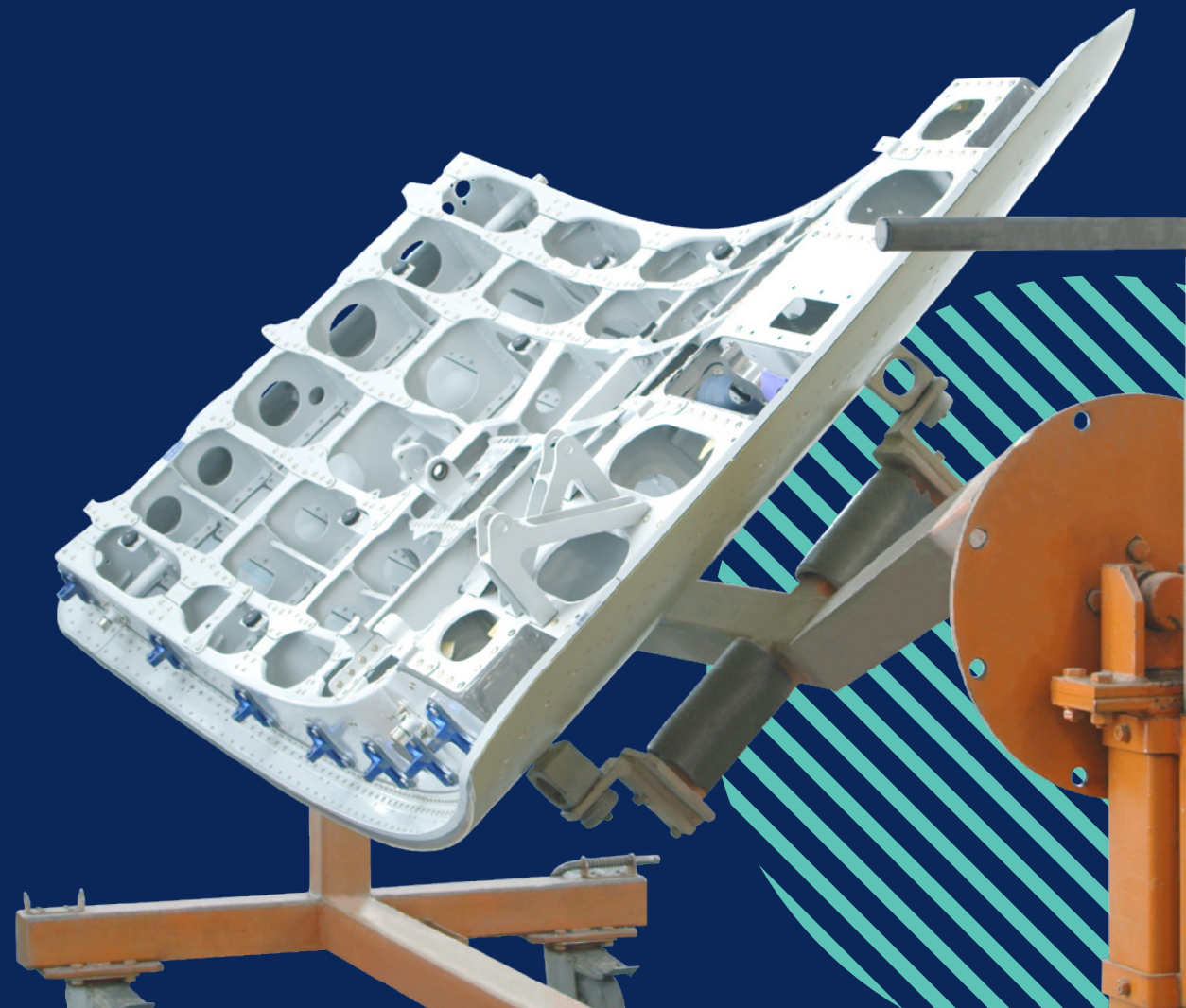


LATECOERE

ANNUAL

REPORT

2022





Assembly line for A330 fuselage sections

PURPOSE

We serve aerospace with innovative solutions for a sustainable world.

2022 was a pivotal year for Latecoere. Two major themes informed the development of its activities: RESILIENCE to accompany an accelerated industrial recovery, and SUSTAINABILITY to anticipate the challenges of a sector that is imagining its future.

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Global footprint

Latecoere would like to thank all employees who contributed to the annual report and, more broadly, for the achievements of 2022.

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Front cover: A320 passenger door production line.

Back cover: A350 wing harness production line.

2022 HIGHLIGHTS

With our customers, contributing to the launch of new programs

FEBRUARY



In cooperation with Airbus, Latecoere is involved in three European space programs: Eurostar Neo, Galileo and OneSat.

The Interconnection Systems division designs, produces and integrates electrical harnesses on board these constellations. The collaboration started this year and will continue until 2026.

@Airbus

JANUARY



Latecoere is taking part in Dassault Aviation's Falcon 10X adventure.

The Group will design and produce the doors for this new business jet, a future leader in its category, and will participate alongside the aircraft manufacturer in the design of part of the fuselage and electrical harnesses.

@Dassault Aviation

SEPTEMBER

Latecoere is supporting Swedish start-up Heart Aerospace in the design of the ES-30 electric aircraft.

In 2021, the Aerostructures division initiated the upstream studies for all the doors of the 19-seater version of the aircraft. Re-designed in 2022 to seat 30 passengers, this greener aircraft will be used for short-haul regional flights.

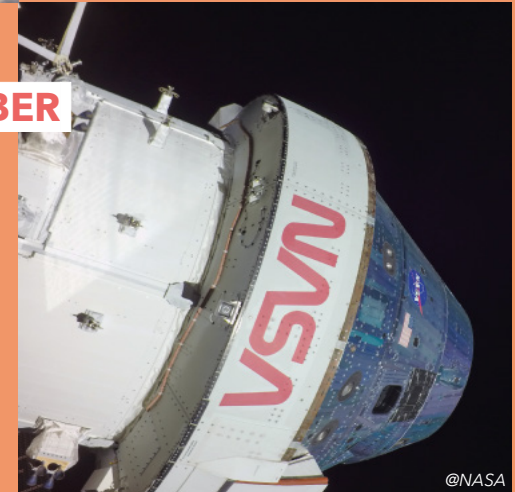


@Heart Aerospace

NOVEMBER

Latecoere is participating in NASA's Artemis I lunar orbit mission.

The Interconnection Systems division manufactured and connected the 11 kilometers of cable for the European Service Module (ESM), which serves as the main propulsion for the Orion spacecraft. The goal of the Artemis program is to get a crew to the moon.



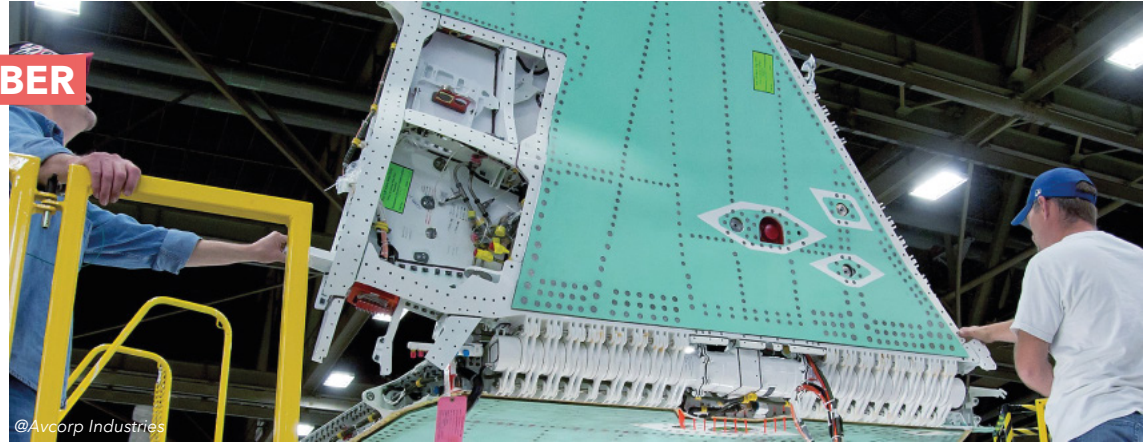
@NASA

Through new acquisitions, complementing our expertise

NOVEMBER

Latecoere acquires Avcorp,
the Canadian aerostructure supplier.

Avcorp specializes in wing sub-assemblies and composite manufacturing, and adds to the Group's expertise. The acquisition also expands Latecoere's program portfolio with access to major platforms - including Boeing's 737 Max and Lockheed Martin's F-35.



@Avcorp Industries

SEPTEMBER

The vertical integration of Figeac Aero's site in Hermosillo, Mexico, complements the Aerostructures division's industrial expertise in the region to better serve the North American market.



MAY

The Interconnection Systems division is enriched by the expertise of the Spanish company MADES in the manufacture of high reliability electronic products.

This strategic acquisition consolidates the division's leading position in the avionics racks market and provides broader access to the defense market.



@Latecoere/Arnaud Spani

Preparing the next generation of aircraft with our R&T teams

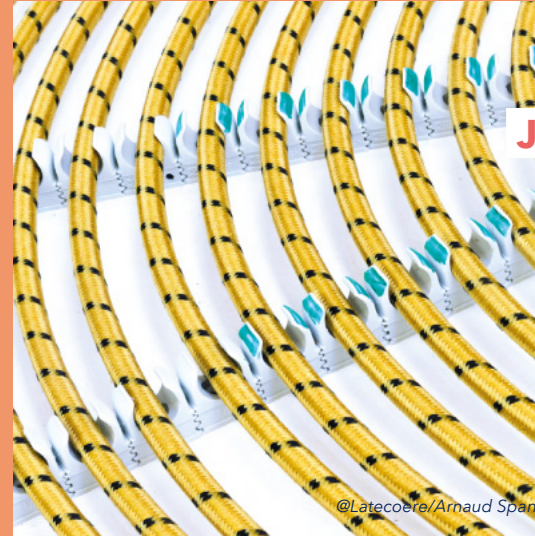


MAY

Latecoere exhibited its innovative ELCOCOS door demonstrator at the JEC World composite materials show in Paris.

Developed using Liquid Resin Infusion (LRI) technology, the goal is to reduce the weight, and thus, the carbon footprint, of aircraft.

@Latecoere



JULY

Latecoere contributes to the Airbus Wing of Tomorrow program.

Its goal: improve the architecture and industrialization of aircraft wings. The Interconnection Systems division provides expertise in electrical wiring.

@Latecoere/Arnaud Spani



DECEMBER

The Interconnection Systems teams are involved in the Racer project, a high-speed helicopter developed by Airbus.

The teams designed and assembled the electrical and mechanical harnesses for the demonstrator. Its first Power-on took place successfully at the end of the year.

@Airbus

Asserting the ambitions of the aerospace industry



JULY

At the Farnborough International Airshow, the leading aeronautical gathering (alongside the Paris Air Show), the industry's players met to affirm the sector's ambitions.

Latecoere's teams took part in this event, thus bearing witness to the industry's rebound.

Committed to a more sustainable world

DECEMBER

One year after the launch of its sustainability policy, Latecoere has attained some significant initial results.

The Group's efforts to reduce CO₂ emissions in 2022 met with a B rating being awarded by the Carbon Disclosure Project (CDP).



NOVEMBER

During the Greener Together week, teams engaged in positive impact initiatives around the world.

The Climate Fresco workshops gave everyone a better understanding of the mechanisms underlying climate change, giving them the means to act.



GOVERNANCE AND VISION

Latecoere confirms and implements its industrial vision.

To what extent will the recent recapitalization of the Group enable Latecoere to implement its industrial objectives?

Latecoere announced on May 8, 2023 that it has reached an agreement in principle with its majority shareholder, the EIB and its Prêts Garantis par l'Etat (PGE) lenders. This comprehensive recapitalization agreement has been negotiated under the aegis of the Comité Interministériel de Restructuration Industrielle (CIRI).

While the aerospace industry has been through an unprecedented crisis linked to the COVID pandemic and subsequent restart – Latecoere has itself been faced with significant challenges in order to meet increasing production demand, absorb historic hyper-inflation pressures and also contend with supply chain challenges and shortages of parts from key suppliers.

This agreement provides Latecoere with a solid capital structure to continue supporting its customers through the industry ramp-up currently planned for the remainder of 2023 and beyond.

The Recapitalization Agreement includes notably a rights issue with shareholders' preferential subscription rights for a minimum amount of €100 million fully underwritten by its reference shareholder SCP, and a €183.3 million debt reduction providing Latecoere with a sustainable capital structure.

This agreement is a positive development for Latecoere, its employees and broader stakeholders. With a significantly reinforced capital base, Latecoere is well positioned to complete its development strategy, which we embarked on in 2021. With this Recapitalization Agreement, Latecoere wishes to reiterate the principles of its industrial vision, which consist of maintaining its decision centre in Toulouse; consolidating its value-add activities in the Toulouse region within its sites at La Roseraie and Montredon; and investing in its global operating footprint to serve its European and American aerospace client base.

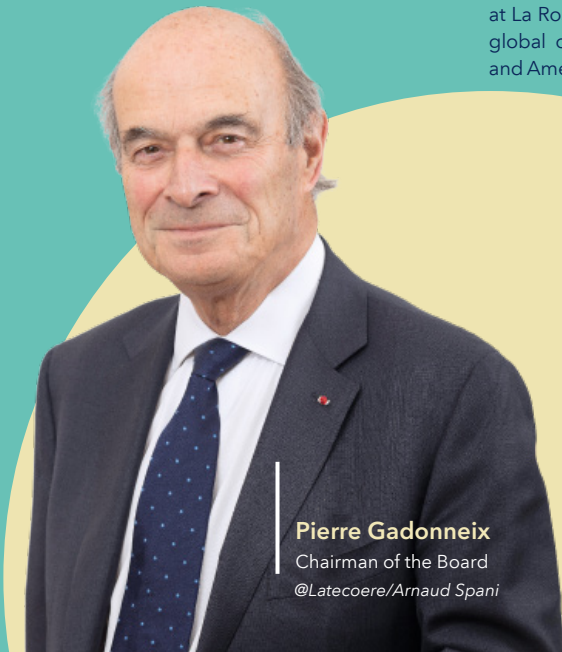
What is your assessment of the year 2022?

2022 was a challenging year for Latecoere and the aerospace supply chain industry in general. Nonetheless, we finished 2022 stronger than we started, having completed strategic investments, diversifying our customer base and end markets, with scope to deliver value through realization of synergies. Our strategy is already bearing fruit as our financial performance is improving, with an improvement of €23.7 million vs 2021 of our recurring EBITDA. We continued to invest in our people and organization structure, with several key appointments during 2022. The business continues to strengthen its operating platform, with a number of strategic investments underway that will reinforce Latecoere's geographic footprint and better position the company.

These dynamic leads to recent contract wins within both our divisions in North America and Europe, with existing and new clients during the course of 2022 and 2023. Leveraging these investments and our current operational transformation will allow us to emerge stronger and gives us confidence in our ability to fully benefit from the ongoing recovery within the aerospace industry.

How is the Group preparing for the major challenges of tomorrow?

The Group relies on its teams to prepare for the future. In this respect, we extend thanks to all employees. We appreciate their involvement in the Group's transformation. The aeronautics industry is above all an adventure of committed men and women, pioneers and innovators. The development of the company's human capital is naturally a priority. We also share their aspiration for progress. In line with the Group's purpose, we translate our CSR policy into concrete actions organized around three pillars: environmental, social and societal. The Board of Directors has appointed one of its committees to monitor the results in this field. Alongside our shareholders, we are committed to driving a sustainable dynamic that delivers value and meaning. At the same time, we are making sure that we support our supply chain in meeting the challenges of tomorrow. This is necessarily a collective adventure and the sector must continue to work together. In July 2022, I joined the Management Committee of the Aeronautical and Defense Equipment Group (GEAD) of the GIFAS, in order to contribute even more directly to these major issues.



Pierre Gadonneix
Chairman of the Board
@Latecoere/Arnaud Spani



Thierry Mootz
Group CEO
@Latecoere/Matthieu Sartre

How is the Group supporting its customers in the context of a market rebound?

Our priority is to deliver on our commitments to safety at work and in terms of quality, cost and deadlines. This is the essential condition for trust and this is what our teams are working on. Our Ambition 2025 plan must elevate us to the highest standards in terms of operational excellence, along with the implementation of a new roadmap dedicated to quality, "Quality Always". We are also stepping up our vigilance on the issue of cyber security, since the security of our customers also depends on our resilience. On the commercial front, we have developed our relationships with our historical partners, such as Airbus, Boeing and Dassault Aviation, by winning new contracts. The strong increase in revenue for the 2022 financial year of +39%, to €468 million, testifies to this growth in activity.

We also support aircraft manufacturers in their R&D projects, and the decarbonization of the industry is an opportunity for Latecoere to position its expertise as a Tier 1 equipment manufacturer on the programs of players entering the market.

How are the Group's acquisitions progressing?





































The Group is delivering on its M&A commitments to its shareholders and is doing exactly what was announced in its strategic roadmap. In 2022, Latecoere continued the integration of the companies acquired in 2021 (TAC in Belgium, SMD in Mexico), and completed the structuring acquisitions of three other companies (Avcorp in Canada, MADES in Spain, and a Figeac Aero plant in Mexico). Through this expansion, Latecoere is increasing its capacity and aiming to reach critical size. The Group is consolidating its support in Europe while developing its presence in North America. These targeted acquisitions, combined with the investments made, will enable the Group to develop cutting-edge skills for the next generation of aircraft, for example in composites or on-board electronics, and to have a significantly stronger presence in the defense segment. The complementary nature of the civil and military cycles will support the Group's long-term growth. Value creation and profitability set the course, in a very pragmatic way.

**This interview took place on May 9, 2023.*

Greg Huttner
Deputy CEO,
General Manager of Aerostructures
and Interconnection Systems divisions
@Latecoere/Arnaud Spani

Governance bodies

Board of Directors

Pierre Gadonneix  Chairman of the Board of Directors Independent Director   	Laurence Dors  Independent Director    	Caroline Catoire  Director  
Laure Matignon  Director representing the employees  	Ralf Ackermann  Director   	Christophe Villemin  Director     
	Helen Lee Bouygues  Director   	Philip Swash  Director      

-  Latecoere's Business Experience
-  International experience
-  Banking / Finance / Risk Management
-  Strategy / M&A / Turnaround and Business Transformation
-  Industry
-  Commercial
-  Governance

43%

Feminization rate

94%

Overall average attendance rate

Executive Committee

Thierry Mootz  Group CEO	Greg Huttner  Group Deputy CEO - General Manager of the Aerostructures division - General Manager of the Interconnection Systems division	Hervé Blanchard  Chief Human Resources Officer
Serge Bérenger  Chief Innovation and R&T Officer	Chris Seherr-Thoss  Chief Mergers & Acquisitions Officer	Hilmar Leimbach  Chief Financial Officer

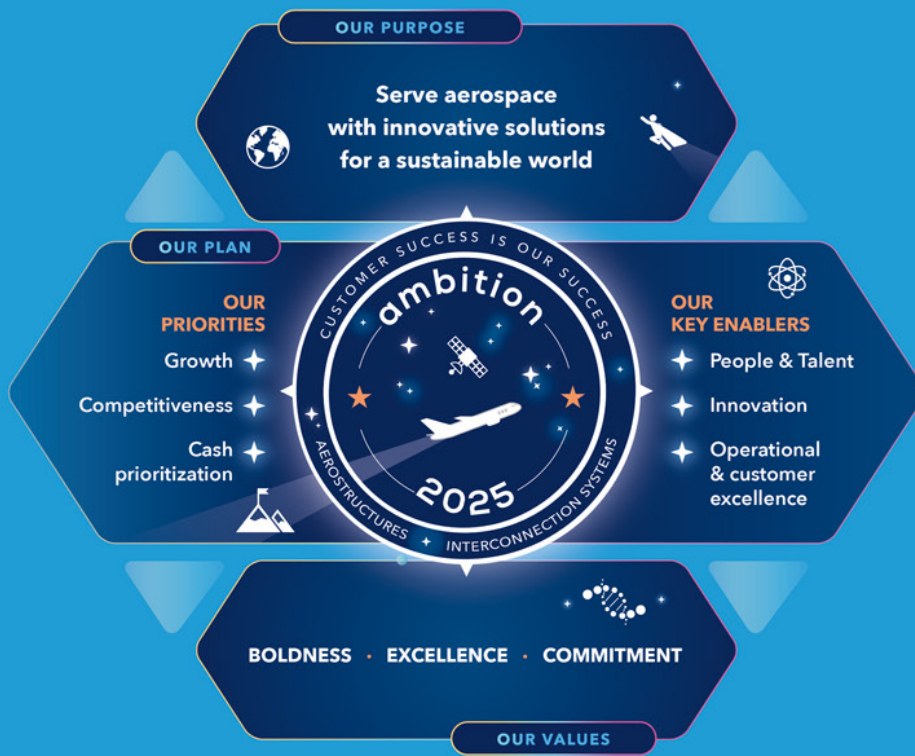
STRATEGY

A true flight plan for Latecoere, the Ambition 2025 project has guided the development of the Group's two divisions since 2021.

Three priorities guide all initiatives: **profitable growth, competitiveness and targeted use of cash**, serving the value created for customers.

To achieve these objectives, **three key levers for performance** and success are being used:

- **Operational excellence**, because quality is the keystone of customer satisfaction;
- **Innovation**, because tomorrow's aviation is built with innovative and sustainable technologies, with the transformation of the industrial operations and with new partnerships;
- **The development of teams and talent**, because they are the drivers of growth and international development.



Operational Excellence

Latecoere aims to continuously improve customer experience and satisfaction.

In 2022, the Group's customers were asked to express their main expectations: **quality products that meet their requirements and are delivered on time**. In the wake of this, the Group built a "Quality Always" roadmap, deployed in a very operational manner within the two divisions. It is based on two objectives: changing the internal culture and improving the quality of the products delivered. Top management, design offices, support functions, production units... All employees are trained in operational excellence and become its ambassadors on a daily basis. As the primary guarantors of quality, the Group's industrial sites translate and embody this commitment in the field.

Flagship actions are implemented to drive the "Quality Always" program. They aim to anticipate difficulties and reduce the impact of exported non-conformities on customers' production lines.

To achieve this, Latecoere is firstly reinforcing the **quality culture within the teams**. The customer is placed at the heart of our daily concerns. Top management has reaffirmed this commitment in 2022 through a new Group quality policy. Awareness-raising activities were carried out at the level of the Top 80 and site management was trained in the challenges of product quality and the associated safety requirements so that this responsibility is fully integrated at the level of the production sites. The implementation of Quality Management Visits enables this commitment to be expressed to all employees at all Group sites.

Latecoere has also implemented a new NPI (New Program Introduction) project development process. In line with the Advanced Product Quality Planning (APQP) standard, it governs the management of business lines and deliverables, and meets both the commitments made to customers and the economic objectives defined by the Group.

Product quality is a constant concern and an **obsession that drives every link in the chain**. This way, Latecoere aims to position itself as a benchmark in terms of the quality of the products it delivers.



Innovation

At Latecoere, innovation is combined with openness, pragmatism and partnership The Group's internal organization bears this out. Research & Technology – or R&T – is fused into the two divisions Aerostructures and Interconnection Systems. The goal? Smooth the path of innovative projects towards industrial application. Throughout the year, the teams develop research projects with aircraft manufacturers, suppliers and competitors - Airbus, Thales or Safran.

To facilitate this cooperation, the R&T department is involved with key players in the sector: CORAC (Council for Civil Aeronautical Research), Aerospace Valley and GIFAS (Association of French Aeronautical Industries). The Group operates in an innovation ecosystem that is unique in the world, under the aegis of the Ministry of Transport and backed by the expertise of the French Civil Aviation Authority (DGAC), the French Armament Authority (DGA) and the French National Office for Aerospace Research (ONERA). As part of the French Recovery Plan, Latecoere is helping to accelerate the ecological, industrial and social transformation of the country.

Faced with the challenges of competitiveness in the aeronautics sector, industrial innovation is essential. The Group is working on transforming the industrial tool and incubating new production solutions to become more competitive. This is the case, for example, with the deployment of the Smart Factory project for the Interconnection Systems division, an initiative understandably supported by the French Recovery Plan.

To reduce the environmental impact of aircraft, the Group is focusing on reducing the weight of structures. The Composite Development Center (CDC), operational in Toulouse in the

first half of 2023, will play a central role in this field. This will open up new opportunities for the industrialization of composite technology. At the same time, the work carried out on the development of on-board optical networks will increase the performance of on-board systems.

2022 was marked by the progress of numerous innovative projects with aircraft manufacturers, such as Airbus Helicopters, for the Electrical Wiring Interconnection Systems (EWIS) of the Rapid And Cost-Effective Rotorcraft (RACER) - Clean Sky European program; or Airbus UK, for the completion of the Wing of Tomorrow research program on the integration of cabling inside a composite wing.

Acquisitions in 2021 and 2022 will strengthen the Group's technological portfolio and opportunities to innovate for the next generation of aircraft, for example in the field of composites (Shimtech de Mexico, Avcorp...) or high reliability electronic applications (MADES). The range of possibilities is widening.

Teams & Talents

A HR policy to support development ambitions

In addition to bringing in new talent to support the sector's recovery, the Group is accelerating synergies between its two divisions to further deploy the Group's culture. Internal mobility, federative events, shared training, deployment and support for managers on a "leadership profile" specific to the Group contribute to creating this emulation and supporting the company's transformation movement. Anticipating changes in the sector, Latecoere relies on social dialogue and the search for solutions with staff representative bodies to encourage the development of skills and career support.

To better serve its clients and address its markets, the Group is rethinking its internal organization and accelerating the recruitment of international talent. In 2022, this is particularly the case in North America. As far as possible, internal and international mobility is prioritized. In the case of external recruitment, the new recruits bring a fresh perspective in strategic areas to support the sector's rebound: engineering, procurement, finance, logistics, customer relations, etc.

As part of its diversity roadmap, the Group also pays particular attention to gender equity. Latecoere is committed to accelerating the development of women's skills, particularly in the management team. An emblematic action: the fifth season of the Leadership Program, which supports the development and training of young managers, had as many women as men in 2022.

Involving teams differently to improve our performance

A major employee engagement survey was rolled out for the first time in 2022. The results made it possible to target an internal action plan to meet the expectations of the teams and support change. This initiative is supplemented throughout the year by surveys that take the pulse of the organization. Over 2022, they revealed a significant increase in the understanding of the company's strategy: almost 9 out of 10 employees say they see their contribution to the Group's strategic plan.

The annual All Pioneers Challenge also encourages teams to contribute to the search for performance. This internal competition invites employees to propose innovative initiatives for the Group, in line with the priorities of the Ambition 2025 plan. In 2022, the competition grew in popularity with a record number of participants: 43 teams from 9 countries submitted projects.



Boldness, excellence, commitment: the teams embody the values of Latecoere

AEROSTRUCTURES



Boeing 787 passenger door production line

The Aerostructures division supplies aircraft manufacturers with doors, fuselage, wings and empennage and connecting rods. Airbus, Boeing, Bombardier, Dassault Aviation, Embraer, Lockheed Martin... The largest manufacturers of commercial and military aircraft call on its expertise. Their trust bears witness to the flexibility of the teams and the division's recognized experience throughout the aerostructure life cycle.

Thanks to its design office, Latecoere is involved from the design phase onwards to offer products that meet customer requirements and the sector's decarbonization ambitions. For their part, the Customer Support teams carry out maintenance operations all around the world, directly on customer sites.



The strategic roadmap for 2025 sets out the three main ambitions for the Aerostructures division:

- Strengthen and develop the fundamentals of the division
- Gain scale, broaden offerings and facilitate market access through mergers and acquisitions
- Invest in next-generation technologies

#1 worldwide

independent for aircraft doors and a structural player in the fuselage

1,700

doors delivered in 2022

480

fuselages delivered in 2022

128,000

rods delivered in 2022

55%

of Latecoere's revenue

8

countries of operation

For the airline industry, 2022 saw a return to growth. However, the recovery is being slowed down by supply difficulties and rising energy prices. In this context, the division has focused on optimizing its production model and organization in 2022.

To make its manufacturing footprint more competitive, Latecoere is focusing on proximity to its key markets in Europe and North America. The aim is to ensure that the entire manufacturing and assembly process is carried out in the same region. The Group creates synergies between its plants, secures its supplies and strengthens its proximity to its customers.

Through further acquisitions in 2022, Latecoere grew in stature. For example, the acquisition of Avcorp in Canada has given the Group greater access to the North American defense and civil aviation markets. The Group is

now contributing to Lockheed Martin's F-35 program, as well as Boeing's 737. Another benefit of the acquisition is that Latecoere now has a dedicated operational base for customer support in North America. The vertical integration of the Figeac Aero plant in Mexico also improves Latecoere's competitiveness in the US aerostructures market. Thanks to this acquisition, which is geographically strategic to consolidate its industrial platform in Mexico, Latecoere is internalizing the production of elementary metal parts.

These acquisitions have simultaneously enhanced Aerostructures' expertise and offering. The acquisition of Technical Airborne Components (TAC) in Belgium, for example, has enabled Latecoere to position itself in the market for connecting rods for the aerospace industry. With Avcorp, the Group is gaining expertise in the

manufacture of wing sub-assemblies and large-scale composite materials.

At the same time, Latecoere is investing in new generation technologies to contribute to the decarbonization of the aviation sector. A major investment by the Group, the Composite Development Center (CDC) at the Toulouse Montredon site will be operational from 2023 and will ensure the development of composite structures for the next generation of programs, in close collaboration with aircraft manufacturers. These elements will make it possible to build more efficient, lighter aircraft that emit less greenhouse gas.

The division is fully geared up to work with aircraft manufacturers. Efforts to structure the offering and optimise processes have enabled it to go on the offensive on the commercial front and win new contracts.



A350 nose fairing production line

INTERCONNECTION SYSTEMS



A320 harness production line

Interconnection Systems teams design, custom-produce and industrialise wiring and avionic racks. The division also offers test benches for the aerospace, defense and space industries, as well as a wide range of on-board video products for outdoor and in-cab applications.

The advantage of the Interconnection Systems division: recognized expertise in all types of electrical harnesses and the entire electrical infrastructure of an aircraft (EWIS).



The strategic roadmap of the Ambition 2025 plan for Interconnection Systems is based on three priorities:

- Grow the business
- Boost competitiveness
- Prepare the future

#2 worldwide

for electric harnesses

#1 worldwide

for avionic racks

#1 in Europe

for satellite cabling

99,000

electric harnesses delivered in 2022

5,000

avionic racks delivered in 2022

45%

of Latecoere's revenue

10

countries of operation

In 2022, the Group accelerated the development of the business thanks to the diversification of its program portfolio. In particular, the Interconnection Systems division has expanded its offering for Boeing. In addition to the cabling it produces for the 777X, it has signed two new contracts to supply EWIS systems for the 737 MAX and 767 platforms, both commercial and military.

This diversification is also reflected in M&A operations. The acquisition of MADES, a company specialising in high-reliability electronics, enables the Interconnection Systems division, which already has a strong presence in civil aviation, to expand into the defense sector and to complete its offering with a key technological brick.

Latecoere also strengthened its activities in the space sector. Through a collaboration with Airbus announced in early 2022, the Group designs, produces and integrates electrical harnesses for the European space programs Eurostar Neo, Galileo and One Sat. The launch of NASA's Artemis I mission in November 2022 illustrates the

success of the Interconnection Systems division in the sector: Latecoere teams manufactured the electrical harnesses on board the Airbus European Service Module (ESM).

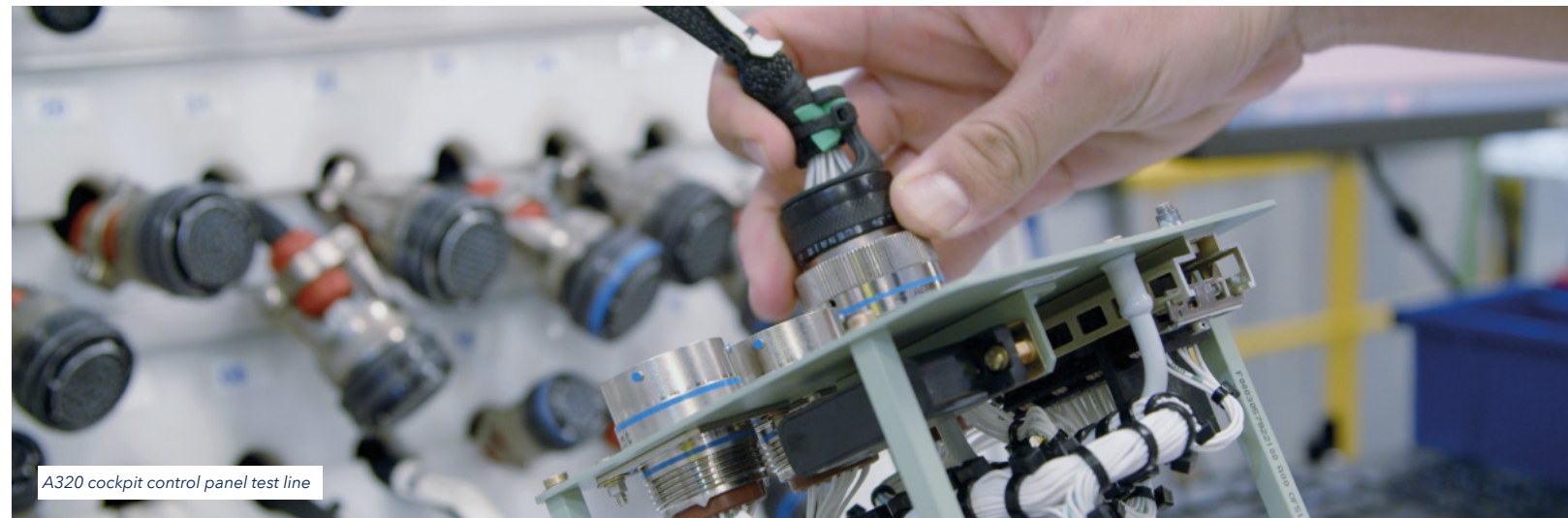
Latecoere is optimizing its industrial footprint to be closer to its customers and to increase its competitiveness and agility. The Group has historically located part of its production facilities in Mexico for the US market; and in North Africa, for the European market. In 2022, the division worked further to empower production sites, secure its supply chain and logistics, and improve control of information sharing systems with its customers.

The division is anticipating the future by preparing all of its businesses to become more competitive. In 2021, Latecoere launched the Smart Factory: a center of industrial excellence supported by the French government as part of the French Recovery Plan. The year 2022 saw the Smart Factory take off. Thanks to innovative initiatives - digitalization of logistics operations, automation, digital control, the Group will enable

operators to focus on high value-added tasks. These disruptive innovations are incubated on the Liposthey site in France and then deployed worldwide. For 2023, Latecoere also plans to develop new production management software (MES). Field operators can communicate information in real time for better traceability and production control.

Among its product innovation projects, the Group is developing optical communication technologies. These combine better performance with increased data security. Another advantage: because they reduce the mass of the cabling and make some shielding unnecessary, these optical infrastructures significantly reduce the weight of aircraft.

The search for profitability remains a leitmotiv to ensure the division's long-term development. As such, Latecoere announced in the first half of 2023 the sale of the EWIS asset located in Querétaro, Mexico to its customer Bombardier.



A320 cockpit control panel test line

SUSTAINABILITY

The Group's sustainable development: an ongoing structuring process

Since 2022, the sustainability policy has been gaining momentum. Latecoere has established its governance, validated its roadmap and associated objectives.

On-site, initiatives exist; they just need to be structured. As a follow-up to its first Extra-Financial Performance Declaration, the Group started this structuring work in 2022. On the basis of a materiality analysis, carried out each year since 2018, the Group identifies the actions taken and the points for improvement to feed its sustainability policy.

The sustainability policy echoes Latecoere's corporate purpose, namely, "serve aerospace with innovative solutions for a sustainable world". This policy is deployed in three main areas:

- **Social:** being a responsible employer
- **Environmental:** encouraging sustainable production
- **Societal:** contributing to society and to communities

The actions and projects carried out under these three pillars are linked to the United Nations Sustainable Development Goals (SDGs). In 2022, Latecoere contributed to 11 SDGs.

Sustainable Development Goals



Sustainability policy at the highest level of Latecoere

Signed by the CEO in 2021, the Sustainability Policy is owned by the highest levels of Latecoere. In 2022, the Executive Committee validated and shared the roadmap. The Board of Directors is also very involved and has appointed one of its committees to monitor these issues.

At both Executive Committee level and plant level, the approach will be steered by Sustainability Committees. These committees will meet twice a year from 2023 onwards to update scorecards with the progress of the different entities and sites with regard to the CSR objectives.

Sustainability at the heart of performance: route taken and flight plan for 2023

In order to continue to care for its employees, customers and suppliers, and to reduce its impact on the environment, Latecoere is strengthening and accelerating its actions for sustainable development.

As a result of the growing expectations of its stakeholders, the environmental issue is a central concern for the Group. In 2022, Latecoere defined its carbon trajectory for 2030 on scopes 1, 2 and 3, in order to participate in the Paris Agreement target. For the second consecutive year, the Group responded to the Carbon Disclosure Project (CDP). Above the sector average, this year's grade of B was a reward for the efforts made. To improve scope 3, in 2023 Latecoere will launch an evaluation of its suppliers and will act on the purchasing, logistics and transport aspects.

This year, all plants have also established an energy action plan and the Group has already negotiated new supply contracts. By 2023, all sites in France and the Czech Republic will be running on 100% renewable electricity. In the

same vein, the Group has signed a partnership with Air France to offset the carbon footprint of all long-haul flights of the Group's employees through Sustainable Aviation Fuel.

At the heart of its business, Latecoere continues to focus its actions as a responsible employer on the safety of its teams, which is an absolute priority. Since 2016, the Group has been reaching out to all employees and has been training all its managers in safety management. As a result, the accident frequency rate was 1.2 in 2022. This is better than the average level observed in the sector.

As a source of creativity and therefore of performance, the issue of diversity has come to the fore in an awareness-raising program. Based on audits carried out on sites, Latecoere has defined a scorecard and an action plan to be implemented

from 2023. To give impetus to this dynamic and to relay the subject of diversity to all the teams, the Executive Committee, the Top 80 and then the Top 200 managers will be trained on the topic of diversity.

On the societal front, Latecoere has launched various initiatives. For example, since February 2022, the Group has supported the "Ukraine Libre" (Free Ukraine) association in Toulouse. In addition, we continue to roll out training to raise awareness of ethical business practices amongst employees.

More broadly, in 2023, Latecoere aims to make a balanced contribution to each of the three pillars of sustainable development: social, societal and environmental. This is the condition for long-term performance and value creation.



The teams express a collective aspiration for progress

RESULTS

Financial Performance*

▲ €468.3 million

Revenue

▲ +39.4%

Reported growth in revenue

▲ -€8.5 million

Recurring EBITDA**

▲ -€43.2 million

Recurring operating income

▲ -€61.8 million

Operating income

▲ -€18.5 million

Financial result

▲ -€86.7 million

Net result from continuing operations

▼ -€127.1 million

Net result

▼ -€173.2 million

Operating free cash flows from continuing operations

* The 2022 data presented has been restated for the IFRS 5 impact of discontinued operations (see Section 5.7.6, Note 23 of the Universal Registration Document).

** Recurring EBITDA corresponds to current operating income before depreciation, amortization and impairment of current tangible and intangible assets.

In 2022, Latecoere successfully delivered its strategy in a challenging environment. Its annual financial results reflect:

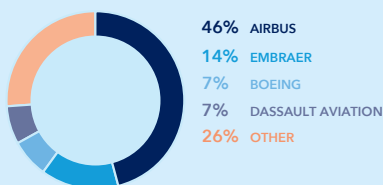
- A strong FY 2022 revenue increase of +39% to €468 million, of which 16.5% organic, as a result of higher production rates, most notably from the A320 and Embraer programs, the contribution of newly acquired activities, and a favorable currency effect.
- Recurring EBITDA loss of €8.5 million, a very significant improvement on 2021 (+€23.7 million), despite inflationary pressures, global supply chain disruptions and a challenging economic environment, and thanks to margin enhancement across both business lines, supported by recovery in production rates, proactive cost management, the impact of acquisitions and favorable currency effect.
- Major achievements on external growth strategy with three strategic acquisitions in 2022, the successful integration of two prior year acquisitions, and the disposal of a loss-making business in 2023.
- Free cash flow impacted by M&A investment and revenue growth.

These details are taken from the Group's annual results, which can be viewed in full at www.latecoere.aero.

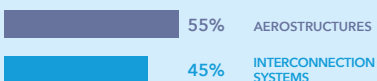
In 2023, Latecoere intends to continue to strengthen its operational platform, teams and geographic footprint, creating a more resilient business model that is better positioned to grow in line with its customers' needs. Latecoere's objectives for the year 2023 are as follows:

- Revenue growth of more than +25% on a reported basis.
- Stable EBITDA performance, driven by footprint optimization and cost cutting, offset by persistent inflation pressures, ongoing supply chain challenges and changing customer demand with the full benefit of these investments to be realized beyond 2023.
- Free cash flow impacted by the remaining costs of restructuring, the increased working capital due to sales growth and by key investments to strengthen Latecoere's competitive position.

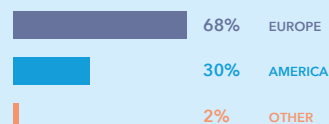
Breakdown of 2022 revenue by client



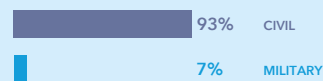
Breakdown by division



Breakdown by geographical market (direct exports)



Breakdown by segment



Post-closing events

- Latecoere announced on March 7, 2023 that it has entered into an agreement whereby Bombardier will purchase its electrical wiring and interconnect systems (EWIS) business in Querétaro, Mexico. The transaction is expected to close in the second quarter of 2023, subject to the satisfaction of customary conditions for a transaction of this nature and its homologation by the Toulouse Commercial Court under a Protocol of Conciliation signed on June 9, 2023, to which it is subject as a condition precedent. (See notes 1.2 Restructuring and going concern and 23 Assets held for sale - Section 5.7.6 Consolidated Financial Statement).
- On May 8, 2023, the Group announced that it had reached an agreement in principle with its main creditors with a view to recapitalizing and restructuring the Group. On 9 June 2023, the Group signed a memorandum of understanding with its majority shareholder, the European Investment Bank, and its lenders (Prêts Garantis par l'Etat - PGE). This global recapitalization agreement was negotiated under the aegis of the Comité Interministériel de Restructuration Industrielle (CIRI) and Maître Hélène Bourbouloux (Cabinet FHBX). (See note 1.2 Restructuring and going concern - Section 5.7.6 Consolidated Financial Statement for details of the terms and conditions).

For more information, head over to www.latecoere.aero, Finance, Financial news.

Non-financial performance

6% of revenue

R&T and R&D expenditure

100% of new contracts respecting Latecoere's ethical charter

Responsible purchasing

2.3

Training days per permanent employee

85/100

(Aerostructures)

86/100

(Interconnection Systems)

Gender equality index (France)

0

Environmental pollution

100% of the Top 80 of managers trained in anti-corruption

Fight against fraud

1.2

Frequency rate of accidents resulting in sick leave

5.600

Managerial Safety Visits to the Group's sites

13

ISO 14001 certified sites (Environment)

ESG performance rating:

65/100 B

Gaïa rating

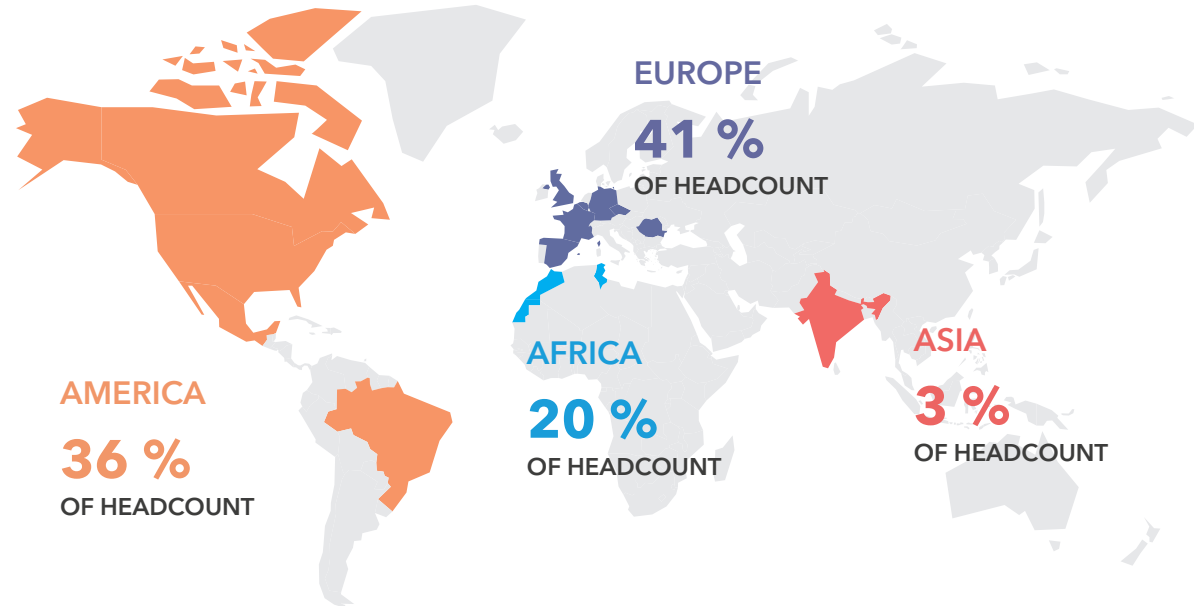
(sector average score: C) **aeronautics company**

Carbon Disclosure Project rating

7th

Statista ranking

GLOBAL FOOTPRINT



America

Canada: Montreal (○), Toronto (●), Vancouver (●)
 USA: Seattle (●), Los Angeles (○)
 Mexico: Hermosillo (●), Querétaro (○)
 Brazil: Jacareí

Europe

France: Toulouse (●), Gimont (●), Labège (○), Colomiers (○), Liposthey (○), Vendargues (○), Mérignac (○)
 Czech Republic: Prague (●)
 Bulgaria: Plovdiv (●)
 Germany: Hamburg (○)
 Belgium: Liège (●)
 Spain: Malaga (○)
 United Kingdom: Bristol (○)

Africa

Tunisia: Fouchana (○)
 Morocco: Casablanca (○)

Asia

India: Belagavi (○)

○ Registered office
 ○ Interconnection Systems
 ● Aerostructures

Our teams

5,918

employees

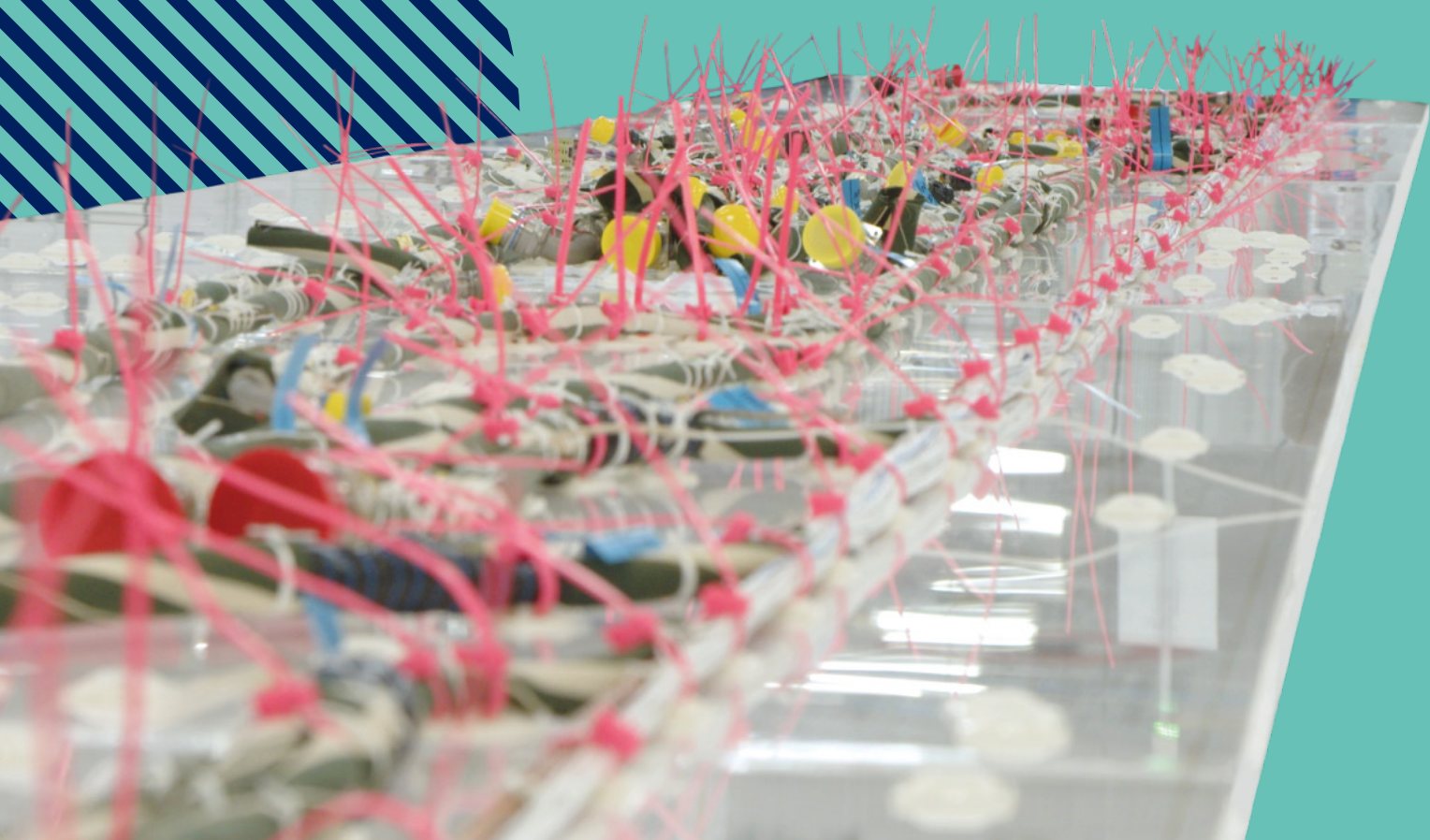
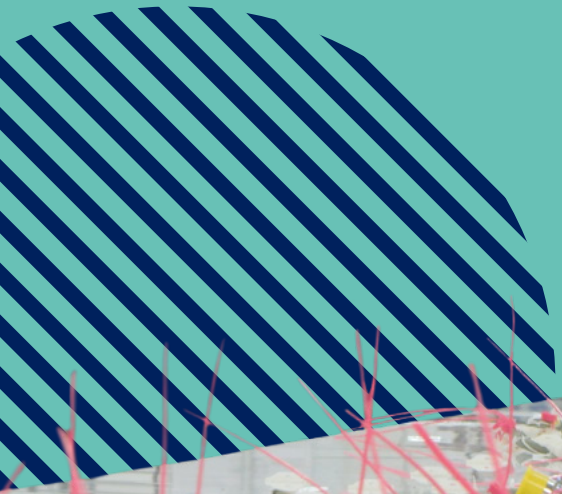
Present in

14

countries

Delivering

complete solutions enhanced by our recent acquisitions, close to our customers, on both sides of the Atlantic.



LATECOERE

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