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Latécoère announces the launch of a share capital increase with shareholders' preferential subscription rights for an amount of approximately €193.4 million, which may be extended to approximately €222.4 million in the event of the exercise in full of the extension clause

Key transaction terms:

- **Subscription price: € 0.51 per new share**
- **Subscription ratio: 4 new shares for 1 existing share**
- **Theoretical value of the preferential subscription rights: € 0.98**
- **Trading period for preferential subscription rights: from July 16th to July 26th, 2021 inclusive**
- **Subscription period: from July 20th to July 28th, 2021 inclusive**
- **Subscription commitment from Searchlight Capital Partners for the total amount of the transaction**

Toulouse, July 14th, 2021 – Latécoère (the “**Company**”), a tier 1 partner to major international aircraft manufacturers, announces today the launch of a capital increase with preferential subscription rights for an amount of approximately €193.4 million (the “**Capital Increase**”), which may be extended to approximately €222.4 million in the event of exercise in full of the extension clause.

The Capital Increase is carried out in the context of the conciliation protocol entered into with the Company's banking partners on July 1st, 2021 and approved in connection with a conciliation procedure by the Toulouse Commercial Court by judgment dated July 7th, 2021 (the “**Conciliation Protocol**”) to strengthen the Company's liquidity position in the short and medium term in a context of uncertainty around the air traffic recovery and persisting Covid-19 crisis.

The Capital Increase's aim is to strengthen the Company's financial flexibility in order to address the difficulties related to the Covid-19 crisis, accelerate the transformation plan and allow the group Latécoère (the “**Group**”) to seize external growth opportunities. More specifically, the net proceeds of the Capital Increase will be used (i) to repay the loan granted by Searchlight Capital Partners for a total amount of approximately €52.5 million, (ii) subject to the completion of the ongoing information and consultation processes of the employee representatives applicable within the Group, to finance the

acquisition of the company Technical Airborne Components Industries¹ for an amount of approximately €35.4 million and (iii) for the remainder, i.e. approximately €104.5 million, to provide the Group with the financial capacity to carry-out external growth transactions and more generally to finance the Group's general corporate needs, in the short and medium term, within the framework of the Conciliation Protocol entered into with the Group's banking partners, aimed at strengthening the Group's financial structure. In this respect, the Company is currently actively interested in other external growth opportunities in its sector (Aerostructures in the commercial and defence aeronautics market). In North America, the Company identified a company with which it engaged in discussions, which remain at a preliminary stage, and for which the Company contemplates a maximum investment of approximately €100 million should such opportunity materialize.

The estimated gross proceeds of the capital increase, if fully subscribed, are approximately €193.4 million (which may be increased to approximately €222.4 million if the Extension Clause is exercised in full).

The estimated proceeds of the capital increase net of fees, if fully subscribed, are approximately €192.4 million (which may be increased to approximately €221.4 million if the Extension Clause is exercised in full).

MAIN TERMS OF THE CAPITAL INCREASE

The Capital Increase will be carried out with shareholders' preferential subscription rights (the "**Rights**"), pursuant to the 24th and 30th resolutions of the general meeting of May 21st, 2021, leading to the issue of 379,274,072 new shares (the "**Initial New Shares**"), which may be extended, in the event of the exercise in full of the Extension Clause (as defined hereafter), by 56,891,110 additional new shares (the "**Additional New Shares**" and, together with the Initial New Shares, the "**New Shares**"), at a subscription price of €0.51 per New Share (i.e. €0.25 nominal value and €0.26 issue premium), to be fully paid up upon subscription, representing gross proceeds, including the issue premium, of €193,429,776.72, which may be extended to €222,444,242.82 in the event of exercise in full of the Extension Clause.

On July 16th, 2021, each of the Company's shareholders will receive one (1) Right for each share recorded on his account at the end of the accounting day on July 15th, 2021. 1 Right will entitle its holders to subscribe for 4 New Shares on an irreducible basis (*à titre irréductible*).

¹ Latécoère benefits from a call option concluded with an entity of the Searchlight Capital Partners group, to acquire all of Technical Airborne Components Industries shares for a sale price of €35.4 million (excluding fees related to the Acquisition), it being specified that this company currently reports a cash position of approximately €6.4 million, which will remain after the Acquisition (consequently, the real cost of acquisition supported by the Group, net of cash, would be around €29 million).

Subscriptions on a reducible basis (*à titre réductible*) will be accepted. Any New Shares not subscribed by subscriptions on an irreducible basis (*à titre irréductible*) will be distributed and allocated to the holders of Rights having submitted subscription orders on a reducible basis (*à titre réductible*) subject to reduction in the event of oversubscription.

On the basis of the closing price of Latécoère share on the regulated market of Euronext in Paris (“**Euronext Paris**”) on July 12th, 2021, i.e. €1.73, the theoretical value of one (1) Right is €0.98 and the theoretical ex-right price of the share is €0.75.

For information purposes, the issue price reflects a discount of 32.4 % compared to the theoretical value of Latécoère ex-right share, calculated on the basis of the closing price on July 12th, 2021, and a discount of 70.5 % compared to the closing price on July 12th, 2021.

These values do not necessarily reflect the value of the Rights during their trading period, the ex-right price of Latécoère or the discounts, as determined in the market.

The Capital Increase will be open to the public in France only.

EXTENSION CLAUSE

Depending on the demand, the Company may decide to increase the number of Initial New Shares by a maximum of 15%, i.e. a maximum of 56,891,110 Additional New Shares. The decision to exercise the Extension Clause will be taken by the Company, after consultation with the Global Coordinator and Bookrunner, at the latest on the date of publication of the results of the Capital Increase scheduled for August 2nd, 2021 and will be mentioned in the press release published by the Company and posted on the Company's website and in the notice published by Euronext Paris S.A. announcing the results of the Capital Increase.

INDICATIVE TIMETABLE FOR THE CAPITAL INCREASE

The Rights will be detached on July 16th, 2021 and tradeable from July 16th, 2021 until July 26th, 2021 inclusive on the regulated market of Euronext Paris under the ISIN code FR0014004JQ3. Unexercised Rights will automatically lapse at the end of the subscription period, i.e. on July 28th, 2021 at the close of trading. The subscription period for the New Shares will be open from July 20th, 2021 until the close of trading on July 28th, 2021.

Settlement and delivery of the New Shares and commencement of trading on Euronext Paris are expected to take place on August 4th, 2021. The New Shares will immediately entitle their holders to receive dividends declared by Latécoère as from the date of issuance. They will be immediately fungible with existing shares of the Company and will be traded on the same trading line under the same ISIN code FR0000032278.

SUBSCRIPTION COMMITMENTS

As of the date of the prospectus related to the Capital Increase (the “**Prospectus**”), Searchlight Capital Partners (through the company SCP SKN Holding I SAS), which owns approximately 65.6% of the Company’s share capital, has committed to (i) exercise all of its preferential subscription rights on an irreducible basis and to subscribe Initial New Shares for a total amount of €126,925,125.96, representing approximately 65.6% of the initial amount (excluding the Extension Clause) of the Capital Increase on the basis of a subscription price of €0.51 per New Share and (ii) to subscribe on a reducible basis to 130,401,276 New Shares representing the remainder of the amount of the Capital Increase not subscribed on an irreducible basis in order to ensure the issue and subscription of all the Initial New shares.

As of the date of the Prospectus, the Company is not aware of any intention to subscribe from the Company’s shareholders or from members of its administrative bodies other than those mentioned above.

LOCK-UP COMMITMENTS

The Company has agreed to a lock-up period starting on the date of the approval by the French *Autorité des Marchés Financiers* (the “**AMF**”) of the Prospectus relating to the Capital Increase and expiring 90 calendar days following the settlement- delivery date of the New Shares, subject to (i) the possibility to implement the Reserved Capital Increase, as defined below and (ii) to certain customary exceptions.

In the context of the authorisation granted by the French Ministry of Economy and Finance pursuant to foreign investment regulations applicable in France, a potential reserved share capital increase is contemplated, on the basis of the 29th resolution of the Company’s combined general shareholders’ meeting of May 21st, 2021, with a view to give access to at least 10% of the share capital and voting rights of the Company to one or more French investors selected with the prior approval of the French State (the “**Reserved Capital Increase**”).

SCP SKN Holding I SAS has agreed to a lock-up period starting on the date of the Prospectus approval and expiring 180 calendar days following the settlement-delivery date of the New Shares, subject to certain usual exceptions.

DILUTION

For illustrative purposes only, a shareholder holding 1% of the Company’s share capital as of July 13th, 2021, and not subscribing to the Capital Increase, would hold 0.20% and 0.179% of the share capital following the issue of the New Shares before and after full exercise of the Extension Clause respectively.

UNDERWRITING

The Capital Increase is not subject to an underwriting agreement. In the context of the Capital Increase, a placement agency agreement has been entered into by the Company and Société Générale, acting as Global Coordinator and Bookrunner of the Capital Increase.

AVAILABILITY OF THE PROSPECTUS

The Prospectus approved by the AMF under number 21-317 on July 13th, 2021 and comprised of (i) Latécoère's 2020 universal registration document filed with the AMF on April 22nd, 2021 under number D.21-0337 (the "**Universal Registration Document**" or "**URD**") , (ii) an amendment to the URD filed with the AMF on July 13th, 2021 (the "**Amendment to the URD**"), (iii) the securities note dated July 13th, 2021 (the "**Securities Note**") and (iv) the summary of the Prospectus (included in the Securities Note) is available on the websites of the AMF (www.amf-france.org) and the Company (www.latecoere.aero). Copies of the Prospectus are available free of charge at the Company's registered office (135, rue de Périole, 31500 Toulouse).

Potential investors are advised to read the Prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities. The approval of the prospectus by the AMF should not be understood as an endorsement of the securities offered or admitted to trading on a regulated market.

RISK FACTORS

Investors' attention is drawn to the risk factors relating to Latécoère included in chapter 2 "Risk Factors and Internal Control" of the URD as updated in chapter 2 of the Amendment to the URD and the risk factors relating to the transaction and the securities included in chapter 2 "Risk Factors" of the Securities Note.

Disclaimer

This press release does not constitute an offer to sell nor a solicitation of an offer to buy, nor shall there be any sale of ordinary shares in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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With respect to the member states of the European Economic Area (other than France) and the United Kingdom (each a "**Relevant State**"), no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any Relevant State. As a result, the securities may and will be offered in any Relevant State only (i) to qualified investors within the meaning of the Prospectus Regulation, for any investor in a Member State of the European Economic Area, or Regulation (EU) 2017/1129 as part of national law under the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"), for any investor in the United Kingdom, (ii) to fewer than 150 individuals or legal entities (other than qualified investors as defined in the Prospectus Regulation or the UK Prospectus Regulation, as the case may be), or (iii) in accordance with the exemptions set forth in Article 1 (4) of the Prospectus Regulation or under any other circumstances which do not require the publication by Latécoère of a prospectus pursuant to Article 3 of the Prospectus Regulation, of the UK Prospectus Regulation and/or to applicable regulations of that Relevant State.

The distribution of this press release has not been made, and has not been approved, by an "authorised person" within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. As a consequence, this press release is only being distributed to, and is only directed at, persons in the United Kingdom that (i) are "investment professionals" falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

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Latecoère does not intend to register all or any portion of the securities in the United States under the Securities Act or to conduct a public offering of the securities in the United States.

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About Latécoère

As a "Tier 1" international partner of the world's major aircraft manufacturers (Airbus, Boeing, Bombardier, Dassault, Embraer and Mitsubishi Aircraft), Latécoère is active in all segments of the aeronautics industry (commercial, regional, business and military aircraft), in two areas of activity:

- *Aerostructures (55% of turnover): fuselage sections and doors,*
- *Interconnection Systems (45% of turnover): wiring, electrical furniture and on-board equipment.*

As of December 31, 2020, the Group employed 4,172 people in 13 different countries. Latécoère, a French limited company capitalised at € 23,704,629.50 divided into 94,818,518 shares with a par value of €0.25, is listed on Euronext Paris - Compartment B, ISIN Codes: FR0000032278 - Reuters: LAEP.PA - Bloomberg: LAT.FP.

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