backs	6,735	10 743
TOTAL EXTRAORDINARY INCOME	**16,583**	**19 224**
EXCEPTIONAL RESULT	**11,128**	**-1 088**

- The exceptional result for 2024 of +€11.1 million mainly includes the excess impact of the capital gain on the sale and lease of lot 3 of the Périole site for €6 million, the reversal of inventory provisions for €6 million and an allocation to the provision for anti-pollution for -€1.6 million.
- The exceptional result for 2023 was -€1 million and mainly included a capital gain on the sale and leaseback of the Gimont site for €5.1 million and a reversal for inventory depreciation of €8.1 million as well as a depreciation for loss of value of tangible assets of -€12 million and a change in depreciation of exceptional depreciation for -€0.9 million.

NOTE 16 | FINANCIAL COMMITMENTS

16.1. LEASING

In thousands of euros			Outstanding royalties at 31 Dec. 2023			
	Accumulation prior to 2023	2024	Less than a year away	From one to five years old	More than five years	Total
Royalties	8,947	2454	2454	6648	4893	13,995
Depreciation	4,618	1110				
Value of goods on signing the contract	20,577	20,577				
Net asset value	15,959	14,849				
Residual purchase value	17	17				

The value of the leased assets (land and buildings) at the time of signing was €20,577k. The amount of royalties relating to the 2024 financial year amounts to €2,454k and the cumulative amount of royalties from previous financial years is €8,947k. The depreciation allowance would have been €1,110k in 2024 if these assets had been acquired by the company, and the cumulative amount of depreciation that would have been carried out for previous financial years is €4,618k.

The commitments arising from the leases on the Gimont and Périole sites do not include a purchase option and therefore do not appear under the finance leases heading.

16.2. RETIREMENT BENEFIT OBLIGATIONS

Retirement commitments not recognised in the balance sheet are estimated at €5,824k at December 31, 2024, including social security contributions, compared with €5,493k for the previous financial year. The portion of retirement commitments recognised in the balance sheet, amounting to €381k, is the result of the merger with Latecoere Aérostructures.

Pension commitments are calculated in accordance with Recommendation No. 2013-02 of the Conseil National de la Comptabilité (French National Accounting Board). Estimates of the Company's obligations under the employee commitments of French companies were calculated by an independent actuary using the projected unit credit method.

This method takes into account, on the basis of actuarial assumptions, the probability of the employee's future length of service, the future level of remuneration, life expectancy and staff turnover.

The calculation assumptions used for French companies are as follows:

- discount rate of 3.38% (compared to 3.17% in 2023), rate calculated on the basis of the rates observed as of December 31, 2024 for the return on 1st category corporate bonds, the Group referring in particular to the Iboxx Corp AA 10+ index for a duration of 12 years;
- use of the INSEE 2D-TV 2019 mortality table differentiated by sex;
- staff turnover observed by age group;
- retirement age:
- the chosen method of employee departure is voluntary departure. Employees are expected to liquidate their full pension at an age in accordance with the new pension regulations and the reform of April 2023. In particular, the legal retirement age is gradually increasing from 62 to 64 years and the increase in the insurance period resulting from the Touraine reform for a departure without accelerated reduction.
- in order to determine the retirement age, an assumption is made of a career start age of no later than 25 years for managers and 22 years for non-managers. The impacts of the reform (postponement of the legal age and increase in the required insurance period) were estimated as of June 30, 2024 and treated as past service cost.
- 2% salary increase for all employees, at the level of long-term anticipated inflation.

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16.3. ACTION PLANS

Attribution of 19 December 2023

On 19 December 2023, the Board of Directors made new free allocations of preference shares and ordinary shares, without pre-emptive subscription rights, to all or certain categories of employees and to all or certain corporate officers of the Company and/or its affiliates. This plan was finalized at the end of December 2024 by a capital increase, amounting to €1,230,275.61.

The main features of the plan are summarised in the table below:

ORDINARY FREE SHARES

Authorisation from the General Meeting	**12/19/2023**
Date of decision by the Chief Executive Officer (delegated by the Board)	12/22/2023
Beneficiaries	All or certain categories of employees and all or certain categories of corporate officers
Number of beneficiaries at initial grant	13
Total number of shares that may be allocated	The Regulations of the 2023 Plan relate to the free allocation of a maximum of 48 500 ordinary shares.
Number of shares allocated	45 000
Grant date	22/12/2023 (*except employees not yet employed)
Acquisition period	1 year from the date of grant by the Chief Executive Officer on delegation from the Board (subject to presence)
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At acquisition date: N/A
	At date of conversion: N/A

The performance conditions are thus constituted:

The conversion parity is based on the IRR achieved by the financial investor on the earliest of the following dates: the Exit Date or the Merger Date, corresponding to the effective date of one of the transactions described in the Terms and Conditions of the regulations of the Preference Share plan included in the Company's articles of association, or the expiry of a period of 6 months from the completion of the transaction(s) in question.

Information on the fair value of the plan:

The valuation of the plan, calculated by an external actuary, is determined on the grant date. The valuation is based on the Cox, Ross and Rubinstein binomial model as part of the valuation of a European option. A specific model has been developed to take into account the payoff of ADPs, which are economically and financially similar to options, the value of which depends on a performance criterion (IRR achieved by the financial investor, the SCP company).

The valuation of the plan as initially determined on the grant date was €5.5 million. The expense was spread over the vesting period.

The fair value of the plan reestimated by the actuary as of December 31, 2024 amounts to 2.4 million euros.

ORDINARY FREE SHARES

Authorisation from the General Meeting	**12/19/2023**
Date of decision by the Chief Executive Officer (delegated by the Board)	12/22/2023
Beneficiaries	All or certain categories of employees and all or certain categories of corporate officers
Number of beneficiaries at initial grant	8
Total number of shares that may be allocated	The Regulations of the 2023 Plan relate to the free allocation of a maximum of 400,000,000 ordinary shares.
Number of shares allocated	133 999 797
Grant date	12/22/2023
Acquisition period	1 year from the date of grant by the Chief Executive Officer on delegation from the Board (subject to presence)
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At acquisition date: N/A
	At date of conversion: N/A

No performance condition is established. Given the insignificant nature of the valuation at closing, no valuation has been recorded in the accounts as of 12/31/2024.

ATTRIBUTION OF 30 DECEMBER 2024

The Board of Directors of December 30, 2024 made new free allocations of preferred shares and ordinary shares with cancellation of preferential subscription rights, for the benefit of salaried employees, or certain categories of them, and corporate officers, or certain of them, of the Company and/or its affiliated companies.

The main features of the plan are summarised in the table below:

ORDINARY FREE SHARES

Authorisation from the General Meeting	**07/26/2023**
Date of decision by the Chief Executive Officer (delegated by the Board)	12/30/2024
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	1
Total number of shares that may be allocated	The 2023 Plan Regulations cover the free allocation of a maximum number of 48,500 preference shares
Number of shares allocated	5,000
Grant date	12/30/2024
Acquisition period	1 year from the date of allocation by the Director General on delegation from the Board
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At the date of acquisition: N/A
	On the conversion date: see below

The performance conditions are thus constituted:

The conversion parity is based on the IRR achieved by the financial investor on the earliest of the following dates: the Exit Date or the Merger Date, corresponding to the effective date of one of the transactions described in the Terms and Conditions of the regulations of the Preference Share plan included in the Company's articles of association, or the expiry of a period of 6 months from the completion of the transaction(s) in question.

ORDINARY FREE SHARES

Authorisation from the General Meeting	**07/26/2023**
Date of decision by the Chief Executive Officer (delegated by the Board)	12/30/2024
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	1
Total number of shares that may be allocated	The 2023 Plan Regulations cover the free allocation of a maximum number of 400,000,000 ordinary shares
Number of shares allocated	30,000,000
Grant date	12/30/2024
Acquisition period	1 year from the date of allocation by the Director General on delegation from the Board
Mandatory holding period for shares from the date of grant	2 years
Performance conditions	At the date of acquisition: N/A
The fair value of the free allocations (ordinary shares and preference shares) made in December 2024, calculated on the basis of the report of an external actuary, amounts to € 547k.	

16.4. FINANCIAL COMMITMENTS ON FOREIGN CURRENCY CONTRACTS AND HEDGES

The Company uses derivative financial instruments such as foreign currency hedging contracts to hedge its current or future positions against foreign exchange risk. The derivative instruments used by the Company are forward sales and purchases of currencies and combinations of optional instruments. The fair value of derivative instruments is assessed by an independent company. It takes into account the value of the derivative instrument at the closing date (mark to market). Derivative instruments are recognized on the transaction date.

Latecoere generates a significant portion of its revenue in USD. Given the importance of these flows, a strategy for hedging future flows in this currency has been implemented based on the following principles:

- coverage of a portion of estimated future collections with certain customers;
- taking into account the probability of these future flows being realized; this makes it possible to assess the hedging needs relating to each underlying asset taken into consideration within the framework of hedge accounting.

The main coverage options are as follows:

- hedged transactions: estimated future cash flows to be received or paid for the period indicated ;
- hedging techniques: use of forward currency sales and vanilla option collars.

The total amount of USD hedging contracts as of December 31, 2024, amounts to USD 621.1 million, compared to USD 677.2 million at the end of the previous financial year. These commitments, legally supported by Latecoere, are used to hedge the Group's entire €/USD exchange rate risk. Their fair value at the end of the financial year is EUR 22.3 million.

The total negative fair values as of 12/31/2024 of all contracts not settled on that date amount to -€35.6 million.

16.5. SECURED DEBTS

Some contracts include covenants and financial commitments described in note 8.

16.6. OTHER INFORMATION

In 2024, the company transferred trade receivables to the factor. The amount of trade receivables transferred as of December 31, 2024, was €7.9 million, compared to €6.4 million at the previous closing. This factoring is without recourse.

As part of its ongoing operations: Latecoere has production-related purchasing commitments. These commitments are primarily based on the ordering parties' production rate forecasts and are made under normal market conditions.

The Company has also given commitments to Customs for an amount of €0.4 million.

There is a reciprocal purchase/sale commitment with LATFI1 for the value of the stock that the latter finances. The value of the stocks carried by LATFI1 is detailed in note 6.

16.7. BANKING AGREEMENTS

As part of the agreement signed with the banks, the terms and conditions of the Maintained PGEs Agreements have been amended to include, on a limited basis, the following financial commitments for the Company:

Liquidity threshold: A minimum consolidated cash position of €20m, tested on a quarterly basis from December 2023;

Positive current Ebitda: Positive current EBITDA in 2024, calculated on the basis of the last twelve months and tested at 31 December 2024 on the Consolidated Financial Statements;

Leverage ratio: Two levels of leverage ratio Consolidated Net Financial Debt/Consolidated EBITDA, it being specified that, for each ratio, the test will be carried out on a half-yearly basis with an initial test date of 30 June 2025.

Test date	Ratio 1	Ratio 2
30 June 2025	6	7
31 December 2025	4	5
30 June 2026	3.5	4.5
31 December 2026	3	3.75
30 June 2027	3	3

A level 1 breach will not constitute an event of acceleration, event of default or potential event of default, provided in particular that it does not simultaneously constitute a level 2 breach. On the other hand, it will entail new obligations for the Company in terms of communication with the Lenders, monthly reporting, and drawing up and communicating action plans and/or equity remediation plans. Failure to comply with any of these three points will constitute an event of default and early repayment. At December 31, 2023, the Group was in compliance with all covenants.

16.8. PLEDGE OF LATFI1 SHARES

The commitments given by the COMPANY at the end of the financial year were as follows:

				31 Dec. 2024	31 Dec. 2023
In thousands of euros	< 1 year	from 1 to 5 years	> 5 years	Total	Total
Trade receivables pledged as collateral	0	0	0	0	0
Pledges, mortgages and security interests [(1)]	0	21,177	0	21,177	2095
TOTAL	**0**	**21,177**	**0**	**21,177**	**2,095**

LATFI1 securities . The value of the stocks carried by LATFI1 amounts to €54.3 million at the end of 2024, compared to €53.3 million at the end of 2023.

NOTE 17 | IMPACT OF SPECIAL TAX PROVISIONS ON INCOME

In thousands of euros	Impact
Net income for the year	-88,761
Accelerated amortization	1,910
Reversals of accelrated amortization	-1,865
IMPACT EXCLUDING THE IMPACT OF TAX BREAKS	**-88,716**

NOTE 18 | IMPACT OF SPECIAL TAX PROVISIONS ON INCOME

In thousands of euros	Base	Incidence at 25.83% rate
Excess tax depreciation	5,359	1,384
Employee profit-sharing	0	0
C3s (Organic)	-605	-156
Provision for retirement	-490	-127
Translation reserve liabilities	-2,123	-548
DEFERRED TAX POSITION	**2,140**	**553**
As of December 31, 2024, the tax deficit of Latecoere SA amounts to € (584.2) million. Note that the tax deficit of the tax consolidation group amounts to € (671) million.		

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NOTE 19 | AVERAGE HEADCOUNT

	31 Dec. 2024	31 Dec. 2023
Frames	392	324
Workers	318	355
TOTAL	**710**	**679**

NOTE 20 | EXECUTIVE REMUNERATION

The remuneration and commitments allocated to the directors are as follows - Chairmanship of the Board: €200,000, General Management mandate: €1,463,000 and Director mandates: €261,000, i.e. a total of €1,924,000 in 2024.

NOTE 21 SUBSIDIARIES AND AFFILIATES

In thousands of euros	Share capital	Reserves and retained earnings	Share	Gross value of shares held	Net value of securities held	Loans and advances granted and not repaid	*Net value Loans and advances granted*	Last Sales year	Last financial year	Dividends received during the last financial year	Guarantees given by the Company
Avcorp US Holding Inc.	59,884	-119,210	100%	31,856	0	67,203	63,803	93,826	-15,078	0	0
Latécoère Bienes Raices 1 calle Pierre - Georges Latecoere Colonia La Manga Hermosillo, Sonora 83220 Mexico	0	-1,593	60%	0	0	2,031	2,031	214	-237	0	0
LATECOERE Bulgaria 1142 SOFIA Sredets district, 21 Patriarh Evtimly boulevard, entrance V, floor 3, apt 52	102	-7,152	100%	100	0	8,450	0	82,691	-903	0	0
LATECOERE Czech Republic sro Letov Letecka Vyroba Beranovich, 65 199 02 Praha 9 0 Letnany Czech Republic	25,090	5,047	100%	20,787	20,787	0	0	64,626	2,914	0	0
LATECOERE Development 135 rue de Périole 31500 Toulouse France	600	886	100%	572	572	0	0	0	48	0	0
LATECOERE Do Brasil Av Getulio Dorneles Vargas 3,320 123050010 Jacarei (SP) Brazil	4,822	6,897	98%	13,425	13,425	0	0	54,659	-2,094	0	0
Latécoère India Private Limited Belgaum Kamataka India	337	-1,720	100%	353	0	983	0	10,246	356	0	0
Latécoère Interconnection Systems UK Bristol and bath science park, BRISTOL, BS16 7FR England	1	768	100%	1	1	0	0	0	99	0	0
LATECOERE International Inc. 1000 Brickel av. 0 suite 641 Miami Florida 33131 USA	578	133	100%	541	0	6 37 0	370	2,619	0	0	0
Latécoère Mexico 1 calle Pierre0Georges Latecoere Colonia La Manga Hermosillo, Sonora 83220 Mexico	6,450	3,018	99%	7,152	1,786	0	0	29,133	2,216	0	0
LATELEC 135 rue de périole 31500 Toulouse France	177,600	-131,651	100%	177,600	117,900	0	0	385,280	153	0	0
Latelec Mexico 1 calle Pierre0Georges Latecoere Colonia La Manga Hermosillo, Sonora 83220 Mexico	5,536	1,971	99%	0	0	0	0	19,028	659	0	0
LATFI1 135 rue de Périole 31500 Toulouse France	1	-7	100%	1	1	0	0	167,633	0	0	0
Shimtech de Mexico Hermosillo Nte. 24, Parque Industrial, 83118 Hermosillo, Sonora, Mexico	2,671	-916	100%	1,566	281	0	0	13	-532	0	0
Corsica Aeronautical Composites ZI Du Vazzio 20090 Ajaccio France (2023 data)	1,707	7,349	25%	2,700	-	-	-	55,107	-62	-	-

Holding of €941,000 in equity securities in the company Caeli Nova.

The balance sheet items of companies whose operating currency is other than the euro were converted at the closing rate and the income statement items at the average rate for the closed period.

The item "Loans and advances granted and not repaid" corresponds to receivables related to investments and does not take into account current accounts.

- Current accounts in debit for an amount of 43,981 k euros:

Latelec 727k€, Latecoere Bienes Raices 344k€, Latecoere Sro 26,169k€, Latecoere Do Brasil 638k€, Latecoere Interconnexion US 3,574k€ depreciated to the tune of 766k€ , TAC 327k€, Shimtech de Mexico 3,069k€, Latfi 9,133k €

- A receivable of €4,162,000 known as equalization due from Latelec.

- Current credit accounts for an amount of €11,444,000:

Latecoere Development €1,341k;

Made 10,103 k€.

NOTE 22 RELATED PARTIES

In thousands of euros

	Amount for companies :		
	related (more than 50% controlled)	with which the company has a participation interest	SCP SKN Holding 1 SAS and SCP LP having control: who owns the company Latecoere
Investments in subsidiaries and affiliates	291,728	3,641	0
Provisions investments in subsidiaries and affiliates	-99 202	0	0
Other receivables from participating interests	85,039	0	0
provision Other receivables from participating interests	-18,834	0	0
Sundry receivables	48,195	0	0
Provision Sundry receivables	-766	0	0
Trade receivables and related accounts	108,739	0	108
Provision trade receivables and related accounts	-3,453	0	0
Other liabilities associated with participating interests	0	0	0
Trade payables and related accounts	100,196	0	344
Sundry debts	12,189	0	0
Operating income	184,399	0	40
Operating income (Recovery)	181	0	0
Operating expenses	282,320	0	844
Operating expenses (provision)	-2,151	0	0
Financial products	11,960	0	0
Financial charges	7,141	0	0
Financial charges (recovery)	2,461	0	0
Financial charges (provision)	-54,456	0	0

NOTE 23 | STATUTORY AUDITORS' FEES

Statutory auditors' fees for certification of the financial statements and other services paid for the 2024 financial year amounts to €541,000 (including €437,000 for certification) compared to €630,000 in 2023 (including €450,000 for certification) for KPMG

The amount of auditors' fees relating to the certification of accounts and other services paid for the 2024 financial year amounts to €357,000 (including €330,000 for certification) compared to €429,000 in 2023 (including €309,000 for certification) for PricewaterhouseCoopers Audit.

NOTE 24 | EVENTS AFTER THE BALANCE SHEET DATE

Tariffs : Current trade tensions and the possibility of new tariffs pose risks to our supply chain and pricing strategies. While we are actively collaborating with our suppliers, customers, and trade organizations, and exploring potential alternative sourcing options, the overall impact remains uncertain and could affect our financial results.

5.8.4. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY ANNUAL FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2024

To the Shareholders of Latecoere **S.A.**,

OPINION

In execution of the mission entrusted to us by your general meeting , we have carried out the audit of the annual accounts of the company LATECOERE relating to the financial year ending December 31, 2024, as attached to this report.

We certify that the annual accounts are, in accordance with French accounting rules and principles, regular and sincere and give a true and fair view of the results of operations for the past financial year as well as the financial situation and assets of the company at the end of that financial year.

The opinion expressed above is consistent with the content of our report to the audit committee.

BASIS OF OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the evidence we have gathered is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are set out in the "Auditors' Responsibilities for the Audit of the Annual Accounts" section of this report.

Independence

We carried out our audit mission in compliance with the rules of independence provided for by the French Commercial Code and by the Code of Ethics of the profession of statutory auditor for the period from January 1, 2024 to the date of issue of our report, and in particular we did not provide services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT POINTS

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of significant anomalies which, in our professional judgment, were the most important for the audit of the annual accounts for the financial year, as well as the responses we provided to these risks.

The assessments thus made are part of the audit of the annual accounts taken as a whole and the formation of our opinion expressed above. We do not express an opinion on elements of these annual accounts taken in isolation.

Assessment of the application of the principle of going concern for the preparation of annual accounts

RISK IDENTIFIED

The annual accounts as of December 31, 2024 were prepared on a going concern basis.

As stated in Note 1.3. "Going concern" and Note 24 "Subsequent events" to the annual financial statements, despite a positive trend in results in 2024, the Company continues to operate in complex operating conditions, an environment characterized by trade tensions and the risk of new customs tariffs that could affect its financial results and has generated negative operating cash flows. To address the challenges facing the Company, management has implemented and continues to implement several cost reduction initiatives, as well as actions to strengthen its liquidity.

Considering:

- the business plan and cash flow forecasts prepared by management, which take into account in particular the latest contractual terms concluded with the company's main commercial partners,
- market dynamics reflected in the order books of the main aircraft manufacturers,
- discounts applied to the target business plan in order to cover the risks associated with the assumptions of ramp-ups and efficiency and cost savings,

management, while maintaining a process of close monitoring of actions to strengthen available liquidity, estimated that the company is able to continue its activity for at least the next twelve months from the date of publication of the annual accounts for the financial year ending December 31, 2024.

We considered the assessment of the application of the going concern principle for the preparation of the annual accounts as a key audit matter given the importance of management judgments and estimates in developing the business outlook and corresponding cash flows underlying this principle.

OUR RESPONSE

As part of our work, we assessed the company's liquidity needs in light of forecast cash flows, current resources and existing credit lines. Our work included:

- carry out a critical review of the main budgetary assumptions included in the business plan of the company and its subsidiaries (the group) prepared by the general management and presented to the board of directors, in particular through interviews with the operational and financial management and comparative analyses with available sector information and comparison with the historical results of the group;
- implement our own sensitivity tests to assess the prudence of the key assumptions of the medium-term business plan;
- assess the consistency of the elements included in the business plan with the latest agreements signed by the company with its commercial partners;
- carry out a critical review of budgetary achievements at the end of March 2025, taking into account the possible impacts of events after the closing on the medium-term business plan;
- assess compliance with banking covenant ratios over the next twelve months based on the business plan established by management;
- assess the appropriateness of the information provided in note 1.3. "Continuity of operation" of the appendix to the annual accounts as of December 31, 2024.

Impairment tests for long-term assets

RISK IDENTIFIED

The company has carried out impairment tests on all of its tangible, intangible and financial assets.

As indicated in notes 1.8. "Property, plant and equipment" and 1.9. "Equity investments and other financial assets" to the annual financial statements, these impairment tests were developed taking into account the estimated recoverable amount of the assets tested, corresponding to the higher of (i) the value in use, determined from discounted future cash flows incorporating business forecasts and structuring assumptions, such as the discount rate or the growth rate, (ii) the market value, when observable and supported by external valuation reports, or, in the specific case of equity investments, (iii) the share held of the restated book equity of the corresponding subsidiary.

Given the complexity of the analysis carried out, the uncertainties inherent in certain elements, particularly the probability of realizing forecasts and the significant amount of management judgment required in this exercise, we consider that the correct valuation of tangible, intangible and financial assets constitutes a key point of the audit.

OUR RESPONSE

Our work included:

- assess the consistency of the evaluation methods used by management with regard to market practices;
- carry out a critical review of the main assumptions underlying the medium-term business plan 2025 to 2028 prepared by general management;
- carry out a critical review of the financial parameters used to determine the value in use of asset groups and more particularly the long-term growth assumptions and discount rates used to calculate the terminal value;
- assess the consistency of the elements used to define a market value, where applicable;
- verify, for the depreciation of financial assets, that the restated accounting equity agrees with the accounts of the entities concerned and that the restatements made are based on supporting documentation;
- verify, for the depreciation of financial assets, that the value resulting from the discounted cash flow forecasts has been adjusted by the amount of net debt of the entity considered;
- verify, for financial assets, the recording of a provision for depreciation of receivables related to investments and/or cash advances in current account, in cases where the subsidiary has negative restated equity;
- assess the appropriateness of the information provided in the aforementioned notes to the annual accounts.

Recognition of turnover

RISK IDENTIFIED

The company's revenue is generated through several types of contracts for the construction of avionics subassemblies, which in some cases include development activities and whose duration covers several financial years, or through service provision contracts. Revenue recognition associated with these contracts is complex due to the diversity of activities and the variety of contract types, which differ depending on the client.

The Company performs an analysis of each new contract in its portfolio in order to determine the revenue recognition method to adopt, and recognizes the corresponding revenue as indicated in Note 1.11. "Revenue Recognition" of the appendix to the annual accounts.

The recognition of turnover is a key point of the audit insofar as the analysis of the different types of contracts which constitute the company's turnover requires a significant amount of judgment.

OUR RESPONSE

Our work included:

- assess compliance with applicable accounting standards of the accounting methods presented in note 1.11. "Revenue recognition" of the appendix to the annual accounts;
- become familiar with the procedures and controls implemented by the company concerning the analysis of contracts and the determination of turnover, and test the operational effectiveness of these controls;
- test, for a selection of individual transactions, the correct accounting of turnover with regard to the supporting documents available and the applicable accounting standards;
- examine the possible impacts of post-closing events on the determination of uninvoiced turnover as of December 31, 2024;
- carry out a critical examination of the estimated elements included in the turnover for the financial year in order to assess the consistency of these elements.

SPECIFIC CHECKS

We have also carried out, in accordance with the professional practice standards applicable in France, the specific verifications provided for by legal and regulatory texts.

Information given in the management report and in other documents on the financial situation and annual accounts sent to shareholders

We have no observations to make on the sincerity and consistency with the annual accounts of the information given in the management report of the board of directors and in the other documents on the financial situation and the annual accounts sent to shareholders.

We certify the sincerity and consistency with the annual accounts of the information relating to payment deadlines mentioned in article D.441-6 of the French Commercial Code.

Corporate Governance Report

We certify that the board of directors' report on corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information provided in application of the provisions of Article L.22-10-9 of the French Commercial Code on the remuneration and benefits paid or awarded to corporate officers as well as on the commitments made in their favor, we have verified their consistency with the accounts or with the data used to prepare these accounts and, where applicable, with the elements collected by your company from the companies controlled by it which are included in the scope of consolidation. On the basis of this work, we attest to the accuracy and sincerity of this information.

Regarding the information relating to the elements that your company considered likely to have an impact in the event of a public takeover or exchange offer, provided in accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we have verified their conformity with the documents from which they originate and which were communicated to us. Based on this work, we have no observations to make on this information.

Other information

In accordance with the law, we have ensured that the various information relating to the identity of the holders of capital or voting rights has been communicated to you in the management report.

OTHER CHECKS OR INFORMATION PROVIDED FOR BY LEGAL AND REGULATORY TEXTS

Format for presentation of annual accounts intended to be included in the annual financial report

We have also carried out, in accordance with the professional practice standard on the due diligence of the statutory auditor relating to the annual and consolidated accounts presented in accordance with the single European electronic information format, the verification of compliance with this format defined by European Delegated Regulation No. 2019/815 of December 17, 2018 in the presentation of the annual accounts intended to be included in the annual financial report mentioned in I of article L.451-1-2 of the Monetary and Financial Code, established under the responsibility of the general director.

Based on our work, we conclude that the presentation of the annual accounts intended to be included in the annual financial report complies, in all material respects, with the single European electronic information format.

It is not our responsibility to verify that the annual accounts which will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of auditors

We were appointed auditors of the company LATECOERE by your general meeting of June 25, 1993 for the firm KPMG SA and July 26, 2023 for the firm PricewaterhouseCoopers Audit.

As of December 31, 2024, KPMG SA was in the 31st year of its mission without interruption since the company's securities were admitted to trading on a regulated market and PricewaterhouseCoopers Audit was in the 2nd year .

Responsibilities of management and those charged with governance relating to the annual accounts

It is the responsibility of management to prepare annual accounts that present a true and fair view in accordance with French accounting rules and principles and to implement the internal controls that it deems necessary to prepare annual accounts that do not contain any significant anomalies, whether these arise from fraud or errors.

When preparing the annual accounts, management is responsible for assessing the company's ability to continue as a going concern, for presenting in these accounts, where appropriate, the necessary information relating to going concern and for applying the going concern accounting policy, unless it is planned to liquidate the company or cease its activity.

It is the responsibility of the audit committee to monitor the process of preparing financial information and to monitor the effectiveness of internal control and risk management systems, as well as, where appropriate, internal audit, with regard to procedures relating to the preparation and processing of accounting and financial information.

The annual accounts were approved by the board of directors.

Responsibilities of auditors relating to the audit of annual accounts

AUDIT OBJECTIVE AND APPROACH

Our responsibility is to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards would systematically detect every material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the accounts.

As specified by article L.821-55 of the French Commercial Code, our mission of certifying accounts does not consist of guaranteeing the viability or quality of the management of your company.

As part of an audit carried out in accordance with the professional standards applicable in France, the statutory auditor exercises his or her professional judgment throughout the audit. In addition:

- it identifies and assesses the risks that the annual accounts contain material misstatements, whether due to fraud or error, defines and implements audit procedures to address these risks, and collects evidence that it considers sufficient and appropriate to form its opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement resulting from error, because fraud may involve collusion, falsification, intentional omissions, misrepresentations or the circumvention of internal control;
- he becomes aware of the internal control relevant to the audit in order to define audit procedures appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the annual accounts;
- he assesses the appropriateness of management's application of the going concern accounting policy and, based on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances likely to call into question the company's ability to continue as a going concern. This assessment is based on the evidence gathered up to the date of his report, although it should be noted that subsequent circumstances or events could call into question the going concern. If he concludes that significant uncertainty exists, he draws the attention of readers of his report to the information provided in the annual accounts regarding this uncertainty or, if this information is not provided or is not relevant, he issues a certification with reservations or a refusal to certify;
- it assesses the overall presentation of the annual accounts and evaluates whether the annual accounts reflect the underlying transactions and events in a way that gives a true and fair view of them.

REPORT TO THE AUDIT COMMITTEE

We provide the Audit Committee with a report that presents, in particular, the scope of the audit work and the work program implemented, as well as the conclusions arising from our work. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements communicated in the report to the audit committee include the risks of significant anomalies, which we consider to have been the most important for the audit of the annual accounts for the financial year and which therefore constitute the key points of the audit, which we are responsible for describing in this report.

We also provide the Audit Committee with the declaration required by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the Code of Ethics for the profession of statutory auditor. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguard measures applied.

Done in Neuilly-sur-Seine and Labège, May 14, 2025

The Statutory Auditors

PricewaterhouseCoopers Audit

Sébastien Lasou
Partner

KPMG S.A.

Pierre Subreville
Partner

5.9. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

This is a translation into English of the statutory auditors' special report on regulated party agreements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Meeting held to approve the financial statements for the fiscal year ended December 31, 2024,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements.

Our responsibility is to inform you, on the basis of the information provided to us, , of the characteristics, essential terms and conditions as well as the reasons justifying the interest for the company of the agreements of which we have been informed or which we may have discovered during our mission, without having to decide on their usefulness and merits or to seek the existence of other agreements. It is your responsibility, in accordance with the terms of Article R.225-31 of the French Commercial Code, to assess the interest attached to the conclusion of these agreements with a view to their approval.

Furthermore, it is our responsibility, where applicable, to provide you with the information provided for in Article R.225-31 of the French Commercial Code relating to the execution, during the past financial year, of agreements already approved by the general meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it has been extracted.

AGREEMENTS SUBJECT TO APPROVAL BY THE GENERAL MEETING

Agreements authorised and entered into during the year ended 31 December 2024

In accordance with Article L.225-40 of the French Commercial Code, we have been advised of the following agreement entered into during the year ended 31 December 2023, which was authorised by your Board of Directors.

Convention already approved by the GENERAL meeting

Agreements approved during previous financial years whose execution continued during the past financial year

In accordance with Article R.225-30 of the French Commercial Code, we have been informed that the execution of the following agreements, already approved by the general meeting during previous financial years, continued during the past financial year.

Technical services contract with SCP SKN HOLDING I SAS

PERSON CONCERNED:

SCP SKN HOLDING I S.A.S. shareholder holding more than 10% of your company's voting and capital rights.

NATURE AND PURPOSE:

Following the authorisation of the Board of Directors on September 19, 2022, your company and SCP SKN Holding I SAS entered into a technical services contract dated September 30, 2022 for the period from October 1, 2022 to December 31, 2023. This contract continued for the period from January 1, 2024 to December 31, 2024.

TERMS AND CONDITIONS:

Your company provides SCP SKN Holding I SAS with services including accounting, financial, tax and administrative management assistance, for an annual fee of €40,000 (excluding tax).

For the 2024 financial year, 40,000 euros (excluding VAT) were recorded as income.

REASON JUSTIFYING THE INTEREST FOR YOUR COMPANY :

Provide assistance in the areas of accounting, financial, tax and administrative management to its reference shareholder in the context of the production of the company and consolidated accounts of the company SCP SKN Holding I SAS.

Consulting services contract with SCP SKN HOLDING I SAS

PERSON CONCERNED:

SCP SKN HOLDING I SAS shareholder holding a fraction of voting rights and capital rights in your company greater than 10%.

NATURE AND PURPOSE:

Upon authorization of the Board of Directors on September 19, 2022, your company and SCP SKN Holding I SAS entered into a consulting services contract dated September 30, 2022 for the period from October 1, 2022 to December 31, 2023. This contract continued for the period from January 1, 2024 to December 31, 2024.

TERMS AND CONDITIONS:

SCP SKN Holding I SAS will provide members of the Searchlight Capital team to provide your company with financial (external growth, financing) and commercial (relationships with suppliers and customers) assistance for a fixed annual fee of 500,000 euros (excluding taxes).

For the 2024 financial year, 500,000 euros (excluding VAT) were recorded as expenses.

INTEREST FOR YOUR COMPANY:

Through this contract, your company benefits from the expertise and skills of the Searchlight Capital team in the field of the aeronautical industry, as well as its precise knowledge of the organization and activity of your company, with a view to developing the Group's activities.

2023 conciliation protocol concluded with the company SCP SKN HOLDING I SAS

PERSON CONCERNED:

SCP SKN HOLDING I SAS shareholder holding a fraction of voting rights and capital rights in your company greater than 10%.

NATURE AND PURPOSE:

With the authorization of the board of directors on May 12, 2023, your company and SCP SKN Holding I SAS were parties to the conciliation protocol concluded on June 9, 2023 between your company and all of its financial creditors.

TERMS AND CONDITIONS:

Under the terms of the conciliation protocol, your company has undertaken to carry out a capital increase, with preferential subscription rights maintained, of a minimum amount of 100 million euros, fully guaranteed by SCP SKN Holding I SAS and part of which will be subscribed by way of compensation with the debt held by the latter on your company under the loan agreement entered into on May 15, 2023.

The protocol also provides for your company to obtain from some of its lenders, in return for the benefit of a return to better fortune clause, a waiver of debts totalling 183 million euros in principal, as well as a reorganization of the State-guaranteed loans (PGE) maintained.

INTEREST FOR YOUR COMPANY:

Given the economic situation of your company, it was in its interest to conclude this commitment in order to ensure the continuation and sustainability of the Group's activity.

Amendment to the employment contract of Mr. Thierry Mootz

PERSON CONCERNED:

Mr. Thierry Mootz, Chairman of the Board of Directors of your company until December 30, 2024, Managing Director at the time of signing the agreement.

NATURE AND PURPOSE:

Upon authorization of the Board of Directors on March 15, 2022, an amendment to the employment contract was concluded on March 30, 2022 with Mr. Thierry Mootz, (Managing Director) in order to insert a non-compete clause. In the event of termination of his employment contract for any reason whatsoever, Mr. Thierry Mootz is prohibited, in particular, for a period of one year from his effective departure from the company from carrying out activities competing with those of your company and from taking any action tending to cause customers or suppliers of the Group to modify or terminate the business relationships they have with the Group.

TERMS AND CONDITIONS:

Mr. Thierry Mootz may receive non-compete compensation in this respect equal to 50% of the monthly average of the gross remuneration elements he would have received during the last 12 months, under his employment contract, preceding his actual departure. In the event of dismissal, this compensation would be increased to 60% of the average referred to above. In the event of suspension of the employment contract during the 12 months referred to above, the gross remuneration that the employee would have received under his employment contract if he had worked during the period in question would be retained for these periods.

With the authorization of the board of directors on March 28, 2024, your company and Mr. Thierry Mootz agreed, on March 29, 2024, to a mutual termination agreement for the employment contract; the latter providing, among other things, for the release of the non-competition clause provided for in the employment contract.

2021 conciliation protocol concluded with the company SCP SKN HOLDING I SAS

PERSON CONCERNED:

SCP SKN HOLDING I SAS shareholder holding a fraction of voting rights and capital rights in your company greater than 10%.

NATURE AND PURPOSE:

Upon authorization by the Board of Directors on June 29, 2021, your company and SCP SKN HOLDING I SAS were parties to the Conciliation Protocol concluded on July 1, 2021, between your company and all of its financial creditors. This protocol was subject to the fulfillment of several conditions precedent, including its approval by the Toulouse Commercial Court.

TERMS AND CONDITIONS:

Under the terms of the Conciliation Protocol, your company carried out a capital increase, with preferential subscription rights maintained, in the amount of 222.4 million euros.

This protocol also enabled your company to obtain new State-guaranteed loans (PGE) with a principal amount of 130 million euros, the rescheduling of the repayment schedules of existing PGEs and the postponement of the maturity of loans contracted with the European Investment Bank (EIB) to 2027.

Agreements approved during the past financial year

We have also been informed of the execution, during the past financial year, of the following agreement, already approved by the general meeting of December 30, 2024, on the special report of the auditors of December 6, 2024.

Agreement to terminate Mr. Thierry Mootz's employment contract by mutual agreement

PERSON CONCERNED:

Mr. Thierry Mootz, Chairman of the Board of Directors of your company until December 30, 2024.

NATURE AND PURPOSE:

With the authorization of the board of directors on March 28, 2024, your company and Mr. Thierry Mootz agreed, on March 29, 2024, to a mutual termination agreement for the employment contract, for a proposed termination date of May 10, 2024.

TERMS AND CONDITIONS:

The agreement for the mutual termination of the employment contract provides for:

- The payment of specific severance pay of a gross amount of 200,000 euros;
- The release of the non-competition and non-solicitation clause which was provided for in the employment contract.
- Interest for your company:

The Board of Directors considered it in the best interest of the company to sign this agreement.

Neuilly-sur-Seine and Labège, May 14, 2025

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG S.A.
Sébastien LASOU	Pierre SUBREVILLE
Partner	Partner

6 CAPITAL AND SHAREHOLDING AFR

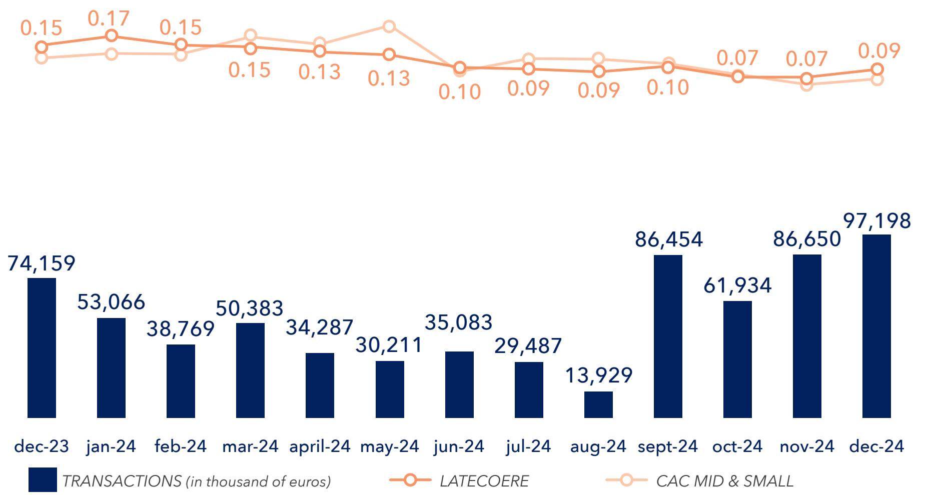
6.1. STOCK MARKET DATA

	2022	2023	2024
Market capitalization at year-end *(in millions of euros)*	176,8	194,9	127,5
Number of shares	535 650 357	12 496 777 165	12 619 804 726
Highest price *(in euros)*	0.56	0.220	0.0240
Lowest price *(in euros)*	0.31	0.009	0.0054
Average closing price *(in euros)*	0.41	0.063	0.0112
Prices at the end of the period *(in euros)*	0.33	0.016	0.0101

6.1.1. CHANGES IN SHARE PRICES

	Stock market price *(in euros)*			Number of shares exchanged
Date	**+ up**	**+ low**	**Closing (average)**	**Euronext volume**
December 2023	0.0164	0.0142	0.015147368	74,158,950
January 2024	0.0184	0.0157	0.017195455	53,066,445
February 2024	0.0175	0.0121	0.015557143	38,769,498
March 2024	0.0178	0.0114	0.014045000	50,382,768
April 2024	0.0151	0.0121	0.013419048	34,286,694
May 2024	0.0136	0.0119	0.012936364	30,211,216
June 2024	0.0127	0.0061	0.010765000	35,083,020
July 2024	0.0101	0.0068	0.009408696	29,487,000
August 2024	0.0095	0.0074	0.008713636	13,928,906
September 2024	0.0137	0.0068	0.008719048	86,454,013
October 2024	0.0092	0.0062	0.007873913	61,934,488
November 2024	0.0088	0.0054	0.007138095	86,650,041
December 2024	0.0102	0.0075	0.008780000	97,197,649

6.1.2. SHARE PRICES AND MONTHLY TRANSACTIONS



6.2. RELATIONS WITH THE FINANCIAL COMMUNITY

The Finance Department is the interface between the Group and the financial community, which includes individual shareholders, institutional investors and financial analysts. It intends to provide all these market players with clear, rigorous and transparent information in real time, in order to keep them informed of the Group's strategy, its products, its activity, its financial results, its medium-term financial objectives and the means to achieve them. Latecoere provides the financial community and its shareholders with a specific "Finance" section on its website www.latecoere.aero, which is constantly updated.

It contains information about the Company, in particular:

- the Universal Registration Document, including the Annual Financial Report (which itself includes the Corporate Governance Report) and the Half-Yearly Financial Report (section "Annual and Half-Yearly Reports");
- all publications, financial presentations and press releases ("Financial News" section");
- information intended for individual shareholders and information relating to the Shareholders' Meeting ("Regulated information" section").

Latecoere's financial communication to financial analysts, investment fund managers and other financial professionals is based on:

- periodic press releases on the Company's results or significant events;
- contacts with the regional or national, specialized or general press.

6.2.1. INSTITUTIONAL INVESTORS / INDIVIDUAL SHAREHOLDERS

Latecoere maintains a dialog with the financial community and individual shareholders. As such, they have access to all regulated and useful information on the Group's website. The Finance Department, through its Securities Department, provides individual shareholders with a regular point of contact (see section 6.2.3 "Contact").

6.2.2. EMPLOYEE SHAREHOLDERS

The presentation of the free share plans in force at December 31, 2024 is described in sections 6.6.4. and 6.6.2.

In addition to the communication tools deployed for individual shareholders, which are also aimed at employee shareholders, telephone information platforms set up by the banks managing the employee share ownership plans are available to employees to answer their questions throughout the year. For more information, see section 6.4.4 of this Chapter, “Employee share ownership”.

6.2.3. CONTACT

Latecoere 135 Rue de Périole 31500 Toulouse – France

Institutional investors and financial analysts

Gary Cleaver CFO *+ 33 (0)5 61 58 77 00 / gary.cleaver@latecoere.aero*

Individual shareholders *+ 33 (0)5 61 58 77 00 /service.titres@latecoere.aero*

For all questions related to registered ownership: **UPTEVIA** *Tel: + 33 (0)1 57 78 34 44*

6.2.4. PROVISIONAL TIMETABLE OF FINANCIAL PUBLICATIONS

2025 Annual Shareholders' Meeting : June 6, 2025

Results for the 1st half of 2025 : September 24, 2025

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6.3. DIVIDENDS PAID

In accordance with the law, no dividend has been distributed by Latecoere for the last three financial years. The Group wishes, while remaining consistent with market practices, to continue to involve its shareholders in its results whenever the Group's results and financial situation allow it.

6.4. SHAREHOLDING

6.4.1. PRINCIPAL SHAREHOLDERS

DISTRIBUTION OF SHARE CAPITAL AND VOTING RIGHTS

The breakdown of capital and voting rights presented below has been established:

- with regard to the number of shares and voting rights held, on the basis of information brought to the Company's attention pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code and, where applicable, on the basis of information voluntarily provided by the Company's shareholders;
- the percentage of shares and voting rights held by each shareholder, based on the Company's capital and voting rights as of December 31 of each of the years under review. The difference between the number of shares and the number of voting rights is due to the existence of double voting rights.

In addition, the difference between the number of theoretical and actual voting rights corresponds to the number of treasury shares by the Company. To the best of the Company's knowledge, as of December 31, 2024, there were no shareholders other than those described in the table below, holding, directly or indirectly, 5% or more of the Company's capital or voting rights.

						31 December 2024
	Number of shares	% of capital	Number of theoretical voting rights (1)	% of theoretical voting rights	Number of theoretical voting rights (2)	% of voting rights real
SCP SKN Holding I SAS	10,859,250,748	86.05	11,024,975,394	86.23	11,024,975,394	86.23
Employee ownership (3)	111,925	*NS*	111,925	*NS*	111,925	*NS*
treasury shares (4)	621,394	*NS*	621,394	NS	0	NS
Public	1,759,820,659	13.1	1,759,820,659	13.76	1,759,820,659	13,1
TOTAL	**12,619,804,726**	**100**	**12,785,529,372**	**100**	**12,784,907,978**	**100**

(1) Registered shares held in the name of the same holder for two years carry double voting rights (see Chapter 7, section 7.1, "Double voting rights"). The total number of theoretical voting rights is calculated on the basis of all shares, including shares without voting rights (treasury shares) (article 223-11 of the AMF General Regulations).

(2) The total number of actual voting rights is calculated on the basis of all shares less shares stripped of voting rights (treasury shares).

(3) For more information on employee share ownership, see section 6.2.3, "Employee shareholders" and section 6.4.4, "Employee share ownership".

(4) For further information on treasury stock, see section 6.5.1, "Transactions carried out by the Company in its own shares during the 2024 financial year".

31 December 2023

	Number of shares	% of capital	Number of theoretical voting rights (1)	% of theoretical voting rights	Number of theoretical voting rights (2)	% of voting rights real
SCP SKN Holding I SAS	10 859 250 748	86.9	10 899 275 236	86.9	10 899 275 236	86.9
Employee ownership (3)	549 849	NS	604 133	NS	604 133	NS
treasury shares (4)	109 929	NS	109 929	NS	0	NS
Public	1 636 866 639	13.1	1 636 897 149	13.1	1 636 897 149	13.1
TOTAL	**12,496,777,165**	**100**	**12,536,886,447**	**100**	**12,536,776,518**	**100**

(1) Registered shares held in the name of the same holder for two years carry double voting rights (see Chapter 7, Section 7.1, "Double Voting Rights") of the 2023 URD. The total number of theoretical voting rights is calculated on the basis of all shares, including shares without voting rights (treasury shares) (Article 223-11 of the AMF General Regulations).

(2) The total number of exercisable voting rights is calculated on the basis of all shares less shares without voting rights (treasury shares).

(3) For more information on employee share ownership, see section 6.2.3, "Employee shareholders" and section 6.4.4, "Employee share ownership" of the 2023 URD.

(4) For more information on treasury shares, see section 6.5.1, "Transactions carried out by the Company on its own securities during the 2023 fiscal year" of the 2023 URD..

31 December 2022

		Number of shares	% of capital	Number of theoretical voting rights (1)	% of theoretical voting rights	Number of theoretical voting rights (2)	% of voting rights real
SCP SKN Holding I SAS	SCP SKN Holding I SAS	400,244,882	74.72	462,463,081	77.23	462,463,081	77.23
Employee ownership (3)	Employee ownership (3)	796,195	0.15	986,695	0.16	986,695	0.16
treasury shares (4)	treasury shares (4)	158,578	0.03	158,578	-	-	-
Public	Public	134,450,702	25.10	135,194,242	22.58	135,194,242	22.58
TOTAL	**TOTAL**	**535,650,357**	**100**	**598,802,596**	**100**	**598,644,018**	**100**

(1) Registered shares held in the name of the same holder for two years carry double voting rights (see Chapter 7, Section 7.1.11, "Double Voting Rights" of the 2022 Universal Registration Document). The total number of theoretical voting rights is calculated on the basis of all shares, including shares without voting rights (treasury shares) (Article 223-11 of the AMF General Regulations).

(2) The total number of exercisable voting rights is calculated on the basis of all shares less shares without voting rights (treasury shares).

(3) For more information on employee share ownership, see section 6.2.3, "Employee shareholders" and section 6.4.5, "Employee share ownership", of Chapter 6 of the 2022 Universal Registration Document.

(4) For more information on treasury shares, see section 6.5.1, "Transactions carried out by the Company on its own securities during the 2022 fiscal year", of Chapter 6 of the 2022 Universal Registration Document.

A. CROSSING OF LEGAL, REGULATORY AND STATUTORY THRESHOLDS NOTIFIED TO THE COMPANY

As of the date of publication of this Document, the Company has not been notified of any crossing of legal, regulatory, or statutory thresholds.

INFORMATION REFERRED TO IN ARTICLE L. 233-13 OF THE COMMERCIAL CODE

As of December 31, 2024, the French simplified joint stock company SCP SKN Holding I S.A.S., whose registered office is at 39, Rue de la Gare de Reuilly, 75012 Paris, held more than two-thirds of the share capital and voting rights.

CHANGE OF CONTROL

As of the date of this Document, the Company is controlled by SCP SKN Holding I S.A.S., which holds 86% of the share capital and 86.2% of the actual voting rights.To the Company's knowledge, there are no shareholder agreements or other arrangements that could, at a later date, result in a change of control.Furthermore, to the Company's knowledge, no provision in the Articles of Association, any charter, or internal regulations could have the effect of delaying, deferring, or preventing a change of control.

6.4.2. CORPORATE OFFICERS' INTERESTS IN THE COMPANY'S SHARE CAPITAL

SHARES HELD BY CORPORATE OFFICERS AS OF DECEMBER 31, 2024

Chief Executive Officer and Chairman of the Board

As of December 31, 2024, the Chief Executive Officer and the Chairman of the Board of Directors of the Company held shares, details of which are given in Section 3.3.

Directors

The Directors had no personal interest in the Company's capital other than those mentioned in Section 3.2.1.

TRANSACTIONS IN THE COMPANY'S SHARES BY DIRECTORS AND OFFICERS DURING THE YEAR

Pursuant to the provisions of Article 223-26 of the AMF's General Regulations, we hereby inform you of the transactions carried out during fiscal year 2024 by the persons referred to in Article L. 621-18-2 of the Monetary and Financial Code.

Identity of officer and position as of the date of transaction	Date of transaction	Financial instrument	Type of transaction	Volume	Unit price *(in €)*
Greg Huttner Deputy CEO and Excom Member	2024/12/22	Shares	Definitive acquisition of ordinary shares allocated free of charge on 2023/12/22	39,999,963	0.01
		Shares	Definitive acquisition of preference shares allocated free of charge on 2023/12/22	2,000	N/A
Gary Cleaver Excom Member	2024/12/22	Shares	Definitive acquisition of preference shares allocated free of charge on 2023/12/22	500	N/A
Hervé Blanchard Excom Member	2024/12/22	Shares	Definitive acquisition of ordinary shares allocated free of charge on 2023/12/22	19,999,956	0.01
			Definitive acquisition of preference shares allocated free of charge on 2023/12/22	5,500	N/A
David Oliveira Excom Member	2024/12/22	Shares	Definitive acquisition of ordinary shares allocated free of charge on 2023/12/22	14,999,967	0.01
			Definitive acquisition of preference shares allocated free of charge on 2023/12/22	4,250	N/A
Thierry Eftymiades Excom Member	2024/12/22	Shares	Definitive acquisition of ordinary shares allocated free of charge on 2023/12/22	2,999,973	0.01
			Definitive acquisition of preference shares allocated free of charge on 2023/12/22	1,250	N/A
Jean-Luc Vincent Franc Excom Member	2024/12/22	Shares	Definitive acquisition of preference shares allocated free of charge on 2023/12/22	500	N/A

Identity of officer and position as of the date of transaction	Date of transaction	Financial instrument	Type of transaction	Volume	Unit price *(in €)*
Samuel Bégué Excom Member	2024/12/22	Shares	Definitive acquisition of ordinary shares allocated free of charge on 2023/12/22	4,999,989	0.01
			Definitive acquisition of preference shares allocated free of charge on 2023/12/22	1,750	N/A
Mathieu von Websky Excom Member	2024/12/22	Shares	Definitive acquisition of ordinary shares allocated free of charge on 2023/12/22	500	N/A

6.4.3. EMPLOYEE SHARE OWNERSHIP

As part of the free share allocation plans, employees directly hold registered shares and indirectly hold shares through FCPE B, totaling 83,437,944 shares as of December 31, 2024, representing 0.66% of the share capital. As of December 31, 2023, they held 550,575 shares, or 0.15% of the share capital. Employee participation in the share capital through company savings plans, according to the definition in Article L.225-102 of the French Commercial Code, is not significant as of December 31, 2024. As of that date, the total number of ordinary and preferred shares in the process of being acquired–subject to conditions of presence and/or economic performance–or still to be definitively allocated to employees and/or corporate officers of the Group is detailed in Section 6.6.2 below.

6.5. SHARE BUYBACK PROGRAM

The following information includes the information required to be included in the report of the Board of Directors pursuant to the provisions of Article L. 225-211 of the French Commercial Code, as well as information relating to the description of the share-buyback program pursuant to Article 241-2 of the General Regulations of the Autorité des Marchés Financiers.

6.5.1. TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SECURITIES DURING THE 2022 FISCAL YEAR

PRESENTATION OF THE AUTHORIZATIONS GRANTED TO THE BOARD OF DIRECTORS

Under the terms of its 24th resolution, the General Meeting of December 30, 2024, authorized the Board of Directors (with the option to delegate) to purchase or have the Company purchase its own shares over a period of 18 months, as part of the implementation of a share buyback program.

The maximum purchase price was set at €0.10 per share, with the number of shares to be acquired not exceeding 10% of the share capital, and the number of shares held by the Company at any given time not exceeding 10% of the shares comprising the share capital at the date of the relevant buyback. This authorization rendered ineffective, as of December 30, 2024, the unused portion of the authorization granted by the General Meeting of July 26, 2023.

Pursuant to these authorizations, the liquidity contract entered into by the Company with Gilbert Dupont on November 9, 2015, and updated on December 13, 2018, in line with regulatory developments, was renewed by tacit agreement for a period of one year. As of December 31, 2024, the resources allocated to the liquidity contract amounted to 618,194 shares and €9,797.59, compared to 106,729 shares and €14,385.47 in cash at the close of the 2023 financial year. It is recalled that 11,631 Latecoere shares and €156,565.50 in cash had been allocated to the implementation of the liquidity contract at the time of its signing in 2015. The authorization granted by the General Meeting of December 30, 2024, which is in effect on the date of filing of this Document, will expire on June 30, 2026.

It will be proposed at the 2025 Annual Combined General Meeting to authorize the Board of Directors to act on the Company's shares as part of a new share buyback program, the terms of which are described below in the section "Share Buyback Program Submitted to the Upcoming 2025 Annual Combined General Meeting."

Situation as of 31.12.2024	
% of capital owned directly or indirectly, of which:	0.004%
• to cover a free share-allocation plan	3,200
• to be cancelled	None
• to ensure the liquidity of Latecoere shares	618,194
Number of shares cancelled during the last 24 months	0
Number of shares held	618,194
Market value of the portfolio*	€6,908

* *Based on the closing price at December 31, 2024, i.e. €0.01020*

SUMMARY TABLE AT THE END OF THE YEAR 2024

The table opposite details the transactions carried out by the Company on its own shares under the share-buyback program during the year 2024.

	Cumulative gross flows					
	Liquidity contract		Transactions carried out outside the liquidity contract			
Operations	Purchase	Sale	Purchase	Sale	Transfer	Cancellation
Number of securities	18,310,905	17,799,440	0	0	0	0
Average price *(in euros)*	0.01020	0.01024	-	-	-	-
AMOUNT	**186,780.78**	**182,296.56**	**-**	**-**	**-**	**-**

SHARES ALLOCATED TO COVER THE STOCK OPTION AND BONUS SHARE PROGRAM

During the year 2024, Latecoere did not buy back any shares outside of its liquidity contract. As of December 31, 2024, shares registered in the Company's books are intended to cover free share plans for employees or officers of the Company or its Group.

SHARES ALLOCATED TO THE IMPLEMENTATION OF A LIQUIDITY CONTRACT

Under the liquidity agreement signed with an investment services provider on November 9, 2015, and then as of December 13, 2018, after updating in the context of changes in applicable regulations, Latecoere acquired, during the year ended December 31, 2023, 1,155,689 shares at an average price of €0.09 and sold 1,026,030 shares at an average price of €0.08.

Trading costs and costs related to the implementation of the liquidity contract with the investment services provider amount to a total of €20,000.

These shares have not been reallocated to other purposes under the share-buyback program.

BREAKDOWN OF TREASURY SHARES BY OBJECTIVE AS OF DECEMBER 31, 2024

Number of shares	Objectives
618,194	Liquidity contract
3,200	Allocation of free shares to employees or corporate officers of the Company or its Group
-	Cancellation
-	External growth

6.5.2. SHARE BUYBACK PROGRAM SUBMITTED TO THE NEXT 2024 ANNUAL COMBINED SHAREHOLDERS' MEETING

It will be proposed at the 2025 Annual Combined General Meeting to terminate the 24th resolution adopted by the General Meeting of July 26, 2024, and to authorize, through the adoption of a new resolution, the implementation of a new share buyback program, in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code and Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014, as well as any other applicable provisions. The details of this new share buyback program are provided below.

OBJECTIVES OF THE NEW SHARE-BUYBACK PROGRAM

Under the new share-buyback program to be submitted to the 2024 Annual General Shareholders' Meeting, Latecoere plans to buy back its own shares or have them bought back, with a view to:

- the implementation of any Company stock option plan under the provisions of Articles L. 225-177 et seq. of the French Commercial Code or any similar plan; and/or
- the allocation or sale of shares to employees in connection with their participation in the company's growth or the implementation of any company or group savings plan (or similar plan) in accordance with the law, in particular Articles L. 3332-1 et seq. of the French Commercial Code; or
- the granting of free shares in accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code; or
- generally, to honor obligations related to stock option programs or other allocations of shares to employees or officers of the issuer or an associated company; or
- the delivery of shares on the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, presentation of a warrant or in any other way; or
- the cancellation of all or part of the shares thus repurchased; or
- the stimulation of the secondary market or the liquidity of the Latecoere share by an investment services provider within the framework of a liquidity contract in accordance with the practice accepted by the regulations, it being specified that in this context, the number of shares taken into account for the calculation of the aforementioned limit corresponds to the number of shares purchased, less the number of shares resold; or
- to retain the shares purchased and subsequently tender them in exchange or as payment in connection with any external growth transactions; or
- the implementation of any market practice that may be permitted by the Autorité des Marchés Financiers, and more generally, the completion of any other transaction in accordance with the regulations in force. In such a case, the Company will inform its shareholders by way of a press release.

NUMBER OF SHARES AND PERCENTAGE OF CAPITAL HELD BY THE ISSUER AS OF DECEMBER 31, 2023

As of December 31, 2024, the total number of shares held directly or indirectly by Latecoere was 621,594 representing 0.004% of the Company's capital.

MAXIMUM PORTION OF CAPITAL TO BE ACQUIRED, MAXIMUM NUMBER AND CHARACTERISTICS OF SHARES THAT MAY BE ACQUIRED UNDER THE NEW SHARE-BUYBACK PROGRAM

The maximum portion of the share capital that may be repurchased under the new share buyback program will be 10% of the Company's share capital (which, for reference, consisted of 12,619,722,476 ordinary shares as of December 31, 2024), it being specified that the number of shares acquired for the purpose of holding and subsequently transferring them as part of a merger, demerger, or contribution transaction may not exceed 5% of the share capital.

In accordance with Article L. 225-210 of the French Commercial Code, the number of shares that Latecoere may hold at any given time may not exceed 10% of the Company's share capital on the relevant date.

Taking into account the shares already held–i.e., 621,394 shares as of December 31, 2024 (0.004% of the capital)–and subject to any adjustments affecting the number of shares held by the Company and the amount of its share capital after the 2025 Annual General Meeting, the buybacks could cover up to 1,261,350,653 shares, representing 9.99% of the capital based on the share capital as of December 31, 2024.

The securities that Latecoere intends to acquire are exclusively shares.

MAXIMUM AUTHORIZED UNIT PURCHASE PRICE

Le prix d'achat maximal des actions dans le cadre du nouveau programme de rachat d'actions sera de 0,10 € par action, étant précisé que ce prix pourra être ajusté en cas de modification de la valeur nominale de l'action, d'augmentation de capital par incorporation de réserves, d'attribution gratuite d'actions, de division ou de regroupement d'actions, de distribution de réserves ou de tout autre actif, de réduction de capital ou de toute autre opération affectant les capitaux propres, afin de tenir compte de l'impact de ces opérations sur la valeur de l'action.

Le montant total maximal autorisé pour la mise en œuvre du nouveau programme de rachat d'actions sera fixé à 124 967 €, frais et commissions inclus. Latecoere se réserve le droit d'utiliser l'intégralité du programme autorisé.

DURATION OF THE NEW SHARE-BUYBACK PROGRAM

In accordance with the resolution to be submitted for approval to the 2025 Annual General Shareholders' Meeting, the new share-buyback program may be implemented over an 18-month period following the date of the Meeting.

6.5.3. CANCELLATION OF TREASURY SHARES

The Ordinary and Extraordinary General Meeting of Shareholders held on December 30, 2024, under its fortieth resolution, authorized the Board of Directors (for a period of 26 months from said Meeting) to reduce the share capital by canceling treasury shares, within the limit of 10% of the share capital over a twenty-four-month period. The Board of Directors did not make use of this authorization during the financial year ended December 31, 2024.

It will be proposed at the 2025 Annual General Meeting to renew this authorization for a new period of 26 months.

6.6. ADDITIONAL INFORMATION ON THE SHARE CAPITAL

6.6.1. CHANGE IN THE SHARE CAPITAL OVER THE PAST THREE YEARS

		Amount of changes *(in euros)*					
Year	Nature of the operation	Nominal	Share premium	Total amount	Number of shares issued or cancelled	Number of shares comprising the share capital	Amount of share capital
2021	Capital reduction by way of a reduction in nominal value	165,932,406.50	0	165,932,406.50	0	94,818,518	23,704,629.5
2021	Capital increase	109,041,295.50	113,402,947.32	222,444,242.82	436,165,182	530,983,700	132,745,925
2022	Reserved capital increase	1,166,664.25	1,213,330.82	2,379,995.07	4,666,657	535,650,357	133,912,589.25
2023	Capital increase following the acquisition of preference shares allocated on April 21, 2022	13,625	0	13,625	54,500	535,704,857	133,926,214.25
2023	Reverse stock split (10 old ordinary shares of €0.25 for one new ordinary share of €2.5)	122,623.25	0	122,623.25	49,049*	53,619,535	133,926,214.25
2023	Capital reduction by reducing the par value of ordinary shares and preference shares	133,390,018.90	0	133,390,018.90	0	53,619,535	536,195.35
2023	Capital increase through the issuance of ordinary shares	124,431,576.30	0	124,431,576.30	12,443,157,630	12,496,777,165	124,967,771.65
2024	Capital increase following the acquisition of preference shares and the allocation of new ordinary shares pursuant to the decision of December 23, 2024.	1,230,275.61	0	1,230,275.61	123,027,561**	12,619,804,726	126,198,047.26

(1) Difference between the purchase price of the 350,000 treasury shares cancelled and their par value charged to the "Share premium" account".

* *of which 7 shares cancelled for the purposes of carrying out the reverse split and establishing parity, the Company having waived its right to exercise its rights in connection with the reverse stock split.*

** *including 27,750 new preference shares*

As of December 31, 2024, the share capital consisted of 12,619,722,476 fully paid-up ordinary shares with a nominal value of one euro cent each, listed on the regulated market of Euronext Paris, and 82,250 preference shares.

As of December 31, 2024, there were no ongoing plans involving shares that could be issued through the exercise of subscription options granted to Group employees or corporate officers. To the Company's knowledge, none of its shares are subject to any pledge.

6.6.2. OTHER SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

FREE ALLOCATION OF PREFERRED SHARES AT DECEMBER 31, 2024

Incentive plans in place at the date of this Document are described below:

	2022 Plan ADP	2022 Plan MIP 2	Plan ADP 2023	Plan MIP 3 2023	Plan ADP 2023	Plan MIP 3 2023
DATE OF THE SHAREHOLDERS' MEETING	**2022/03/22**	**2022/03/22**	**2023/07/26**	**2023/07/26**	2023/07/26	2023/07/26
DATE OF THE BOARD OF DIRECTORS' DECISION AS TO THE SHARES ATTRIBUTABLE TO THE BENEFICIARIES	**2022/03/30**	**2022/07/01**	**2023/12/19**	**2023/12/19**	2023/12/19	2023/12/19
TOTAL NUMBER OF SHARES (ORDINARY OR PREFERRED SHARES) CONDITIONALLY ATTRIBUTABLE TO THE COMPANY	**60,875**	**4,606,897**	**48 500**	**143 999 775**	5,000	30,000,000
• *of which total number of shares (ordinary or preferred) attributable to corporate officers*	22,500	0	15 500	39 999 963	5,000	30,000,000
• *of which total number of shares (ordinary or preferred) attributable to employees*	38,375	4,606,897	33 000	103 999 812	0	0
• *of which number of corporate officers* (1)	2	0	1	1	1	1
• *of which number of employees*	19	69	14	8	0	0
DATE OF THE DECISION OF THE BOARD OF DIRECTORS (OR OF THE CHIEF EXECUTIVE OFFICER UPON DELEGATION) AS TO THE SHARES (ORDINARY OR PREFERRED) ALLOCATED TO THE BENEFICIARIES	**2022/04/21**	**2022/07/01**	**2023/12/22**	**2023/12/22**	2024/12/30	2024/12/30
TOTAL NUMBER OF SHARES (ORDINARY OR PREFERRED) ALLOCATED FREE OF CHARGE	**59,500**	**3,386,420**	45,000	133,999,797	5,000	133,999,797
• *of which total number of shares (ordinary or preferred) attributable to corporate officers*	22,500	0	15 500	39 999 963	5,000	30,000,000
• *of which total number of shares (ordinary or preferred) attributable to employees*	37,000	3,386,420	29 500	93 999 834	0	0
• *of which number of corporate officers* (1)	2	0	1	1	1	1
• *of which number of employees*	19	60	12	7	N/A	7
DATE OF ACQUISITION OF SHARES (ORDINARY OR PREFERRED)(2)	2023/04/21	2026/12/31*	2024/12/22	2024/12/22	2025/12/30	2025/12/30
END OF RETENTION PERIOD (IN YEARS - FROM THE DATE OF GRANT)	**2**	**0**	**2**	**0**	**2**	**2**
PERFORMANCE CRITERIA AT THE DATE OF ACQUISITION	N/A	RECURRING EBITDA @ HEDGE RATE WITH M&A	N/A	N/A	N/A	N/A
CUMULATIVE NUMBER OF SHARES CANCELLED OR LAPSED AT YEAR-END	**5,000**	**0**	**17,750**	**0**	0	0
TOTAL NUMBER OF SHARES (ORDINARY OR PREFERRED) ALLOCATED AT THE END OF THE YEAR	**54,625**	**3,386,420**	**27,750**	**122,999,811**	5,000	30,000,000
NUMBER OF BENEFICIARIES REMAINING AT 2023 YEAR-END	**19**	**60**	**11**	**7**	**1**	**1**

(1) i.e. the Chief Executive Officer and/or the Deputy CEO in office at the date of grant.

(2) Approximate date depending on the date of the Board of Directors meeting.

STOCK OPTIONS IN FORCE AT DECEMBER 31, 2024

Under its 41st resolution, the General Meeting of December 30, 2024, authorized the Board of Directors (for a period of 26 months from said Meeting) to grant stock subscription and/or purchase options to certain employees and, where applicable, to corporate officers of the Company and of affiliated companies or entities. The Board of Directors did not make use of this authorization during the financial year ended December 31, 2024.

As of the date of this Document, no stock subscription or purchase plan is in effect. Affiliated companies of Latecoere do not grant stock subscription or purchase options.

6.6.3. SUMMARY TABLE OF DELEGATIONS AND AUTHORIZATIONS GRANTED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS FOR CAPITAL INCREASES AND THE USE MADE OF THESE DELEGATIONS AND AUTHORIZATIONS

Securities concerned / Date of the Shareholders' Meeting (duration of the authorization/delegation and expiration)	Maximum nominal amount of capital increase (in € or as a percentage of the share capital)	Maximum nominal amount of debt securities (in €)	Commentary/ Use of delegations during the year
1 INCORPORATION OF RESERVES, PROFITS, PREMIUMS OR OTHER			
Increase in share capital by capitalisation of reserves, profits, premiums or other items (A) AGM of December 30, 2024 – 26th Resolution Expires on February 28, 2027 (26 months)	300 million (A) being included in the Overall Capital Ceiling	N/A	Not used during the year
ISSUE WITH PREFERENTIAL SUBSCRIPTION RIGHTS			
Issue of new shares and/or securities giving access to new shares, with preferential subscription rights for shareholders (B) AGM of December 30, 2024 - 27th resolution Expires on February 28, 2027 (26 months)	300 million (B) being included in the Overall Capital Ceiling	300 million (B) being included in the Overall Debt Ceiling	Not used during the yea
ISSUE WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS			
Issue of new shares and/or securities giving access to new shares or debt securities, without shareholders' pre-emptive subscription rights, by public offer (excluding offers covered by 1° of Article L. 411-2 of the French Monetary and Financial Code) (C) AGM of December 30, 2024 - 28th resolution Expires on February 28, 2027 (26 months)	300 million (C) being included in the Overall Capital Ceiling	300 million (C) being included in the Overall Debt Ceiling	Not used during the year
Issue of new shares and/or securities giving access to new shares or debt securities, with waiver of shareholders' pre-emptive subscription rights, by public offer as referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (D) AGM of December 30, 2024 - 29th resolution Expires on February 28, 2027 (26 months)	300 million (D) being included in the Overall Capital Ceiling	300 million (D) being included in the Overall Debt Ceiling	Not used during the year

Securities concerned / Date of the Shareholders' Meeting (duration of the authorization/delegation and expiration)	Maximum nominal amount of capital increase (in € or as a percentage of the share capital)	Maximum nominal amount of debt securities (in €)	Commentary/ Use of delegations during the year
Issue of new shares and/or securities without pre-emptive subscription rights and/or securities giving access to new shares as consideration for contributions in kind (E) AGM of December 30, 2024 - 30th resolution Expires on February 28, 2027 (26 months)	20% of share capital (E) being included in the Overall Capital Ceiling	300 million (E) being included in the Overall Debt Ceiling	Not used during the year
Issue of new shares and/or securities giving access to new shares as consideration for securities tendered in connection with a public offer with an exchange component initiated by the Company (F) AGM of December 30, 2024 - 31st resolution Expires on February 28, 2027 (26 months)	300 million	N/A	Not used during the year
Issue of new shares or debt securities and/or securities giving access to new shares or debt securities, with waiver of shareholders' pre-emptive subscription rights, for the benefit of a category of persons meeting specified characteristics *(Capital increase reserved for one or more French investors selected with the prior agreement of the French State under the prior authorisation of the Ministry of the Economy in respect of the control of foreign investment in France)* **(G)** AGM of December 30, 2024 - 32nd resolution Expires on June 30, 2026 (18 months)	100 million (G) being included in the Overall Capital Ceiling	100 million (G) being included in the Overall Debt Ceiling	Not used during the year
Issue of new shares or debt securities and/or securities giving access to new shares or debt securities, without shareholders' pre-emptive subscription rights, for the benefit of a category of persons meeting specified characteristics *(Capital increase reserved for one or more lenders who are creditors of the Company under a State Guaranteed Loan)* **(H)** AGM of December 30, 2024 - 33rd resolution Expires on June 30, 2026 (18 months)	100 million (H) being included in the Overall Capital Ceiling	100 million (H) being included in the Overall Debt Ceiling	Not used during the year
Increase in the number of shares to be issued in connection with a capital increase with or without waiver of shareholders' pre-emptive subscription rights (I) AGM of December 30, 2024 - 35**th** resolution Expires on February 28, 2027 (26 months)	Up to 15% of the initial issue (B, C or D) With preferential subscription rights: included in the Overall Capital Ceiling Without pre-emptive rights: included in the Overall Capital Ceiling	N/A	Not used during the year
Increase in the number of securities to be issued as part of a capital increase through the issuance of ordinary shares with the waiver of shareholders' preferential subscription rights, reserved for one or more specifically designated persons, within a limit of 30% of the share capital (J) AGM of December 30, 2024 - 36th resolution Expires on February 28, 2027	30% of the share capital as of the date of the AGM	N/A	Not used during the year

Securities concerned / Date of the Shareholders' Meeting (duration of the authorization/delegation and expiration)	Maximum nominal amount of capital increase (in € or as a percentage of the share capital)	Maximum nominal amount of debt securities (in €)	Commentary/ Use of delegations during the year
Overall limit on authorisations to issue securities for cash AGM of December 30, 2024 - 39th resolution	With and without pre-emptive rights (A+B+C+D+E+G+H+M+I): 300 million (Global Capital Ceiling)	With and without DPS (A+B+C+D+E+G+H+M):300 million (Total Debt Ceiling)	-
ISSUES TO EMPLOYEES AND EXECUTIVES			
Issue of shares or securities giving access to the capital reserved for members of company savings plans, with cancellation of preferential subscription rights in their favour AGM of December 30, 2024 - 37th resolution Expires on February 28, 2027 (26 months)	2% of share capital at the date of the AGM	N/A	Not used during the year
Free allotment of existing or future ordinary and/or preference shares in the Company, without pre-emptive subscription rights, to all or certain categories of employees and corporate officers of the Company and/or related companies AGM of December 30, 2024 - 38th resolution Expires on February 29, 2028 (38 months)	15% of the share capital at the date of the Board of Directors' decision to grant the shares	N/A	Not used during the yea
Issue of share subscription and/or purchase options with waiver of pre-emptive subscription rights AGM of December,30 - 41st resolution Expires on February 29, 2028 (38 months)	3.5% of the total number of shares comprising the share capital at the issue date	N/A	Not used during the year
Increase capital by issuing ordinary shares in the Company, without shareholders' pre-emptive subscription rights, for the benefit of a category of persons meeting specified characteristics (M) *(Capital increase reserved for certain employees and/or corporate officers of the Company and/or its subsidiaries)* AGM of Decembre 30, 2024 - 34th resolution Expires on June 30, 2026 (18 months)	2.500.000 €	N/A	Not used during the yea

6.6.4. OTHER INFORMATION

CROSSING OF THRESHOLDS

Under the terms of Article L. 233-7 of the French Commercial Code, any individual or legal entity, acting alone or in concert, who comes to own a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the Company's capital or voting rights, must inform the Company and the AMF by letter, indicating the total number of shares and voting rights held, no later than the close of trading on the fourth trading day following the date on which the shareholding threshold is crossed. The AMF makes public the crossing of thresholds declared to it. This information is also provided, within the same timeframe and under the same conditions, when the shareholding or voting rights fall below the thresholds referred to above. If they have not been duly declared, the shares exceeding the fraction that should have been declared in accordance with the legal provisions mentioned above are deprived of voting rights for any Shareholders' Meeting held until the expiry of a period of 2 years following the date of regularization of the notification. Article 9 of the By-Laws also provides that any individual or legal entity that crosses (either upwards or downwards), directly or indirectly, alone or in concert, the threshold of 0.5% of the Company's capital or voting rights (or any multiple of this threshold), must inform the Company by registered letter with acknowledgement of receipt, within four trading days of the date on which the threshold is crossed, specifying his or her identity and that of the persons acting in concert with him or her. This obligation also applies to the holder of shares in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code, for all the shares in respect of which he or she is registered in an account. This notification must be renewed, under the same conditions, in the event that the threshold of 1% of the share capital or voting rights is exceeded or fallen below, and then of each threshold of the share capital or voting rights containing the fraction of 0.5% of the share capital or voting rights beyond the threshold of 1% of the share capital or voting rights. This obligation ceases to apply in the event of a single or joint holding of more than 50% of the voting rights. In the event of non-compliance with the obligation to declare the crossing of statutory thresholds, the penalties provided for in Article L. 233-14 of the French Commercial Code shall apply, provided that a request to this effect, presented by one or more shareholders holding at least 2% of the share capital or voting rights, is recorded in the minutes of the Shareholders' Meeting.

IDENTIFICATION OF SHAREHOLDERS

The Company's shares, regardless of their form (registered or bearer), are registered in an account in the name of their owner under the terms and conditions provided for by the laws and regulations in force. However, any intermediary may be registered on behalf of owners of securities who are not domiciled in France, within the meaning of Article 102 of the Civil Code. This registration can be made in the form of a collective account or in several individual accounts, each corresponding to an owner. The registered intermediary is required, at the time of opening an account with either the Company or the authorized financial intermediary holding the account, to declare his status as an intermediary holding securities on behalf of others. The Company may identify any holder of securities conferring, immediately or in the future, the right to vote at its meetings, through the procedure provided for in Articles L. 228-2 et seq. of the French Commercial Code. In order to identify the holders of bearer shares, the Company is thus entitled, under the legal and regulatory conditions, to request at any time, at its own expense, from the central depository which keeps the account for the issue of its shares, the name and year of birth or, in the case of a legal entity, the corporate name and year of incorporation, the nationality and address of the holders of shares conferring immediate or future voting rights at its meetings, as well as the number of shares held by each of them and, where applicable, any restrictions that may be imposed on the shares.

The Company, in view of the list transmitted by the aforementioned organization, may request under the same conditions, either through this organization or directly from the persons appearing on this list and whom the Company believes may be registered on behalf of third parties, the same information concerning the owners of the securities. Such persons will be required, if they are acting as intermediaries, to disclose the identity of the owners of such securities. The information is then provided directly to the authorized financial intermediary holding the account, which is responsible for communicating it to the Company or to the above-mentioned central depositary, as the case may be. In the case of registered securities giving immediate or future access to the capital, the intermediary registered on behalf of third parties is required to disclose the identity of the owners of these securities and the number of securities held by each of them, upon simple request by the Company or its agent, which may be made at any time.

The Company may also request any legal entity holding more than 2.5% of the Company's capital or voting rights to disclose the identity of persons holding directly or indirectly more than one third of its capital or voting rights. When a person who is the subject of a request for identification under the conditions referred to above has not provided the required information within the time limit set, or has provided incomplete or erroneous information relating either to his or her capacity, or to the owners of securities, or to the quantity of securities held by each of them, the shares or securities giving immediate or future access to the capital and for which this person has been registered in the account shall be deprived of voting rights for any shareholders' meeting held until the date on which the identification is regularized, and payment of the corresponding dividend shall be postponed until this date.

In addition, in the event that the registrant knowingly fails to comply with these obligations, the court in whose jurisdiction the Company's registered office is located may, at the request of the Company or of one or more shareholders holding at least 5% of the share capital, order the total or partial deprivation, for a period not exceeding five years, of the voting rights attached to the shares that have been the subject of the interrogation and, if applicable, and for the same period, of the corresponding dividend.

7 ADDITIONAL INFORMATION AFR

7.1. INFORMATION ON LATECOERE

NAME AND HEAD OFFICES, REGISTRATION AND LEI

The Company is named Latecoere. Its head offices are registered to: 135 Rue de Périole – 31500 Toulouse (FR). The phone number for the head offices is: +33 (0)5 61 58 77 00.

The Company has been registered in the Trade and Companies Register of Toulouse since 19 July 1960, under number: 572 050 169 TCR Toulouse and registered in the global LEI directory (Legal Entity Identifier) under code: 969500F9H7I22AX1D138.

LEGAL FORM, LEGISLATION, FINANCIAL YEAR

Latecoere is a public limited company with a Board of Directors, governed by French law, and in particular by the provisions of Volume II of the French Commercial Code, as well as a certain number of provisions set out in the regulatory section of the French Commercial Code.

The financial year is twelve months, from 1st January through 31 December.

COMPANY GOVERNANCE

In an aim of public information and transparency, the Company has implemented a set of measures to ensure compliance with the recommendations applicable to business governance principles. For further information, refer to the Company Governance Report provided in Chapter 3, “Company governance”.

DATE OF CONSTITUTION AND TERM

The Company was constituted on 31 May 1922 and its term is set at 99 years from 31 May 1972 following its extension.

BUSINESS PURPOSE

The Company's business purpose is defined in Article 3 of its By-Laws, as follows:

- The study, design, manufacture, sale, installation, rental, maintenance and operation of all parts and sets of parts or mechanical, hydraulic, electric, electro-mechanic and electronic materials, used directly or indirectly in any industry referencing means of locomotion or testing in the aerospace, terrestrial and maritime fields, as well as in the industries associated therewith;
- the study, filing and acquisition of any patents, licenses, procedures and manufacturer's brands, their exploitation, concession, contribution and sale to any individuals, and in any country;

participation, by any means relevant, in any company or group based in France or overseas, regardless of their form, which may be directly or indirectly associated with the Company's purpose or which may facilitate its fulfilment;

and, more generally, any industrial, financial or commercial operations of a property or fixed-asset nature, which may be directly or indirectly associated with the Company's purpose or with any similar or connected purposes.

RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

The possession of a share lawfully entails adhesion to the By-Laws and resolutions regularly adopted by any shareholders' meetings.

Shareholders shall not bear any losses for sums exceeding their contributions, without prejudice to the terms and conditions of preferred shares.

Each ordinary share entitles the holder to a proportional share in the quotity of the capital that it represents in profits and in equity.

Preferred shares do not grant any entitlement to dividends; and their rights within the Company's assets in the event of liquidation shall be determined in compliance with the terms and conditions of preferred shares, as stipulated in the Appendix to the By-Laws.

If applicable, and subject to imperative prescriptions, all shares shall be indistinctively considered together with all tax allocations or exonerations, before proceeding with any reimbursement over the course of the Company's existence or upon its liquidation, insofar as, given their respective nominal value and their respective category, all shares under the same category thus existing shall receive the same net sum, regardless of their origin or date of creation.

Each time that it is necessary to own several shares in order to exercise a right (including in compliance with the terms and conditions of preferred shares), or even in cases of security exchange or allocation entitling holders to a new security in exchange for several shares, the isolated securities or those in an insufficient number shall not grant any right to their holders in regard to the Company, shareholders making the grouping and, if required, the purchasing or sale of the number of securities necessary their personal responsibility.

TERMS AND CONDITIONS OF PREFERRED SHARES

The terms and conditions of preferred shares are set out in the Appendix to the By-Laws, which forms an integral part of the By-Laws.

RIGHT TO A SHARE IN PROFITS

Each ordinary share entitles the holder to profits, at a proportional share of the quotity of capital that it represents.

The distributable profit is constituted by the profit from the financial year, deducted by prior losses and the contribution to the legal reserve, and increased by any profit carried over.

This profit is at the disposal of the Annual Shareholders' Meeting which, on the recommendation of the Board of Directors, may, in whole or in part, carry it forward, allocate it to general or special reserve funds, or distribute it to shareholders holding ordinary shares as a dividend.

In addition, the shareholders' meeting may decide to distribute sums deducted from the reserves at its disposal to the shareholders holding ordinary shares; in this case, the decision shall expressly indicate the reserve items from which the deductions are made. However, the dividend is deducted in priority from the distributable profit for the year.

Revaluation surpluses are not available for distribution; they may be capitalised in whole or in part.

The meeting has the faculty to grant each shareholder with ordinary shares, for all or part of the dividend or advanced dividends distributed, an option of either payment, in cash or in shares, of the dividends or advanced dividends.

RIGHT TO LIQUIDATION SURPLUS

The net assets, after reimbursement of the par value of shares, is shared equally between all shares within the same category, namely taking into account the terms and conditions of preferred shares.

SHAREHOLDERS' MEETINGS

Ordinary and Extraordinary General Shareholders Meetings are convened, meet and deliberate under the conditions provided for by law.

All shareholders are entitled to attend shareholders' meetings, upon provision of proof of their identity and role capacity, and they are also entitled to participate in deliberations, personally or through representation, subject to their securities being registered under the legal conditions and in line with the legal deadlines.

Any shareholder with shares from a determined category may participate in special shareholders' meetings for this category.

If they are unable to attend the Meeting in person, shareholders may choose one of the following three options:

- Grant proxy rights to another shareholder, to their partner (civil or spouse), or to any other physical or legal person of their choice;
- vote by post; or
- send a procuration to the Company without appointing a representative, under the conditions provided for by the applicable legislative and regulatory stipulations.

Les actionnaires peuvent, dans les conditions prévues par la loi et les règlements, adresser leur formule de procuration et de vote par correspondance concernant toute Assemblée générale des actionnaires, soit sous forme papier, soit par télétransmission.

All shareholders may also vote remotely, in compliance with legislative and regulatory stipulations, by means of a form drawn up by the Company and sent to the Company under the conditions provided for by the applicable regulations, including by email or by fax, subject to the decision of the Board of Directors. This form must be received by the Company under the legislative and regulatory conditions in order for it to be validly processed.

If the Board of Directors decides to use such means of telecommunication, as published in the notice of meeting, shareholders who take part in the Annual Shareholders' Meeting by videoconference or other means of telecommunication or teletransmission, including the Internet, enabling them to be identified in accordance with legal and regulatory provisions, are deemed to be present for the purposes of calculating quorum and majority.

Meeting minutes are drawn up and copies are extracts of them are certified and delivered, in compliance with the law.

DOUBLE VOTING RIGHT

Each member of the Meeting has the same number of voting rights as shares that they hold or represent.

Since the shareholders' meeting held on June 11, 2020, which validated amendments, Article 18 of the By-Laws stipulates that the double voting right is attributed to all shares entirely paid in full, justified by a nominative registration, for two (2) years at the least.

Furthermore, in the event of a capital increase via the incorporation of reserves, profits or issue bonuses, the double voting right is granted, upon issue, to the nominative ordinary shares attributed freely to a shareholder for form ordinary shares for which they have this right.

Preferred shares do not grant any entitlement to double voting rights.

MODIFICATION OF CAPITAL AND RIGHTS ATTACHED TO SHARES

Any modification of the capital or voting rights attached to securities composing it is subject to the legal prescriptions, the By-Laws not stipulating any specific provisions.

7.2. INFORMATION ON SUBSIDIARIES AND AFFILIATES

The Group's general organisation is set out in Chapter 1, "Introduction to the Group and its environment".

The Company, which centralises the Aerostructures activity for France, leads the tax integration in France. Excluding exceptions, the Company:

- Centralising the management of market risks (namely exchange rate risks, raw material risks) to which the operational subsidiaries are exposed;
- centralises the financial requirements of its Aerostructures subsidiaries;
- manges the control and support functions shared between Group companies (accounting, legal services, IT engineering, purchasing coordination and policy, communication and development of the activity, management and strategy for Research and Development, quality audit, etc.).

Furthermore, the Group also defends the reputation of the Latecoere brand.

The list of consolidated companies can be found in Chapter 5, Section 5.7.7, Note 3 of the Notes appended to the consolidated financial reports, "Consolidation scope" (this list also indicates their geographic implantation). The situation of Latecoere's subsidiaries and direct participations is presented in the table found in Chapter 5, Section 5.8.3, Note 21 of the Notes appended to the Company's financial reports, "Table of subsidiaries and participations".

7.3. DOCUMENTS AVAILABLE

The Company's communications, Reference Documents or Universal Registration Documents (namely comprising the Company and Group's historic financial information), are filed with the French Financial Market Authority (AMF), and, if applicable, their updates, are available on the Company's website, at the following address: *www.Latecoere.aero*.

In compliance with Article 221-3 of the General Regulation of the AMF (French Financial Market Authority), regulated information (defined in Article 221-1 of the General Regulation of the AMF) is updated on the Company's website (*www.latecoere.aero*) for a term of five years, and is also updated on the website of the French Department of Legal and Administrative Information (*www.info-financiere.fr*), the formal mechanism of centralised storage for regulated information in France. They're stored on the Company's website for at least five years from their date of broadcast, with the exception of Reference Documents or the Universal Registration Document and half-yearly financial reports, which are stored for at least 10 years.

In compliance with the recommendations issued by the AMF, the Company's Internal Regulations and By-Laws are available on the Company's website. They can also be consulted at the Company's head offices, under the conditions provided for by law and the By-Laws, as can the minutes for shareholders' meetings, Auditors' Reports, and any other corporate documents.

In addition, declarations of any exceeding of legal thresholds are posted on the AMF's website (*www.amf-france.org*).

7.4. INFORMATION REGARDING THE STATUTORY AUDITORS

	Date of first appointment	Date of latest	Expiry date
KPMG SA			
2 Avenue Gambetta Tour Echo Paris la Défense Cedex 92 066 Courbevoie	June 27, 2008	June 11, 2020	2026
Signatory : Pierre Subreville			
PRICEWATERHOUSECOOPERS AUDIT			
63, rue de Villiers 92 200 Neuilly-sur-Seine	July 26, 2023	-	2029
Signatory : Sébastien Lasou			

**Date of the Annual shareholders' meeting adjudicating on the accounts closed on 31st December of the previous year.*

7.5. PERSONS RESPONSIBLE

7.5.1. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT COMPRISING THE ANNUAL FINANCIAL REPORT

André Hubert ROUSSEL, CEO of Latecoere.

7.5.2. CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT COMPRISING THE ANNUAL FINANCIAL REPORT

"I hereby certify, after having taken all reasonable measures for this purpose, that the information contained in this Universal Registration Document is, to my knowledge, compliant with reality and does not feature any omissions which would affect its scope.

I hereby certify that, to my knowledge, the accounts are drawn up in compliance with the applicable accounting standards, and they provide an accurate reflection of the assets, financial situation and results of the Company, and of all companies comprised in the consolidation, and that the information in the Management Report, listed in the concordance table found in Chapter 8, Section 8.1.3 of this Universal Registration Document, presents an accurate image of the evolution of business, the results and the financial situation of the Company and all companies comprised in the consolidation, as well as a description of the key risks and uncertainties with which they're confronted.

I have obtained from the statutory auditors a letter confirming that they have completed their work, in which they state that they have proceeded with the verification of the information regarding the financial situation and the accounts provided in this Universal Registration Document, as well as the reading of the entire Universal Registration Document. "

Toulouse, May 16, 2025

André-Hubert ROUSSEL

CEO

8 APPENDICES

8.1. CROSS-REFERENCE TABLES

8.1.1. CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND INCORPORATION BY REFERENCE

This cross-reference table lists the sections required under Annexes I and II of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, and refers to the pages of this Universal Registration Document where the relevant information for each section can be found.

The following items are incorporated by reference into this Universal Registration Document:

The consolidated and statutory financial statements as of December 31, 2023, and the related statutory auditors' reports, presented respectively in Chapters 5.7 (page 151) and 5.8 (page 227) of the 2023 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 20, 2022 under number D.24-0867;

The amendment to the 2022 Universal Registration Document filed with the AMF on October 30, 2023 under number D.23-0514-A01, incorporated into the prospectus approved under visa number 23-453;

The consolidated and statutory financial statements as of December 31, 2022, and the related statutory auditors' reports, presented respectively in Chapters 5.7 (page 158) and 5.8 (page 223) of the 2022 Universal Registration Document filed with the AMF on June 23, 2023 under number D.23-0514.

COMMISSION DELEGATED REGULATION (EU) 2019/980 OF 14 MARCH 2019 – ANNEXES I AND II

N°	Heading	Chapter/Section
1	**Responsible persons, third party information, expert reports and approval of the competent authority**	**Chapter 7**
1.1	Persons responsible for the information contained in the registration document	7.5.1
1.2	Declaration of responsible persons	7.5.2
2	**Statutory auditors**	**7.4**
3	**Risk management**	**2.1**
4	**Information about the issuer**	**7.1**
4.1	Corporate name and business name of the issuer	
4.2	Location, registration number and LEI of the issuer	
4.3	Date of incorporation and life of the issuer	
4.4	Registered office and legal form of the issuer, legislation governing its activities, country of origin, address and telephone number of its registered office, website address	
5	**Overview of activities**	
5.1	Main activities	1.3
5.2	Main markets	1.1/1.3
5.3	Important events in the development of the issuer's activities	1.2/1.3
5.4	Strategy and objectives	1.2/5.1.3
5.5	Degree of dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.2./1.3/2.1/5.2
5.6	Competitive position	
5.7	Investments	1.2/5.2/5.3.1/5.7.7 (note 4.1.1)
6	**Organizational structure**	
6.1	Brief description of the Group	1.4
6.2	List of important subsidiaries	1.4/5.7.7.6 (note 3)/5.8.3 (note 21)
7	**Review of the financial situation and results**	**5.1 à 5.4**

N°	Heading	Chapter/Section
8	**Cash and capital**	**5.1/5.2.5** **5.8.3 (note 11)** **5.7.6 (note 11)**
9	**Regulatory environment**	**5.5.**
10	**Trend information**	**5.5/5.7.6 (note 1)**
11	**Profit forecasts or estimates**	**N/A**
12	**Administrative, management and supervisory bodies and Senior Management**	
12.1	Board of Directors and Senior Management	3.1/3.2
12.2	Conflicts of interest at the level of administrative, management and supervisory bodies and Senior Management	3.2.5
13	**Compensation and benefits**	
13.1	Compensation and benefits paid or granted	3.3
13.2	Amounts accrued or recognized for the purpose of paying pensions, retirement or other benefits.	5.7.6 (notes 13.1 / 26.2) 5.8.3 (note 16.2/18)
14	**Operation of the administrative and management bodies**	
14.1	Expiry date of current mandates	3.2.1
14.2	Service contracts with the Issuer	3.5.2
14.3	Information on the Audit Committee and the Compensation Committee	3.2.4
14.4	Declaration of compliance with the corporate governance regime in force	3.4
14.5	Potential significant impacts on corporate governance	3.2.1/3.5.4
15	**Employees**	
15.1	Number and distribution of employees	4.3.1/5.7.7 (note 24)
15.2	Shareholdings and stock options of directors and officers-	3.2.1/3.3/6.4.2
15.3	Agreement providing for employee participation in the capital of the issuer	6.4.3/6.6.2
16	**Major shareholders**	**6.4**
16.1	Crossing of thresholds	6.4.1
16.2	Existence of different voting rights	6.4.1/7.1
16.3	Information on the control of the issuer	3.5.4/6.4
16.4	Agreement known to the Issuer, the implementation of which could, at a later date, result in a change in its control	N/A
17	**Transactions with related parties**	**5.7.7 (note 27) / 5.8.3 (note 22)**

N°	Heading	Chapter/Section
18	**Financial information about the issuer's assets and liabilities, financial position and results**	
18.1	Historical financial information	5.7/5.8
18.2	Interim and other financial information	N/A
18.3	Audit of historical annual financial information	5.7.7/5.8.7
18.4	Pro forma financial information	N/A
18.5	Dividend Policy	6.3
18.6	Legal and arbitration proceedings	2.1
18.7	Significant changes in financial position	N/A
19	**Additional information**	
19.1	Share capital	6.4/6.6
19.2	Memorandum and By-laws	7.1
20	**Major contracts**	**N/A**
21	**Documents available**	**7.3**

8.1.2. CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

In order to facilitate the reading of the Annual Financial Report, the following table identifies the main information required by Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations.

Headings of Article L. 4511-2 of the Monetary and Financial Code and Article 222-3 of the AMF General Regulation-	Chapter/Section
1 Parent company accounts 2023	**5.8**
2 Consolidated financial statements 2023	**5.7**
3 Management Report 2023	*See concordance table with the management report in Section 8.1.3*
4 Declaration by the person responsible for the 2023 Annual Financial Report	**7.5.2**
5 Statutory Auditors' Report on the 2023 Annual Financial Statements	**5.8.7**
6 Statutory Auditors' Report on the 2023 Consolidated Financial Statements	**5.7.7**

8.1.3. CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT (ART. L.225-100 & SEQ. OF FRENCH COMMERCIAL CODE)

In order to facilitate the reading of the Management Report as required by the French Commercial Code, the following table identifies the main information required in this Registration Document.

Management Report s Discussion and Analysis Items	Chapter/Section
Situation of the Company and the Group during the past financial year, foreseeable developments and important events since the closing date	5.1/5.2/5.3/5.4/5.5
Activity and results of the Company and the Group by business segment	1.3/5.1
Objective and exhaustive analysis of the development of the business, the results and the financial situation (including the debt situation) of the Company and the Group	5.1/5.2
Key financial and, where applicable, non-financial performance indicators of the Company and the Group	4/5.1/5.2
Main risks and uncertainties of the Company and the Group	2.1
Internal control and risk management procedures relating to the preparation and processing of accounting and financial information of the Company and the Group	2.2.1
Hedging objective and policy for transactions for which hedge accounting is used by the Company and the Group	5.7.6 (notes 2.18/10/14/22) 5.8.3 (notes 1.17/16.3)
Exposure to price, credit, liquidity and cash flow risks of the Company and the Group	2.1/5.7.7 (note 22)
Use of Company and Group financial instruments	5.7.7 (notes 2.18/10/14/22) 5.8.3 (notes 1.17/16.3)
Financial risks related to the effects of climate change and presentation of the measures taken to reduce them (low-carbon strategy) by the Company and the Group	2.1/4.4
Research and development activity of the Company and the Group	1.2.4/5.2
Branches	N/A
Distribution and evolution of the shareholding	6.4
Name of controlled companies and their share of the Company's capital	1.4/5.7.7 (note 3)/ 5.8.3 (note 21)
Significant acquisitions of equity interests during the year in companies with their registered office in France	N/A
Cross-holdings	N/A
Statement of employee shareholding	6.6.2/6.2.3/6.4.3
Acquisition and disposal by the Company of its own shares (share buyback)	6.5
Adjustments to securities giving access to the capital in the event of financial transactions	N/A
Adjustments to securities giving access to the capital and stock options in the event of share buybacks-	N/A
Dividends distributed in respect of the previous three years	5.2/6.3
Non-deductible expenses and charges	5.2
Injunctions or financial penalties for anti-competitive practices-	N/A
Payment terms and breakdown of trade payables and receivables	5.2
Amount of inter-company loans	N/A
Information on the operation of a SEVESO facility (art. L. 5158 C. of the environment)-	N/A
Vigilance plan	N/A
Summary statement of securities transactions of persons discharging managerial responsibilities and closely related persons.	6.4.2
Extra-Financial Performance Declaration (EFPD)	**Chapter 4**
Report on payments to governments	N/A
Table of results of the Company for each of the last five years	5.6.2
Corporate Governance Report	**Chapter 3 / 8.1.4**

8.1.4. CROSS-REFERENCE TABLE WITH THE REPORT ON CORPORATE GOVERNANCE PREPARED IN ACCORDANCE WITH ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE

The table below shows the references to the paragraphs of this Universal Registration Document corresponding to the different parts of the corporate governance report :

Headings of the Corporate Governance Report	Chapter/Section
Reference corporate governance code	3.1/3.4
Senior Management: Means of Practice	3.1.1
Powers and duties of the CEO – Limitations	3.1.1
Composition of the Board of Directors	3.2.1
Mandates and functions of corporate officers	3.2.1
Organization and operation of the Board of Directors and its committees	3.2.2/3.2.3/3.2.4
Evaluation of the functioning of the Board of Directors.	3.2.3
Diversity policy	3.2.1
Compensation policies for corporate officers	3.3
Compensation and benefits of corporate officers	3.3
Regulated agreements – Transactions with related parties	3.2.5/3.3/3.5.2
Procedure for the evaluation of agreements relating to current transactions	3.5.2
Commitments of any kind made by the Company for the benefit of its executives	3.3
Methods of participation of shareholders in general meetings – Restrictions	7.1
Shareholding	6.4
Current delegations and authorizations granted to the Board of Directors	6.6.3
Items likely to have an impact in the event of a public offering	3.5.4
Report on the compensation of corporate officers	3.3

8.2. GLOSSARY

FINANCIAL GLOSSARY

Adjusted income statement

The income statement is intended to reflect the Group's actual economic performance, in particular by taking into account the Group's global currency hedging strategy.

The consolidated income statement has been adjusted accordingly:

- the foreign exchange gains and losses associated with the Group's hedging activities during the period. Thus, net sales of dollar-denominated purchases hedged by instruments are valued at the hedging rate obtained during the period. The remaining unhedged dollar exposure is translated at the average rate for the period. This result, presented as financial income in the consolidated financial statements, is reclassified as revenue (operating income) in the adjusted financial statements ;
- changes in fair value, which include all changes in the fair value of derivatives not eligible for hedge accounting and relating to flows in future periods, and the revaluation at the hedged rate of balance sheet positions (trade receivables and payables denominated in USD), the amount of which is presented in income from operations, and changes in deferred taxes resulting from these items, where necessary.

Consolidated income statement

This is the income statement prepared in accordance with IFRS.

Growth at constant exchange rates

The Group measures its revenue growth without taking into account the impact of the EUR/USD exchange rate in order to facilitate understanding of the revenue evolution of its activities.

The currency impact is neutralized by applying a constant EUR/USD exchange rate over the periods concerned.

Organic growth

Organic growth is obtained by neutralizing the impact of the EUR/USD exchange rate (using a constant exchange rate for the periods concerned) and by applying a constant scope of activity.

The constant scope of consolidation is obtained by eliminating the revenues of companies acquired and disposed of during the periods concerned.

EBITDA

EBITDA corresponds to operating income before depreciation, amortization, impairment of tangible assets and intangible assets and impairment of assets.

Current EBITDA

Current EBITDA corresponds to current operating income before depreciation, amortization and impairment of tangible assets and intangible assets and loss of assets.

Free cash flow from operations

Free cash flow from operations is the net cash flow from operating and investing activities.

Operating income from recurring activities

In order to better reflect recurring operating performance, the Group uses a sub-total called “operating income from recurring activities” which excludes, from the operating income, any non-recurring items (expenses or income) which, by their nature, have an insufficient degree of predictability given their unusual, abnormal or infrequent nature and which are presented in other income and other expenses. Details of non-recurring operating items are presented in the accounting policies of the Group's consolidated financial statements.

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