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Latecoere announces the launch of the share capital increase planned in its conciliation protocol for an amount of approximately €108.2 million, which may be extended to approximately €124.4 million in the event of the exercise in full of the extension clause

Key transaction terms:

- **New issue with shareholders' preferential subscription rights**
- **Subscription price: €0.01 per new share**
- **Subscription ratio: 202 new shares for 1 existing share**
- **Theoretical value of the preferential subscription rights: €0.494**
- **Trading period for preferential subscription rights: from November 2nd to November 10th, 2023 inclusive**
- **Subscription period: from November 6th to November 14th, 2023 inclusive**
- **Subscription commitment from Searchlight Capital Partners for the total amount of the transaction**

Toulouse, October 31st, 2021 – Latecoere (the “**Company**”), a tier 1 provider to major international aircraft manufacturers, announces today the launch of a capital increase with preferential subscription rights for an amount of approximately €108.2 million, which may be extended to approximately €124.4 million in the event of exercise in full of the extension clause (the “**Capital Increase**”).

The Capital Increase is carried out in the context of the conciliation protocol concluded between the Company and its financial creditors on June 9th, 2023 and approved in connection with a conciliation procedure by the Toulouse Commercial Court by judgment dated June 16th, 2023 (the “**Conciliation Protocol**”) aiming to provide Latecoere with a solid capital structure to continue supporting its customers through the aircraft industry ramp-up currently anticipated for 2023 and beyond.

The proceeds of the Capital Increase will be used, among other things, to (i) repay, by way of compensation, the bridge loan granted to the Company on May 15th, 2023 by the company SCP SKN Holding I SAS for a total amount of approximately €47.3 million including the issue premium amount and interests owed by the Company in the context of the bridge loan granted on May 15th, 2023, and (ii) finance the reconfiguration of the industrial footprint, started in 2022, notably in the United States (Gardena) and in France (Montredon), in order to enable further concentration of production in countries where costs are lowest and the achievement of increased economies of scale. These measures will improve the group's operating costs, allowing Latecoere to take better advantage of the ongoing

recovery in the aviation industry and restore profitability over the coming years. This additional equity (including €44.1 million already received under the bridge loan), combined with the group's existing liquidity and other initiatives (Sales & Lease Back), provides the financing necessary to support the operational improvement program of Latecoere, as well as to cover current loss-making operations.

The estimated gross proceeds of the capital increase are approximately €108.2 million (which may be increased to approximately €124.4 million if the Extension Clause is exercised in full).

The estimated proceeds of the capital increase net of fees, are approximately €107.2 million (which may be increased to approximately €123.4 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 21st and 29th resolutions of the combined general meeting of July 26th, 2023, leading to the issue of 10,820,137,070 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 1,623,020,560 additional new shares (the "**Additional New Shares**" and, together with the Initial New Shares, the "**New Shares**"), at a subscription price of €0.01 per New Share. The subscription price corresponds to the nominal value per share and will therefore not be subject to any issue premium.

Each Company's shareholders will receive one (1) Right for each share recorded on his account at the end of the day on November 3rd, 2023. In order to allow the registration in securities accounts on this date, purchases on the market of Existing Shares must take place at the latest on November 1st, 2023. Each Right will entitle its holders to subscribe for 202 New Shares on an irreducible basis (*à titre irréductible*).

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 Latecoere share on the regulated market of Euronext in Paris ("**Euronext Paris**") on October 27th 2023, i.e. €0.506, the theoretical value of one (1) Right is €0.494 and the theoretical ex-right price of the share is €0.012.

For information purposes, the issue price reflects a discount of 19.7 % compared to the theoretical value of Latecoere ex-right share, calculated on the basis of the closing price on October 27th, 2023, and a discount of 98.0 % compared to the closing price on October 27th, 2023.

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

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

Extension clause

In accordance with the terms of the Conciliation Protocol, the Company committed, depending on the demand, to increase the number of Initial New Shares by a maximum of 15%, i.e. a maximum of 1,623,020,560 Additional New Shares. The Extension Clause may be used only to serve subscriptions on a reducible basis, made by shareholders and/or purchasers of preferential subscription rights, which could not be served. 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 November 17th, 2023 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 November 2nd, 2023 and tradeable from November 2nd, 2023 until November 10th, 2023 inclusive on Euronext Paris under the ISIN code FR001400LAB4. Unexercised Rights will automatically lapse at the end of the subscription period, i.e. on November 14th, 2023 at the close of trading. The subscription period for the New Shares will be open from November 6th, 2023 until the close of trading on November 14th, 2023.

Settlement and delivery of the New Shares and commencement of trading on Euronext Paris are expected to take place on November 21st, 2023. The New Shares will immediately entitle their holders to receive dividends declared by Latecoere as from their 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 FR001400JY13.

Subscription commitment

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 74.65% of the Company's share capital, has irrevocably 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 €80,849,465.76, representing approximately 74.72% of the initial amount (excluding the Extension Clause) of the Capital Increase on the basis of a subscription price of €0.01 per New Share and (ii) to subscribe on a reducible basis to

2,735,190,494 New Shares representing the remainder of the amount of the Capital Increase which would have not been subscribed on an irreducible basis, in order to ensure the issue and subscription of all the Initial New shares. The subscription amount will be paid up on an irreducible basis (i) up to approximately €47.29 million by way of compensation with the certain, liquid and payable debt due by the Company to SCP SKN Holding I SAS under the bridge loan agreement concluded on May 15th, 2023 and (ii) up to approximately €33.56 million by way of subscription in cash.

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, with the exception of Mrs. Thierry Mootz and Greg Huttner who have committed not to exercise or transfer, except to SCP SKN Holding I SAS, their preferential subscription rights in the context of the Capital Increase, in accordance with the terms of the Conciliation Protocol.

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 certain usual exceptions.

SCP SKN Holding I SAS has agreed to a lock-up period 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 October 30th, 2023, and not subscribing to the Capital Increase, would hold 0.005% and 0.004% on a non-diluted basis 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 23-453 on October 30th, 2023 and comprised of (i) Latecoere 2022 universal registration document filed with the AMF on June 23rd, 2023 under number

D.23-0514 (the “**Universal Registration Document**” or “**URD**”), (ii) an amendment to the URD filed with the AMF on October 30th, 2023 under number D.23-0514-A01 (the “**Amendment**”), (iii) the securities note dated October 30th, 2023 (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 New Shares. The approval of the Prospectus by the AMF should not be understood as an endorsement of the offer or admission to trading on Euronext of the New Shares.

Risk factors

Investors’ attention is drawn to the risk factors relating to Latecoere included in chapter 2 “Internal Control and Risk Factors” of the URD as updated in chapter 2 of the Amendment to the URD and the risk factors relating to the transaction and the New Shares mentioned 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 (others 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 Latecoere 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.

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About Latecoere

As a Tier 1 partner to major industrial OEMs (Airbus, Boeing, Bombardier, Dassault Aviation, Embraer, Lockheed Martin), Latecoere serves the aerospace sector with innovative solutions for a sustainable world. The Group operates in all segments of the aerospace industry (commercial, regional, business, defense, space), in two business areas:

- *Aerostructures (55 % of sales as of December 31, 2022): doors, fuselage, wings and empennage, connecting rods and customer service;*
- *Interconnection systems (45 % of sales as of December 31, 2022): wiring, avionics furniture, on-board equipment, electronic products and customer service.*

At December 31, 2022, the Group employed 5 918 people in 14 countries. Latecoere is listed on Euronext Paris - Compartment B, ISIN Code: FR001400JY13 - Reuters: AEP.PA - Bloomberg: AT.FP

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