

# LATECOERE

A French Public Limited Company with a Board of Directors with a share capital of €536,195.35

Registered office : 135, rue de Périole, 31500 Toulouse  
572 050 169 Trade and Companies Register of Toulouse

## SECURITIES NOTE

Made available to the public in connection with the issue and admission to trading on the regulated market of Euronext in Paris of new shares, to be subscribed for, by payment in cash and/or by offsetting of receivables, in the context of a capital increase with shareholders' preferential subscription rights, for a gross amount of EUR 108,201,370.70 (without issue premium), by issue of 10,820,137,070 new shares (which can be extended to a gross amount of EUR 124,431,576.30 (without issue premium), through the issue of 12,443,157,630 new shares in the event of the exercise in full of the Extension Clause), at a price of €0.01, with a subscription ratio of 202 new shares for 1 existing share.

**The trading period for the preferential subscription rights is from 2 November 2023 to 10 November 2023 inclusive.**

**The subscription period is from 6 November 2023 to 14 November 2023 inclusive.**

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*Global Coordinator and Bookrunner*

**Société Générale**

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## GENERAL COMMENTS

In the Securities Note, the term “**Company**” refers to the company Latecoere. The terms “**Latecoere**” and “**Group**” refer to the Company collectively with all of its consolidated subsidiaries, branches and holdings.

### Forward-looking statements

The Prospectus contains statements on the Group’s objectives, future prospects, and planned areas for development as well as forward-looking statements. Sentences and phrases are forward-looking statements if they include any tense from present to future or similar inflection. Words like “believe”, “estimate”, “anticipate”, “plan”, “predict”, “may”, “hope”, “can”, “will”, “should”, “expect”, “intend”, “is designed to”, “with the intent”, “potential”, the negative of these words or such other variations thereon or comparable terminology, may indicate forward-looking statements. Such forward-looking statements cannot sustain themselves as historical fact and should not be construed as guarantees that the facts and data set forth will occur. Although they are based on data, assumptions, and estimates considered reasonable by the Company, they may change or be modified due to economic, financial, competitive, and regulatory uncertainties or other factors notably in the event of a continuation or an amplification of the current health situation and the ensuing economic crisis, which affects the aeronautical industry more particularly. In addition, should certain risks materialise as described in Chapter 2 “*Risks Factors and Internal Control*” of the Universal Registration Document, as updated in Section 2 “*Risks Factors*” of half-year financial report 2023 as reproduced in Chapter 2 “*Risks Factors*” of the Amendment to the Universal Registration Document, and Section 2 “*Risk Factors*” of the Securities Note, this may have a negative impact on the Group’s activities, financial position and results, and ability to achieve its objectives. Forward-looking statements are included in different sections of the Prospectus and contain data on the Group’s intentions, estimates, and objectives relating to the Group’s market, strategy, growth, results, financial position, and cash position, among others. Such statements included in the Prospectus are given only as at the date of the Prospectus. Unless otherwise required by law or regulation, the Company assumes no obligation to publish any updates to the forward-looking statements contained in the Prospectus to reflect any changes affecting its objectives or the events, conditions, or circumstances on which the forward-looking statements contained in the Prospectus were based. The Group operates in a competitive and rapidly changing environment. It may, therefore, be unable to anticipate all the risks, uncertainties, or other factors likely to affect its business, as well as their potential impact on its business or the extent to which the materialisation of a risk or a combination of risks could bring about results significantly different from those mentioned in any forward-looking statements, none of which constitute a guarantee of results.

### Market and competition information

The Prospectus contains information on the business segments in which the Group operates and on its position relative to its competitors. Certain information contained in the Prospectus is publicly available information that the Company considers reliable but that has not been verified by an independent expert. The Group believes that this information can help the reader to evaluate the trends and major issues affecting its market. Given the very rapid changes affecting the Group’s line of business, it is possible this information could be inaccurate or outdated. The Company cannot guarantee that a third party using different methods to gather, analyse, or calculate data on the Group’s lines of business would obtain the same results. Unless stated otherwise, the information in the Prospectus relating to market share and the size of the markets in which the Group operates are merely Group estimates provided for information purposes only. The Group’s business could therefore evolve differently than as described in the Prospectus. The Company assumes no obligation to publish updates of this information, except in connection with any legal or regulatory obligation that may be applicable to it.

### Risk factors

Of the information contained in the Prospectus, investors should read carefully and take into consideration the risk factors described in Chapter 2 “*Risks Factors and Internal Control*” of the Universal Registration Document, as updated in Section 2 “*Risk Factors*” of the Amendment to the Universal Registration Document, and Section 2 “*Risk Factors*” of the Securities Note, before making any investment decision. Should all or part of these risks materialise, this could have an adverse effect on the Group’s activities, image, results, financial position, and outlook. In addition, other risks not yet identified or considered immaterial by the Company as at the date of the Prospectus could also have an adverse effect and investors could thus lose all or part of their investment.

### Rounding

Certain figures (including data expressed in thousands or millions) and percentages presented in the Prospectus were rounded. In such cases, the totals presented in the Prospectus may differ slightly from those obtained by adding up the exact (unrounded) values of these figures.

### Alternative performance indicators

The Prospectus contains Group performance indicators that are not required to be disclosed or that do not have a definition under IFRS, including recurring EBITDA.

### Information related to the Company

The information in the Prospectus allows to restore, in every significant points and as needed, the equality of access between the various shareholders and investors to the information related to the Company.

# SUMMARY OF THE PROSPECTUS

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## Section 1 – Introduction

### Name and international securities identification number (ISIN) of the securities

**Share name:** LATECOERE

**ISIN Code:** FR001400JY13

### Identity and contact details of the issuer, including its legal entity identifier (LEI)

**Corporate name:** Latecoere (the “Company” and collectively with all of its subsidiaries, the “Group”)

**Place and number of registration:** R.C.S. Toulouse 572 050 169

**LEI:** 969500F9H7I22AX1D138

### Identity and contact details of the competent authority which approved the Prospectus

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### Note to the reader

This summary should be read as an introduction to the Prospectus. Any decision to invest in the financial securities that are the subject of the public offering or whose admission to trading on a regulated market is requested must be based on an exhaustive review of the Prospectus by the investor. The investor could lose all or part of the invested capital he would invest in the Company’s securities. If a legal action concerning the information contained in the Prospectus is brought before a court, according to the national legislation of the Member States of the European Union or parties to the Agreement on the European Economic Area, the plaintiff-investor may have to bear the costs of translating the Prospectus before the commencement of the legal proceedings. The persons who submitted the summary, including, where applicable, its translation are liable only if the content of the summary is misleading, inaccurate, or inconsistent with other parts of the Prospectus or if it does not provide, if read in combination with the other parts of the Prospectus, key information to assist investors considering investing in these securities.

## Section 2 – Key information on the issuer

### 2.1 Who is the issuer of the securities?

- Corporate name: Latecoere
- Registered office: 135, rue de Périole, 31500, Toulouse, France
- Legal form: *société anonyme à conseil d’administration*
- Applicable law: French law
- Country of incorporation: France
- Legal identity identifier (LEI): 969500F9H7I22AX1D138

### Principal activities

#### Overview of Latecoere

Created in 1917, Latecoere works with aircraft manufacturers and airlines, from the initial design stage to the manufacture of their products. The group is organised around two core businesses supported by their services:

- the “Aerostructures” division (representing 55% of the Group’s consolidated revenue as at 31 December 2022), which purpose is to provide design, industrialization and production services for aircraft structural components with two areas of expertise: the aircraft doors and the fuselage; and
- the “Interconnection” division (representing 45% of the Group’s consolidated revenue as at 31 December 2022), intended for the aeronautics, defense and space sector and is organised around several areas of expertise: the Harnesses, the Avionics racks, the Electronic equipments, the cameras, screens, data transmission solutions and Test benches.

### Share ownership on the Prospectus date

On the Prospectus date, the share capital amounts to €536,195.35 divided into 53,619,535 shares fully subscribed and paid, including 53,565,035 ordinary shares with a par value of €0.01 and 54,500 preferred shares with a par value of €0.01, it being specified that only the Company’s ordinary shares are admitted to trading on a regulated market. On the basis of the information available to the Company at the Prospectus date, the share capital and the voting rights are allocated as follow:

Shareholders	Number of shares	% of ownership	Number of theoretical voting rights <sup>(1)</sup>	% of theoretical voting rights	Number of actual voting rights <sup>(2)</sup>	% of actual voting rights
SCP SKN Holding I SAS	40,024,488	74.65	80,048,976	85.38	80,048,976	85.42
Actionnariat salarié <sup>(3)</sup>	150,406	0.28	187,114	0.20	187,114	0.20
Autodétention	38,451	0.07	38,451	0.04	0	0.00
Public	13,406,190	25.00	13,478,106	14.38	13,478,106	14.38
<b>Total</b>	<b>53,619,535</b>	<b>100</b>	<b>93,752,647</b>	<b>100</b>	<b>93,714,196</b>	<b>100</b>

<sup>(1)</sup> Registered shares held by the same owner for two years carry double voting rights. The total number of theoretical voting rights is calculated on the basis of all the shares, including shares without voting rights (treasury shares) (Article 223-11 of the AMF’s General Regulations).

<sup>(2)</sup> The total number of actual voting rights is calculated on the basis of all the shares less the shares without voting rights (treasury shares).

<sup>(3)</sup> Including 54,500 preferred shares.

On the Prospectus date, the Company is controlled by SCP SKN Holding I SAS. Within the knowledge of the Company, no other shareholder owns more than 5% of the share capital or the voting rights.

### Name of key executives

Mr Greg Huttner, Chief Executive Officer of the Company

Mr Thierry Mootz, Chairman of the Board of Directors of the Company.

**Name of statutory auditors**

KPMG S.A. (Tour EQHO 2 avenue Gambetta, CS 60055, 92066 Paris La Défense Cedex), registered member of the Versailles and the Center *Compagnie Régionale des Commissaires aux Comptes*, represented by Mr Eric Junières.

PricewaterhouseCoopers Audit (63, rue de Villiers – 92200 Neuilly-sur-Seine), registered member of the Versailles and the Center *Compagnie Régionale des Commissaires aux Comptes*, represented by Mrs. Magali Hattou.

**2.2 What is the key financial information regarding the issuer?**

Key financial information about the issuer is set out below. There have been no significant changes since the date of the last financial information.

**Financial information selected from the income statement**

<i>In thousands of euros</i>	Financial year ended 31 December			Semester ended 30 June	
	2022	2021 <sup>(1)</sup>	2020	2023	2022
Revenue	468,276	332,119	413,232	303,797	212,433
Operating income	(61,813)	(71,580)	(172,783)	(49,375)	(19,723)
Net income (entirely attributable to owners of the parent)	(127,088)	(110,975)	(189,566)	(58,153)	(27,331)
Net income (group share) per share	(0.26)	(0.40)	(2.00)	(1.09)	(0.51)

(1) 2021 data has been reprocessed, in the consolidated accounts for the financial year ended December 31, 2022, for the IFRS 5 impact of discontinued operations

**Key financial information from the consolidated balance sheet**

<i>In thousands of euros</i>	Financial year ended 31 December			As of 30 June
	2022	2021	2020	2023
Total assets	742,490	752,243	489,957	718,486
Total equity	21,427	150,986	37,664	(22,720)
Total loans and bank borrowings	371,011	342,806	225,253	416,048
Net debt	(297,044)	(65,147)	(147,639)	(370,203)

(1) 2020 data has been reprocessed, in the consolidated accounts for the financial year ended December 31, 2021, for the impact of the change in accounting method related to the IFRIC decision on the allocation of service cost associated with a defined benefit plan.

**Key financial information from the consolidated cash flows**

<i>In thousands of euros</i>	Financial year ended 31 December			Semester ended 30 June	
	2022	2021	2020	2023	2022
Net cash flow from operating activities	(64,008)	(26,801)	(12,575)	(47,664)	(60,429)
Net cash flow from investments	(127,395)	(49,567)	(12,547)	(16,464)	(16,120)
Net cash flow from investing activities	(12,515)	276,025	69,809	35,871	(4,499)
Increase (decrease) in net cash flow	(203,723)	200,031	43,827	(28,113)	(80,630)

**Key performance indicators**

<i>In millions of euros</i>	Financial year ended 31 December			Semester ended 30 June	
	2022	2021 <sup>(1)</sup>	2020	2023	2022
<b>Revenue</b>	468.3	332.1	413.2	303.8	212.4
<i>Percentage change</i>	41.0 %	- 19.6 %	- 42.1 %	42.9%	17.3%
<i>Change at constant exchange rates and scope<sup>(2)</sup></i>	16.5 %	- 35.0 %	- 40.7 %	15.2%	18.8%
<b>Recurring EBITDA<sup>(3)</sup></b>	<b>(8.5)</b>	<b>(32.2)</b>	<b>(35.2)</b>	<b>(18.4)</b>	<b>(5.2)</b>
<i>Recurring EBITDA margin on revenue</i>	- 1.8 %	- 9.7 %	- 8.5 %	- 6.0%	- 2.4%
<b>Recurring operating income</b>	<b>(43.2)</b>	<b>(64.9)</b>	<b>(74.5)</b>	<b>(38.3)</b>	<b>(21.6)</b>
<i>Recurring operating margin on revenue</i>	- 9.2 %	- 19.5 %	- 18 %	- 12.6%	- 10.2%
<b>Other non-recurring operating income and expenses</b>	<b>(18.6)</b>	<b>(6.7)</b>	<b>(98.3)</b>	<b>(11.0)</b>	<b>1.9</b>
<i>of which impairment of assets</i>	(1.5)	-	(40.1)	-	-
<i>of which other non-recurring items</i>	(17.1)	(6.7)	(58.2)	(11.0)	1.9
<b>Operating income</b>	<b>(61.8)</b>	<b>(71.6)</b>	<b>(172.8)</b>	<b>(49.4)</b>	<b>(19.7)</b>
Net cost of borrowed capital	(6.0)	(23.0)	(3.9)	(8.9)	(3.3)
Other financial income	(12.5)	(11.8)	(1.2)	(0.3)	1.2
<b>Financial income</b>	<b>(18.5)</b>	<b>(34.8)</b>	<b>(2.7)</b>	<b>(9.2)</b>	<b>(2.1)</b>
Income tax	(6.4)	(2.2)	(14.1)	(0.7)	(2.8)
<b>Net income</b>	<b>(127.1)</b>	<b>(111.0)</b>	<b>(189.6)</b>	<b>(58.2)</b>	<b>(27.3)</b>
<b>Free cash flow from continuing operations</b>	<b>(173.2)</b>	<b>(69.7)</b>	<b>(22.5)</b>	<b>(61.0)</b>	<b>(66.9)</b>

(1) The 2021 data has been restated, in the consolidated accounts for the financial year ended 31 December 2022, for the IFRS 5 impact of discontinued operations.

(2) Growth at constant exchange rates and scope is obtained by neutralizing the effect of the EUR/USD exchange rate by using a constant exchange rate over the periods concerned and by applying a constant scope of business, obtained by eliminating sales of companies acquired and sold during the periods concerned.

(3) Recurring EBITDA corresponds to current operating income before amortization, depreciation and impairment of tangible and intangible assets. The accounting principles and details of non-recurring items are presented in notes 2.29 and 19 to the consolidated financial statements for the year ended December 31, 2022.

(4) Since the financial year ended 31 December 2022, free cash flow from operations corresponds to the net cash flow from operating activities and investing activities. For the 2020 financial year, free cash flow from operations is presented after neutralizing tax paid.

**Recapitalization Plan**

On 8 May 2023, the Group announced that it has entered into a comprehensive business recapitalisation agreement with its stakeholders aiming at a recapitalisation and a restructuring of the Group, including a rights issue with preferential subscription rights for a minimum amount of €100 million, in conjunction with a significant debt reduction.

Thus, on 9 May 2023, an agreement in principle has been reached with its majority shareholder, the EIB and its *Prêts Garanties par l'Etat* (PGE) lenders. This comprehensive recapitalization agreement has been negotiated under the aegis of the *Comité Interministériel de Restructuration Industrielle* (CIRI) and Maître Hélène Bourbouloux (Cabinet FHBX). On 16 June 2023, Latecoere and its stakeholders obtained the homologation of their definitive documentation for a €283 million business recapitalization, including a committed capital increase of at least €100 million, in conjunction with €183



million reduction of its financial debt.

The key terms of the recapitalization, consistent with the 8 May 2023 and 16 June 2023 market communications, include:

- immediate liquidity through a €45 million loan from funds advised by SCP SKN Holding I SAS, reference shareholder of the Group, to be repaid by way of set-off with SCP's subscription in the at least €100 million rights issue;
- a rights issue with shareholders' preferential subscription rights for a minimum amount of €100 million fully underwritten by SCP SKN Holding I SAS;
- €183 million debt reduction, providing Latecoere with a sustainable capital structure. The reinstated debt maturity is to be set to December 2027; and
- affected lenders will retain exposure to future value creation through a newly issued "better fortunes" (*retour à meilleure fortune*) mechanism.

#### **Share consolidation and capital reduction**

On 19 September 2023, the Group announced the completion of the reverse stock split of the ordinary shares of Latecoere through a share consolidation of 10 existing ordinary shares with a par value of €0.25 each for 1 new ordinary share with a par value of €2.50 (the "**Reverse Stock Split**").

The existing shares have been delisted from the regulated market of Euronext in Paris ("**Euronext Paris**") after market close on 14 September 2023.

The new shares issued upon the Reverse Stock Split have been listed on Euronext Paris since 15 September 2023, first listing day.

In accordance with articles L. 228-6-1 and R. 228-12 of the French *Code de commerce*, the new shares that could not be individually allotted and corresponding to fractional rights have been sold on the stock market by the securities custodians and the proceeds of those sales have been distributed proportionally to the shareholders holding fractional shares, by way of compensation, until 18 October 2023 (included).

In addition, the Group as announced the same day the completion of a capital reduction due to losses by reducing the nominal value of its ordinary and preference shares, in accordance with the terms of the authorisations granted by the combined general meeting held on 26 July 2023 and the decision of the Board of Directors held on the same day (the "**Capital Reduction**").

Latecoere's share capital now stands at €536,195.35, divided into 53,619,535 shares, comprising 53,565,035 ordinary shares and 54,500 preference shares with a par value of €0.01 each.

#### **Forecasts / Outlook for the financial year 2023**

H1 2023 was a challenging period for Latecoere and the broader aerospace industry. Management expects these challenges to continue across 2023 and into 2024, with an adverse environment arising from persistent inflationary pressures and supply chain disruptions, compounded by changing OEM requirements.

OEM volume growth for commercial, business jet and defense market sub-segments continues to improve overall revenues, whilst adding challenges and cost pressures to the industry to support the ramp up in activity.

To alleviate these challenges, Latecoere continues to invest in its operating platform, people and geographic footprint, creating a more resilient business model better positioned to grow with customer requirements. Latecoere's outlook for FY 2023 includes:

- increased revenue growth of c. 35%;
- reduction in recurring EBITDA losses in the 2<sup>nd</sup> half of 2023, resulting from the realization of operational initiatives, an improving supply chain situation and increased activity across key commercial, business jet and defense market sub-segments. It was however clarified that the Company's 24 March 2023 FY 2022 results outlook statement to achieve a stable year on year recurring EBITDA performance will not be achieved; and
- 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.

### **2.3 What are the key risks that are specific to the issuer?**

Investing in the Company's shares involves various risks and uncertainties related to the Group's activities that may result in a partial or total loss of their investment for investors, in particular the material risks listed hereunder:

#### **Business related risks**

**Supplier default.** As the Covid-19 crisis has pushed supply chain actors to reduce their production capacity, suppliers are now finding it difficult to ensure the recovery of activity and the increase in volumes. These difficulties are exacerbated by inflation, the energy crisis, labor recruitment problems and the current geopolitical conflicts. This creates strong tensions between the different actors of the supply chain. The temporary or permanent failure of one or more exclusive suppliers, delayed deliveries, 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 production, 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.

**Cybersecurity and information system continuity 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.

**Quality defect or non-compliance of the product risks.** Defective quality in a product made or sold by Latecoere could 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.

#### **Financial risks**

##### **Liquidity risk.**

At any time, Latecoere must have sufficient financial resources to finance its day-to-day activities; the investments required for its activities and development and to deal with any exceptional events. With the Covid-19 pandemic crisis, this risk has increased due in particular to the drop in revenue caused by the fall in production volumes, which remain below the pre-Covid situation. 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. Under the aegis of the *Comité Interministériel de Restructuration Industrielle* (CIRI), the Company has entered into an agreement in principle with its majority shareholder, the EIB and lenders regarding the comprehensive recapitalization of the Company. A conciliation agreement relating to the full recapitalisation of the Group was signed with all the financial creditors and the majority shareholder of the Company and approved by the Toulouse Commercial Court on 16 June 2023.

Latecoere maintains its level of liquidity to fund its everyday activities and its investments. The terms of the protocol include notably the present rights issue, of at least €100 million guaranteeing the continuity of the Group's activity over the next 12 months period. This agreement will enable Latecoere to implement its industrial goals and confirm its central role in the aeronautical industry.

#### **Industrial and environmental risks**

**Environment impact of industrial sites.** Given its industrial activity, the Latecoere group is exposed to risks of accidental pollution (surface treatment). In 2022, Latecoere acquired two sites (Canada, Mexico) with surface treatment facilities. Any new environmental regulations could result in additional costs related to capital expenditure for compliance purposes.

#### **Labor risks**

**Attraction and retention of skills.** 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 remuneration policy in countries identified as "low cost" by the Group increases the risk of not being able to attract high potential employees.

#### **Risk related to external environment**

**Macroeconomic risk.** Difficult economic conditions (inflation, rising energy costs) may jeopardize the Group's business recovery and affect its results.

### **Section 3 – Key information on the securities**

#### **3.1 What are the main features of the securities?**

##### **Nature and categories of securities issued**

The 10,820,137,070 new shares, which may be extended to a number of 12,443,157,630 new shares in case of exercise in full of the Extension Clause (as defined hereinafter), (the "New Shares") to be issued in connection with the capital increase with preferential subscription rights covered by the Prospectus ("Capital Increase") and whose admission to trading on Euronext Paris is requested are ordinary shares of the same class as the existing shares of the Company (the "Existing Shares").

The New Shares will be admitted to trading on Euronext Paris upon admission. They will be immediately assimilated to the Existing Shares of the Company, which are already traded on Euronext Paris (Compartment B) and tradable, from that date, under the same trading line as the Existing Share under the same ISIN code FR001400JY13.

##### **Currency, denomination and number of securities issued**

**Issue currency:** Euro

**Share name:** LATECOERE

As at the date of the Prospectus, the share capital of the Company amounts to €536,195.35. It is divided into 53,619,535 fully paid shares, including 53,565,035 ordinary shares with a par value of €0.01 each, and 54,500 preferred shares with a par value of €0.01 each.

The issue relates to a number of 10,820,137,070 New Shares which may be extended to a number of 12,443,157,630 New Shares in case of the exercise in full of the Extension Clause at a unit price of €0.01, corresponding to their par value, to be fully paid up upon subscription.

**Rights attached to the New Shares:** New Shares will, from the moment of their issuance, be subject to all the provisions of the Company's articles of association as well as the laws and regulations in force. Under the current state of French law and the Company's articles of association, the main rights attached to the New Shares are as follows: (i) right to dividend and profit sharing; (ii) voting right; (iii) preferential right to subscribe for securities of the same class; (iv) shareholders' right to information; and (v) right to a share in any surplus in the event of liquidation. A double voting right is granted to all fully paid-up shares for which it can be proved that they have been registered for two (2) years at least in the name of the same shareholder. In addition, in the event of a capital increase through the integration of reserves, profits or issue premiums, a double voting right conferred, to registered bonus shares granted to a shareholder on the basis of old shares where it has such right. Double voting rights automatically cease for any share that has been converted to a bearer share or transferred. However, aforementioned two-year period is not interrupted and the acquired right is retained in the event of transfer as a result of succession, sharing of community of property between spouses or gift *inter vivos* for the benefit of a spouse or a relative entitled to inherit.

**Relative seniority of the securities in the issuer's capital structure in the event of insolvency:** Not applicable.

**Restriction on the free transferability of shares:** No statutory provision limits the free transferability of the shares making up the share capital of the Company.

**Dividend policy:** The Group did not make any dividend distributions in respect of the financial years ended 31 December 2020, 2021 and 2022. Future dividends will depend in particular on the Group's general financial situation and the Company's commitments in the context of its financing, it being specified that under the provisions of the PGE loans (*Prêts Garantis par l'État*) and the Conciliation Protocol (as defined hereinafter), the Company has contractually undertaken not to make any dividend payments for the duration of these loans.

#### **3.2 Where will the securities be traded?**

An application will be made for the New Shares to be admitted to trading on Euronext Paris, as of their issue scheduled on 21 November 2023, according to the indicative timetable, on the same trading line as the Existing Shares of the Company (ISIN code: FR001400JY13).

The Company has made no other application for admission to trading on a regulated market.

#### **3.3 What are the commitments related to the securities?**

The issue of New Shares is the subject of a management contract. The Capital Increase will not be the subject of a guarantee agreement or an underwriting agreement. At the date of the Prospectus, the Company however has the Subscription Commitment described below.

#### **3.4 What are the key risks that are specific to the securities?**

The main risk factors associated with the issue of the New Shares are as follows:

- The market for the preferential subscription rights may offer a limited liquidity and may be subject to high volatility;
- Shareholders who do not exercise their preferential subscription rights may have their interest in the Company's share capital diluted – The possible exercise of the Extension Clause may result in an additional dilution – The Reserved Capital Increase may result in an additional dilution;
- The market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued upon exercise of the preferential subscription rights;

- The volatility and liquidity of the Company's shares may fluctuate significantly;
- Given the very high number of shares issued in connection with the Capital Increase, sales of the Company's shares or preferential subscription rights may occur on the market, during the trading period, in the case of preferential subscription rights, or during or after the subscription period, in the case of shares, and may have an adverse impact on the market price of the Company's shares or the value of the preferential subscription rights;
- In the context of the Capital Increase, the main shareholder will continue to control the Company and could hold up to 99.87 % of the share capital and 99.87 % of the voting rights of the Company (in the event that no other subscriptions are received); and
- The issue of the New Shares is not subject to an underwriting agreement. The Subscription Commitment may be terminated or cancelled or not honoured. In such a case, the issue of the New Shares would be cancelled. Therefore, the investors who would have purchased preferential subscription rights could sustain a loss equal to the acquisition price of these rights.

#### Section 4 – Key information on the offer of securities to the public and/or admission to trading on a regulated market

##### 4.1 Under which conditions and timetable can I invest in this security?

**Structure of the issuance – Capital Increase with maintenance of preferential subscription rights:** the issuance of the New Shares will be made through a capital increase with preferential subscription rights pursuant to the twenty-first resolution adopted by the general meeting on 26 July 2023.

**Number of New Shares to be issued:** 10,820,137,070 New Shares which may be extended to 12,443,157,630 New Shares in case of the exercise in full of the Extension Clause (as defined hereinafter). Depending on demand for New Shares, the Company may decide to increase the number of New Shares initially offered by a maximum of 15%, i.e., a maximum of 1,623,020,560 additional New Shares (the “**Extension Clause**”). 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. Under the terms of the Conciliation Protocol, the Company has undertaken to exercise the Extension Clause if the conditions of excess demand from the shareholders of the Company and the transferees of preferential subscription rights are met.

**Amount of the issue:** the total amount of the issue is of €108,201,370.70 (corresponding to the par value of the New Shares to be issued), which may be extended to €124,431,576.30 in case of exercise in full of the Extension Clause.

**Subscription Price of the New Shares:** €0.01 per New Share (corresponding to their par value), to be fully paid at the time of subscription, by payment in cash and, in the case of SCP SKN Holding I SAS, partly by compensation with a certain, liquid and payable debt. Based on the closing price of Latecoere shares on the trading day preceding the date of the approval by the AMF, i.e. € 0.506: (i) the issue price of the New Shares of €0.01 shows a discount of 98.0 %, (ii) the theoretical value of the preferential subscription right amounts to € 0.494, (iii) the theoretical value of the share ex-rights amounts to € 0.012, and (iv) the issue price of the New Shares shows a discount of 19.7 % compared to the theoretical value of the share ex-rights. These figures do not prejudice either the value of the preferential subscription right during the period of negotiation of the preferential subscription rights or the value of the share ex-rights, or the discounts, as they will be acknowledged in the market.

**Preferential subscription right:** the subscription of the New Shares will be reserved, by preference to (i) holders of Existing Shares registered on their securities account at the end of 3 November 2023<sup>1</sup>, according to the indicative timetable, on the basis of one preferential subscription right for one Existing Share, and to (ii) the purchasers of the preferential subscription rights. The holders of preferential subscription right may subscribe from 6 November 2023 until the end of the subscription period, i.e., until 14 November 2023 inclusive, by exercising their preferential subscription rights: (i) on an irreducible basis, on the basis of 202 New Shares for 1 preferential subscription right held and (ii) on a reducible basis, for the number of New Shares that they require, in addition to the number of New Shares resulting from the exercise of their rights on an irreducible basis, it being specified that only the New Shares that will not be absorbed by the subscriptions on an irreducible basis will be allocated among the subscribers on a reducible basis, within the limit of their requests and in proportion to the number of Existing Shares whose rights will have been used to subscribe for shares on an irreducible basis, and for a whole number of New Shares as no fractional New Shares may be awarded.

**Detachment and listing of the preferential subscription rights:** the preferential subscription rights will be detached from the Existing Shares on 2 November 2023 and will be tradable on Euronext Paris until the end of the trading period of the preferential subscription rights, i.e., until 10 November 2023 inclusive, according to the indicative timetable, under ISIN code FR001400LAB4. As a result, the Existing Shares will be traded ex-rights as of 2 November 2023 according to the indicative timetable.

**Preferential subscription rights detached from treasury stock:** the Company will sell, before the end of the trading of the preferential rights period, i.e., before 10 November 2023 inclusive, the preferential subscription rights detached from its treasury stock, i.e. 38,451 shares accounting for 0.07 % of the share capital as of the date of the Prospectus, pursuant to article L.225-210 of the French Commercial Code.

**Entitlement of the New Shares:** the New Shares will carry full dividend rights and will give right to all distributions carried out by the Company as from their issue.

**Notification to subscribers of New Shares:** subscribers who placed subscription orders on an irreducible basis are guaranteed, subject to the effective completion of the Capital Increase, to receive the number of New Shares subscribed for. Those who placed subscription orders on a reducible basis will be informed of their allocation by their financial intermediary.

**Procedure for exercising the preferential subscription right:** in order to exercise their preferential subscription rights, the holders must make a request to their authorised financial intermediary at any time between 6 November 2023 and 14 November 2023 inclusive according to the indicative timetable and pay the corresponding issue price. The preferential subscription rights not exercised at the end of the subscription period, i.e., 14 November 2023 at the end of the trading session, according to the indicative timetable, will lapse automatically.

**Revocation of subscription orders:** subscription orders are irrevocable.

**Subscription commitment and subscription intent :** as at the date of the Prospectus, the Company has received an irrevocable subscription commitment (the “**Subscription Commitment**”), on an irreducible basis, for a total amount of €80,849,465.76, representing approximately 74.7 % 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, from SCP SKN Holding I SAS, which holds 74.7 % of the share capital, it being specified that 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 15 May 2023 (the “**Bridge Loan**”) and (ii) up to approximately €33.56 million per cash payment. SCP SKN Holding I SAS has

<sup>1</sup> In order to allow registration in a securities account on such date, the execution of purchases on the Existing Shares market must take place no later than November 1, 2023.

also irrevocably undertaken to subscribe on a reducible basis for 2,735,190,494 New Shares representing the remainder of the initial amount of the Capital Increase (excluding the Extension Clause).

At 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 the Subscription Commitment mentioned above, with the exception of the Company's officers holding shares under the share incentive plan implemented in April 2022 (i.e. Mr. Thierry Mootz, Chairman of the Board of Directors, and Mr. Greg Huttner, Chief Executive Officer), who have undertaken not to exercise or transfer, except to the company SCP SKN Holding I SAS, their preferential subscription rights in connection with the Capital Increase, in accordance with the terms of the conciliation protocol concluded on 9 June 2023.

**Countries in which the offer will be open to the public:** the offer will be open to the public only in France.

**Restrictions applicable to the offer:** the distribution of the Prospectus, the exercise of the preferential subscription rights, or the sale of the shares and the preferential subscription rights, as well as the subscription for the New Shares may be subject to specific regulations in certain countries, including the United States of America, the United Kingdom, Canada, Australia, South Africa and Japan.

**Payment modalities – Financial intermediaries:**

*For SCP SKN Holding I SAS:* subscriptions for the New Shares by the company SCP SKN Holding I SAS will take place partly by payment of cash and partly by compensation with a certain, liquid and payable debt on the Company held within the framework of the Bridge Loan.

*Holders of "administered" registered shares (actionnaires au nominatif administré) or bearer shares (actionnaires au porteur):* subscriptions for the New Shares and the payment of funds by the subscribers will be received until 14 November 2023 inclusive by their financial intermediaries acting as account holders.

*Holders of directly registered shares (actionnaires au nominatif pur):* subscriptions for the New Shares and payment of funds by the subscribers will be received by: Uptevia until 14 November 2023 inclusive.

*Transferees of DPS:* subscriptions of the New Shares and payments of funds by subscribers will be received until 14 November 2023 inclusive by their financial intermediaries holding accounts.

*Payment of the subscription price:* each subscription must be accompanied by the payment of the subscription price in cash. Subscriptions for which payments have not been made will be cancelled automatically without the need for a formal notice. SCP SKN Holding I SAS may subscribe to the New Shares by debt offsetting as well as by cash payment.

*Financial intermediary responsible for issuing the certificate of deposit of the funds recording the completion of the Capital Increase:* Uptevia.

*Global Coordinator and Bookrunner:* Société Générale.

**Settlement and delivery of the New Shares:** pursuant to the indicative calendar, it is expected that the New Shares will be deposited in the securities account and tradable from 21 November 2023. The New Shares will be subject to a request of admission to trade in Euroclear France which will be responsible for the delivery of the New Shares between account keepers.

**Indicative timetable:**

9 June 2023	Execution of the conciliation protocol ( <i>protocole de conciliation</i> ).
16 June 2023	Court approval of the conciliation protocol ( <i>protocole de conciliation</i> ).
23 June 2023	Filing of the universal registration document for the year ended 31 December 2022 with the AMF.
26 July 2023	Decisions of the Extraordinary General Meeting deciding in particular (i) to delegate to the Board of Directors the power to carry out the Reverse Stock Split, (ii) to authorize the Board of Directors to carry out the Capital Reduction and (iii) to delegate to the Board of Directors the power to implement the Capital Increase (21 <sup>st</sup> resolution).
28 July 2023	Publication of the notice relating to the Reverse Stock Split in the BALO Publication of a Euronext notice relating to the Reverse Stock Split and the Capital Reduction
From 18 August to 14 September 2023	Consolidation Period
15 September 2023	Effective completion of the Reverse Stock Split and implementation of the Capital Reduction (Decision of the Chief Executive Officer)
18 September 2023	Deliberation of the Board of Directors authorizing the principle of the Capital Increase and subdelegating to the Chief Executive Officer the power to implement the Capital Increase.
From 19 September to 18 October 2023	Period of sale of shares corresponding to rights forming fractional shares within the framework of the Reverse Stock Split
13 October 2023	Deliberation of the Board of Directors setting the size of the Capital Increase and confirming the characteristics decided at its meeting of September 18, 2023.
27 October 2023	Decision of the Chief Executive Officer to launch the Capital Increase.
30 October 2023	Approval of the Prospectus by the AMF. Execution of the placement agency agreement
31 October 2023	Publication of a press release by the Company announcing the approval of the Prospectus by the AMF and describing the characteristics of the Capital Increase and the conditions of availability of the Prospectus. Publication of the Prospectus online. Publication by Euronext Paris S.A. of the notice relating to the offer announcing the listing of the preferential subscription rights.
1st November 2023	Deadline for execution of purchases of Existing Shares entitling their purchaser to the preferential subscription right which will be detached from it.

2 November 2023	Detachment of the preferential subscription rights and opening of the trading period for preferential subscription rights on Euronext Paris.
3 November 2023	Deadline for securities account registration of Existing shares allowing their holder to receive preferential subscription rights ( <i>record date</i> ).
6 November 2023	Opening of the subscription period for the Capital Increase.
10 November 2023	Closing of the trading period for the preferential subscription rights.
14 November 2023	Last day of settlement-delivery of preferential subscription rights. Closing of the subscription period for the Capital Increase <sup>2</sup> .
16 November 2023	Decision of the Chief Executive Officer regarding the implementation of the Extension Clause.
17 November 2023	Publication of a press release by the Company announcing the result of the subscriptions for the Capital Increase. Publication by Euronext Paris S.A. of the notice relating to the admission to trading of the New Shares indicating the definitive amount of the Capital Increase and indicating the proportionate distribution of the reducible subscriptions.
21 November 2023	Issue of the New Shares – Settlement-delivery of the Capital Increase. Admission of the New Shares to trading on Euronext Paris.

The public will be informed of any change in the above indicative timetable by means of a press release issued by the Company and posted on its website and a notice issued by Euronext Paris S.A.

#### Amount and percentage of immediate dilution resulting from the offer

*Theoretical impact of the issue on the share of shareholders' equity and on the shareholder's position:* for information purposes, the theoretical impact of the issue of the New Shares on the portion per share of the consolidated shareholders' equity (calculated on the basis of the consolidated shareholders' equity as shown in the consolidated financial statements half-yearly as at 30 June 2023 and the number of shares making up the share capital of the Company at this same date, after deduction of treasury shares and taking into account the Reverse Stock Split) and on the shareholder's interest of a shareholder holding 1% of the share capital of the Company before the rights issue and not subscribing to it (calculation based on the number of shares included in the share capital of the Company at the prospectus date) would be as follows:

	Portion of shareholder's equity, per ordinary share		Shareholder's interests	
	Non-diluted basis	Diluted basis <sup>(1)</sup>	Non-diluted basis	Diluted basis <sup>(1)</sup>
Before issue of the New Shares	€ (0.42)	€ (0.38)	1 %	0.90 %
After issue of the New Shares ( <i>subscription level at 100%</i> )	€ 0.008	€ 0.007	0.005 %	0.005 %
After issue of the New Shares and exercise in full of the Extension Clause ( <i>subscription level at 115%</i> )	€ 0.008	€ 0.007	0.004 %	0.004 %

<sup>(1)</sup>After acquisition of all the 338,642 free ordinary shares allocated under the 1<sup>st</sup> July 2022 plan and conversion of the preferred shares into the maximum number of ordinary shares provided for by the bylaws, corresponding to 10 % of the share capital at conversion date

**Indicative distribution of the share capital and voting rights following the issue of the New Shares:** on the basis of the number of shares, the shareholding structure of the Company as of the date of the Prospectus and of the Subscription Commitment:

In the event that no shareholder other than SCP SKN Holding I SAS subscribes to the Capital Increase (in which case the Extension Clause would not be exercisable), the shareholding structure of the Company would be as follows (subscription level at 100%):

Shareholders	Number of shares	% of the share capital	Number of theoretical voting rights <sup>(1)</sup>	% of the theoretical voting rights	Number of real voting rights <sup>(2)</sup>	% of the real voting rights
SCP SKN Holding I SAS	10,860,161,558	99.87	10,900,186,046	99.87	10,900,186,046	99.87
Employee shareholding	150,406	0.00	187,114	0.00	187,114	0.00
Treasury shares	38,451	0.00	38,451	0.00	-	-
Free float	13,406,190	0.12	13,478,106	0.12	13,478,106	0.12
<b>Total</b>	<b>10,873,756,605</b>	<b>100</b>	<b>10,913,889,717</b>	<b>100</b>	<b>10,913,851,266</b>	<b>100</b>

In the event that all shareholders subscribe on an irreducible basis for all of their Rights and no shareholder other than SCP SKN Holding I SAS subscribes on a reducible basis (in which case the Extension Clause would be exercised in full), the shareholding structure of the Company would be as follows (subscription level at 115%) :

Shareholders	Number of shares	% of the share capital	Number of theoretical voting rights <sup>(1)</sup>	% of the theoretical voting rights	Number of real voting rights <sup>(2)</sup>	% of the real voting rights
SCP SKN Holding I SAS	9,747,991,624	78.00	9,788,016,112	78.07	9,788,016,112	78.07
Employee shareholding	19,523,418	0.16	19,560,126	0.16	19,560,126	0.16

<sup>2</sup> The processing times required by account holders may lead them to bring forward the deadlines and times for receiving instructions from their clients holding DPS. To that extend, account holders must inform their clients through securities transaction notices and the investors concerned are invited to contact their account holder.

Treasury shares	38,451	0.00	38,451	0.00	-	-
Free float	2,729,223,672	21.84	2,729,295,588	21.77	2,729,295,588	21.77
<b>Total</b>	<b>12,496,777,165</b>	<b>100</b>	<b>12,536,910,277</b>	<b>100</b>	<b>12,536,871,826</b>	<b>100</b>

(1) Registered shares registered in the name of the same holder for two years carry 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 effective voting rights is calculated on the basis of all shares less shares without voting rights (treasury shares).

**Estimated total expenses of the offer:** for information purposes, the expenses related to the Capital Increase (remuneration of the financial intermediaries and legal and administrative costs) borne by the Company would be approximately € 1 million.

**Estimated expenses charged to the investor by the issuer:** Not applicable.

#### 4.2 Why is this prospectus being produced?

**Reasons for the issuance - Context of the Capital Increase:** the Capital Increase is undertaken in the context of the conciliation protocol entered into between the Company and its main financing creditors on 9 June 2023 and registered in connection with a conciliation procedure with the Toulouse Commercial Court by judgment dated 16 June 2023 (the “**Conciliation Protocol**”). The main restructuring measures contemplated in the Conciliation Protocol are as follows : (i) commitment by SCP SKN Holding I SAS to make available to the Company, under the Bridge Loan, a maximum total principal amount of €45 million, (ii) the Company's commitment to proceed with the Capital Increase, part of which will be subscribed by offsetting against the claim held by SCP SKN Holding I SAS on the Company under the Bridge Loan, (iii) debt waiver for a total principal amount of €183 million, as well as a reorganization of the State-guaranteed loans (PGE) maintained and (iv) “better fortunes” return mechanism (*retour à meilleure fortune*) in favor of lenders.

**Use and estimated net amount of the proceeds:** the Capital Increase is part of the global recapitalisation agreement reached with the main creditors with a view to recapitalising and restructuring the Group and approved by the Toulouse Commercial Court. Latecoere has embarked on a multi-year transformation process of the company in 2021, with the €222 million capital increase, in conjunction with new PGE financing (€130 million) to fund targeted acquisitions, support existing operations and enable improvement of the company's operational footprint, leveraging sites in low-cost operating regions (North Africa / Mexico / CEEC). The Capital Increase is part of this ongoing process of transformation of the company, focusing solely on operational improvement and providing necessary liquidity to existing operations which are currently loss-making. This financing is therefore only intended to strengthen the Company's existing activities and is not intended to support external growth operations (acquisitions). The proceeds of the Capital Increase will be used, among other things, to (i) repay, by way of compensation, the Bridge Loan for a total amount of approximately €47.29 million including the amount of share premium and interest owed by the Company under the Bridge Loan, 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.

**Statement on net working capital:** On the date of approval of the Prospectus, and before the completion of the Capital Increase, the Company does not have a level of net working capital sufficient to meet its obligations over the next twelve (12) months from the date of approval of the Prospectus by the AMF. Indeed, in accordance with the ESMA guidelines, which exclude all ongoing financing initiatives which are not subject to a firm commitment on the date of approval of the Prospectus, the Company considers that it cannot take into account certain financing projects which are still in progress. As of August 31, 2023, the Group's free cash flow amounted to €30 million, which allows the Company to cover its liquidity needs until the end of February 2024. The Company estimates the amount of net working capital necessary for the continuation of its activities between the date of approval of the Prospectus by the AMF and 31 October 2024, at circa €64 million. In order to finance its working capital requirements, the Company has launched a number of initiatives which, at the date of the Prospectus, are well advanced and which, when taken into account in the period referred to above, will ensure a sufficient net working capital to meet the obligations of the Company over the next twelve months from the date of approval of the Prospectus by the AMF

**Underwriting:** the issue of New Shares will not be subject to an underwriting contract by a banking syndicate. The Capital Increase is, however, subject to an irreducible and reducible Subscription Commitment of a total amount of € 108,201,371, representing approximately 100 % of the initial amount (excluding the Extension Clause) of the Capital Increase. The transaction will be subject to a placement agency agreement to be entered into on 30 October 2023 between the Company and Société Générale acting as global coordinator and bookrunner (the “**Global Coordinator and Bookrunner**”). This agreement may be terminated under certain conditions and in certain circumstances, in particular in case of inaccuracy of the representations and warranties, non-compliance with one of its commitments by the Company, non-realization of the Subscription Commitment, non-realization of the usual conditions precedent, significant adverse change in the Company's situation and its subsidiaries, or the occurrence of significant national or international events.

**Material conflict of interest pertaining to the offer:** the Global Coordinator and Bookrunner and/or any of its affiliates have provided and/or may provide in the future various banking, financial, investment, commercial or other services to the Company or Group's companies, their shareholders, affiliates or corporate officers, as part of which they have received or may receive a consideration. The Global Coordinator and Bookrunner is part of the lending institutions of the Company and may also be involved in bank financing that may be set up by the Company.

**Person or entity offering to sell shares / standstill agreement:** pursuant to article L.225-206 of the French Commercial Code, the Company may not subscribe to its own shares. Preferential subscription rights detached from the treasury shares of the Company will be traded on the market before the end of the preferential subscription rights trading period pursuant to article L.225-210 of the French Commercial Code.

**Lock-up commitment of the Company:** from the date of the Prospectus and for a period expiring 90 calendar days following the settlement-delivery date of the New Shares, subject to certain usual exceptions.

**Lock-up commitment of SCP SKN Holding I SAS:** for a period expiring 180 calendar days following the settlement-delivery date of the New Shares, subject to certain usual exceptions.

**1. RESPONSIBLE PERSON**

**1.1 PERSON RESPONSIBLE FOR THE PROSPECTUS**

Mr. Greg Huttner  
Chief Executive Officer of Latecoere.

**1.2 CERTIFICATION FROM THE PERSON RESPONSIBLE FOR THE PROSPECTUS**

[Intentionnaly removed]

**1.3 EXPERT REPORT AND INFORMATION FROM A THIRD PARTY**

Not applicable.

**1.4 APPROVAL BY THE AMF**

[Intentionnaly removed]

## **2. RISK FACTORS**

*The risk factors associated with the Group and its business are described in Chapter 2 “Risks Factors and Internal Control” of the Universal Registration Document and updated in Section 2 “Risks Factors” of the Amendment to the Universal Registration Document.*

*To complete these risk factors, the risk factors related to contemplated operation are enumerated in the following section. To comply with Regulation (EU) 2017/1129, only significant risks and specific risk related to the New Shares, according to the assessment of the Company, are presented hereunder in order of importance considering their negative impact on the securities and the probability of their occurrence.*

*The investor is invited to take into account these risk factors and the other information contained in the Prospectus before deciding to invest in the shares of the Company. Investing in the Company’s shares involves risks. The material risk factors identified by the Company as at the date of the Prospectus are described in Chapter 2 “Risk Factors and Internal Control” of the Universal Registration Document and updated in Section 2 “Risk Factors” of the Amendment to the Universal Registration Document and as supplemented by the information below. Should any of these risks materialise, the Group’s business, financial position, results, or outlook could be significantly affected. In such a case, the market price of the Company’s shares may fall, and the investor may lose all or part of the money invested in the Company’s shares. Other risks and uncertainties not known to the Company as at the date of the Prospectus or that it currently considers immaterial could exist and materialise, and also disrupt or have an adverse effect on the business, financial position, results, and outlook of the Group or the market price of the Company’s shares.*

### **2.1 THE MARKET FOR THE PREFERENTIAL SUBSCRIPTION RIGHTS MAY OFFER A LIMITED LIQUIDITY AND MAY BE SUBJECT TO HIGH VOLATILITY**

No assurance can be given that a market for the preferential subscription rights will develop. If this market develops, the preferential subscription rights may be subject to greater volatility than the Existing Shares (as defined hereinafter). The market price of the preferential subscription rights will depend on the market price of the Company’s shares. In the event of a fall in the market price of the Company’s shares, the value of the preferential subscription rights may also fall. Holders of the preferential subscription rights who do not wish to exercise their preferential subscription rights may not be able to sell them on the market. The preferential subscription rights may be traded on the regulated market of Euronext Paris (“**Euronext Paris**”) from 2 November 2023 to 10 November 2023 inclusive, while the subscription period will be open from 6 November 2023 to 14 November 2023 inclusive according to the indicative timetable.

### **2.2 SHAREHOLDERS WHO DO NOT EXERCISE THEIR PREFERENTIAL SUBSCRIPTION RIGHTS MAY HAVE THEIR INTEREST IN THE COMPANY’S SHARE CAPITAL DILUTED – THE POSSIBLE EXERCISE OF THE EXTENSION CLAUSE MAY RESULT IN AN ADDITIONAL DILUTION**

To the extent the shareholders do not exercise their preferential subscription rights, their proportionate share of the capital and voting rights of the Company would be reduced. If shareholders choose to sell their preferential subscription rights, the proceeds of these sales may be insufficient to offset such dilution (see Section 9.2 “*Theoretical impact of the issue on the shareholders’ position*” of the Securities Note).

Shareholders are also informed that in case of oversubscription to the issue of the New Shares, the Company may decide to increase, in accordance with applicable laws, in the context of the exercise of the Extension Clause (as defined hereinafter) and within the limit of 15%, the number of New Shares initially issued. These shares will be offered to the holders of preferential subscription rights having exercised such preferential subscription rights and having made a complementary subscription on a



reducible basis before the closing of the subscription period. Any shareholders which would not provide an order of subscription on a reducible basis are informed that they may be partly diluted.

Therefore, on the basis of the number of shares composing the share capital of the Company on the date of the Prospectus, the shareholding of a shareholder holding 1.00% of the share capital before the completion of the Capital Increase and not exercising its preferential subscription rights would be reduced to 0.005 % (on a non-diluted basis) of the share capital after completion of the Capital Increase and 0.004 % (on a non-diluted basis) of the share capital in case of exercise in full of the Extension Clause.

### **2.3 THE MARKET PRICE OF THE COMPANY'S SHARES MAY FLUCTUATE AND FALL BELOW THE SUBSCRIPTION PRICE OF THE SHARES ISSUED UPON EXERCISE OF THE PREFERENTIAL SUBSCRIPTION RIGHTS**

The market price of the Company's shares during the preferential subscription rights trading period may not reflect the market price of the Company's shares as at the date of issue of the New Shares (as defined below). The shares of the Company may be traded at prices that are lower than the market price prevailing at the launch of the transaction. No assurance can be given that the market price of the Company's shares will not fall below the subscription price of the shares issued upon exercise of the preferential subscription rights. If this decrease were to occur after the exercise of the preferential subscription rights by their holders, they would suffer a loss in case of the immediate sale of the said shares. Thus, no assurance can be given that, subsequent to the exercise of the preferential subscription rights, investors may sell their shares of the Company at a price equal to or greater than the subscription price of the shares issued upon exercise of the preferential subscription rights.

### **2.4 THE VOLATILITY AND LIQUIDITY OF THE COMPANY'S SHARES MAY FLUCTUATE SIGNIFICANTLY**

The market price of the Company's shares may be subject to significant volatility and may vary depending on a high number of factors that the Company does not control. These factors include, among others, the market reaction to:

- changes in the financial results, forecasts, or outlook of the Group or its competitors from one period to another;
- announcements by competitors of the Group or other companies with similar activities, including those concerning the financial and operational performance of these companies or their outlook, and/or announcements concerning the markets in which the Group operates;
- adverse developments in the political, economic, or regulatory situation of the countries and markets in which the Group operates, or in judicial or administrative proceedings concerning the Group;
- evolution of the armed conflict in Ukraine;
- announcements of changes in the Company's shareholding structure;
- announcements of changes to the management team or of key employees of the Group; and
- announcements relating to the scope of the Company's assets (acquisitions, disposals, etc.).

Stock markets experienced significant fluctuations in recent years that were often unrelated to the results of the companies whose shares are traded. Market fluctuations and economic conditions could increase the volatility of the Company's shares. The market price of the Company's shares could fluctuate significantly, in response to various factors and events, which may include the risk factors described in

the Universal Registration Document as supplemented by the Amendment to the Universal Registration Document included in the Prospectus and the liquidity of the market for the shares of the Company. In addition, uncertainty about the outcome of the war in Ukraine could have a lasting impact on the volatility of the Company's share price.

**2.5 SALES OF THE COMPANY'S SHARES OR OF PREFERENTIAL SUBSCRIPTION RIGHTS MAY OCCUR ON THE MARKET, DURING THE TRADING PERIOD, IN THE CASE OF PREFERENTIAL SUBSCRIPTION RIGHTS, OR DURING OR AFTER THE SUBSCRIPTION PERIOD, IN THE CASE OF SHARES, AND MAY HAVE AN ADVERSE IMPACT ON THE MARKET PRICE OF THE COMPANY'S SHARES OR THE VALUE OF THE PREFERENTIAL SUBSCRIPTION RIGHTS**

The sale of Company shares or of preferential subscription rights on the market, or the expectation that such sales may occur during or after the subscription period, in the case of the shares, or during the trading period, in the case of the preferential subscription rights, may have an adverse impact on the market price of the Company's shares or the value of the preferential subscription rights. The Company cannot anticipate the impact on the market price of the shares or the value of the preferential subscription rights that may result from the sales of shares or preferential subscription rights by its shareholders.

The market price of the preferential subscription rights will depend, in particular, on the market price of the Company's shares. A decrease in the market price of the Company's shares may have an adverse impact on the value of the preferential subscription rights.

**2.6 IN THE CONTEXT OF THE CAPITAL INCREASE, THE MAIN SHAREHOLDER WILL CONTINUE TO CONTROL THE COMPANY AND COULD HOLD UP TO 99.87 % OF THE SHARE CAPITAL AND 99.87 % OF THE VOTING RIGHTS<sup>3</sup> OF THE COMPANY (IN THE EVENT THAT NO OTHER SUBSCRIPTIONS ARE RECEIVED)**

Following the Capital Increase, subject to the performance of the Subscription Commitment, SCP SKN Holding I SAS will hold at least 78.00 % of the share capital and 78.07 % of the voting rights of the Company and may hold up to 99.87 % of the share capital and 99.87 % of the voting rights<sup>3</sup> of the Company (in case no other shareholder or purchaser of preferential subscription rights has subscribed for New Shares). Consequently, SCP SKN Holding I SAS will continue to control the Company and will thus be able to influence the activities or decisions taken by the Company.

**2.7 THE ISSUE OF THE NEW SHARES IS NOT SUBJECT TO AN UNDERWRITING AGREEMENT, THE SUBSCRIPTION COMMITMENT MAY BE TERMINATED OR CANCELLED OR NOT HONOURED; IN SUCH A CASE, THE CAPITAL INCREASE WOULD BE CANCELLED**

The issue of the New Shares is not subject to an underwriting agreement. The Subscription Commitment could be terminated or cancelled, under the conditions provided by law, or not honoured. In the event of termination or cancellation of the Subscription Commitment, in accordance with its provisions, or in the event of non-compliance, the Capital Increase (as defined below) would be cancelled. In addition, investors who acquired preferential subscription rights on the market would have acquired rights that no longer served any purpose, which would lead them to realise a loss equal to the acquisition price of the preferential subscription rights (however, the amount of their subscription would be refunded).

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<sup>3</sup> Based on the number of Company's theoretical voting rights at the date of the Prospectus.

### **3. ESSENTIAL INFORMATION**

#### **3.1 STATEMENT ON NET WORKING CAPITAL**

On the date of approval of the Prospectus, and before the completion of the Capital Increase, the Company does not have a level of net working capital sufficient to meet its obligations over the next twelve (12) months from the date of approval of the Prospectus by the AMF.

Indeed, in accordance with the ESMA guidelines, which exclude all ongoing financing initiatives which are not subject to a firm commitment on the date of approval of the Prospectus, the Company considers that it cannot take into account certain financing projects in progress.

As of August 31, 2023, the Group's free cash flow amounted to €30 million, which allows the Company to cover its liquidity needs until the end of February 2024. The Company estimates the amount of net working capital necessary for the continuation of its activities between the date of approval of the Prospectus by the AMF and 31 October 2024, at circa €64 million.

In order to finance its working capital requirements, the Company has launched a number of initiatives which, at the date of the Prospectus, are well advanced and which, when taken into account in the period referred to above, will ensure a sufficient net working capital to meet the obligations of the Company over the next twelve months from the date of approval of the Prospectus by the AMF.

These initiatives include, but are not limited to, the following:

- the Capital Increase and the irrevocable and definitive Subscription Commitment of SCP SKN Holding I SAS, which ensures the subscription of the proposed Capital Increase up to circa €108.2 million (before exercise of the Extension Clause), generating gross revenue of circa €60.9 million after set-off of the Bridge Loan, granted by SCP SKN Holding I SAS, representing a total amount of circa €47.29 million (including the issue premium and the interest due by the Company under the Bridge Loan);
- financing initiatives for an amount of €25 million which should be formalised before the end of 2023, generating additional resources in 2024; and
- the positive outcome of ongoing negotiations with suppliers and customers expected in early 2024.

In addition, the Company can also manage its net working capital requirements through pro-active phasing of its business investment targets over the above-mentioned period.

It is also specified that under the terms of the Conciliation Protocol, the Company has undertaken to implement the Extension Clause if the conditions are met in the event of excess demand from the Company's shareholders and transferees of preferential rights subscription for the Capital Increase.

Taking into account the above elements, the Company is confident in its ability to have sufficient resources at its disposal to meet these obligations over the next twelve months from the date of approval of the Prospectus by the AMF.

#### **3.2 SHAREHOLDERS' EQUITY AND INDEBTEDNESS**

In accordance with point 3.2 of Annex 11 to Delegated Regulation (EU) 2019/980 of 14 March 2019 and the European *Securities and Markets Authority (ESMA) Guidelines of March 2021 (04/03/2021/ESMA32-382-1138/paragraphs 166 et seq.)*, the table below presents the unaudited position of the Company's consolidated equity and consolidated net financial debt as at 31 August 2023 established in accordance with IFRS.

<i>(in thousands of euros)</i>	<b>As at 31 August 2023 (unaudited)</b>
<b>Statement of capitalisation</b>	
<b>Total current debt (including current portion of non-current debt)*</b>	<b>126,510</b>
Guaranteed	75,127
Secured**	31,227
Unguaranteed / Unsecured	20,156
<b>Total non-current debt (excluding current portion of non-current debt)*</b>	<b>337,989</b>
Guaranteed	702
Secured**	176,401
Unguaranteed / Unsecured***	160,886
<b>Shareholder Equity****</b>	<b>34,649</b>
Share capital	133,926
Legal Reserve(s)	1,722
Other Reserves	(100,999)
<b>Total</b>	<b>499,148</b>
<b>Statement of indebtedness</b>	
A – Cash	30,060
B – Cash equivalent	0
C – Other current financial assets	-
<b>D – Liquidity (A+B+C)</b>	<b>30,060</b>
E – Current financial receivables (including debt instruments, but excluding current portion of non-current financial debt)	74,338
F – Current portion of non-current financial debt*****	52,172
<b>G – Current financial indebtedness (E+F)</b>	<b>126,510</b>
<b>H – Net current financial indebtedness (G-D)</b>	<b>96,450</b>
I – Non-current financial debt (excluding current portion and debt instruments)*****	296,164
J – Debt instruments*****	15,000
K – Non-current trade and other payables*****	26,825
<b>L – Non-current financial indebtedness (I+J+K)</b>	<b>337,989</b>
<b>M – Total financial indebtedness (H+L)</b>	<b>434,439</b>

**Current debt - Non-current debt:** The determination of current and non-current debts is carried out on the basis of the contractual schedule as of 31 August 2023 in order to be consistent with the data published in the Universal Registration Document 2022 as well as in the condensed half-yearly consolidated financial statements as of 30 June 2023.

The current/non-current breakdown presented in the table results from the conditions existing as of 31 August 2023 and does not reflect the impact of debt renegotiations as defined in the Conciliation Protocol. The impacts linked to the restructuring which will be presented as of 31 August 2023 are currently being analyzed and will only be included in the accounts once the effects of the return to better fortunes mechanism have been determined, all of the costs linked to the restructuring fully collected and the resolutive conditions lifted. The financial restructuring is in fact subject to the resolutive condition that the Capital Increase is completed before the end of 2023.

(\*) Non-current debts (excluding the current fraction) are made up of €234 million of loans guaranteed by the State (PGE) and principal loans, €0.5 million of interest and €15 million of debts under the ABL LatFi1 and €0.5 million of MADES loan. As part of the signed Conciliation Protocol, once the resolutive conditions are lifted, the debt will be reduced by €183.3 million and the remainder will be repaid at maturity in 2027. Non-current financial debts include debts related to rental contracts amounting to €60.7 million and €20.7 million of non-current repayable advances.

(\*\*) Secured debts correspond for €161 million to the secured part of loans guaranteed by the State (PGE), i.e. 90% of the total amount of these PGEs, and for €15 million to the LatFi1 financial debt.

(\*\*\*) Non-current unguaranteed/unsecured debts include 10% of the amount of PGE and interest, i.e. €75 million, the entire MADES loan and debts linked to rental contracts.

(\*\*\*\*) **Shareholder Equity** : The equity presented as of August 31, 2023 does not include the result of the interim period from July 1, 2023 to August 31, 2023. No significant variation has been recorded in the Shareholders' Equity item since August 31, 2023. It is specified that the envisaged Capital Increase will be subscribed in cash, partly by payment in cash and partly (up to approximately €47.29 million including the amount of the share premium and the for the interest due by the Company under the bridge loan) by offsetting debts.

(\*\*\*\*\*) **F & I** - Current and non-current financial debts include debts related to rental contracts amounting to €11.1 million for the current portion of non-current financial debts and €60.7 million for the non-current financial debt part.

(\*\*\*\*\*) **J - Debt instruments** - Non-current financial indebtedness: The item is made up of the non-current portion of the bond loan subscribed by LatFil up to €15 million.

(\*\*\*\*\*) **K- Non-current trade and other payables** include the non-current portion of repayable advances and accrued interest on repayable advances.

The Group is not aware of any significant indirect or contingent debts, other than employee benefits and off-balance sheet commitments presented in notes 13.1 and 23 of the condensed half-yearly consolidated financial statements of June 30, 2023 and in note 13.1, 13.2 and 25 of the Group's consolidated financial statements for the financial year ended 31 December 2022 included in Chapter 5 of the Universal Registration Document, which would not appear in the table above at the date of this document.

### **3.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

The Global Coordinator and Bookrunner and/or some of its affiliates have provided and/or could provide, in the future, various banking, financial, investment, commercial, and other services to the Company, the Group companies, their shareholders or their corporate officers, for which they have received or may receive a compensation. The Global Coordinator and Bookrunner is part of the lending institutions of the Company and may also be involved in bank financing that may be set up by the Company.

The subscription intentions and commitments of the members of the Board of Directors of the Company or of the shareholders of which the Company is aware are described in section 5.2.2 “*Subscription commitments and subscription intentions of the main shareholders of the Company or members of its administrative or management bodies or anyone intending to subscribe for more than 5% of the New Shares*” below.

### **3.4 REASONS FOR THE OFFER AND USE OF PROCEEDS**

#### **3.4.1 Context for the Capital Increase**

The Capital Increase is contemplated in the context of the Conciliation Protocol entered into between the Company and its main financial creditors on 9 June 2023 and approved in connection with a conciliation procedure with the Toulouse Commercial Court by judgment dated 16 June 2023. The main restructuring measures contemplated in the Conciliation Protocol are as follows : (i) commitment by SCP SKN Holding I SAS to make available to the Company, under a bridge loan agreement concluded on May 15, 2023 (the “**Bridge Loan**”), a maximum total principal amount of €45 million, (ii) the Company's commitment to proceed with the Capital Increase, part of which will be subscribed by offsetting against the claim held by SCP SKN Holding I SAS on the Company under the Bridge Loan, (iii) debt waiver for a total principal amount of €183 million, as well as a reorganization of the State-guaranteed loans (PGE) maintained and (iv) “better fortunes” return mechanism (*retour à meilleure fortune*) in favor of lenders.

#### **3.4.2 Use of proceeds**

The Capital Increase is part of the global recapitalisation agreement reached with the main creditors with a view to recapitalising and restructuring the Group and approved by the Toulouse Commercial Court. 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 15, 2023 by the company SCP SKN Holding I SAS for a total amount of approximately €47.1 million including the amount of the share premium and the interest owed by the Company under the Bridge Loan, 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 net proceeds of the Capital Increase are approximately €107.2 million (which may be increased to approximately €123.4 million if the Extension Clause is exercised in full).

#### **4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING ON EURONEXT PARIS**

##### **4.1 TYPE, CLASS, AND ENTITLEMENT OF THE SECURITIES OFFERED AND ADMITTED TO TRADING**

###### **Nature and number of securities offered for which admission to trading is requested**

The new shares (the “**New Shares**”) to be issued in connection with the capital increase with preferential subscription rights (the “**Capital Increase**”) are ordinary shares of the same class as the existing shares of the Company (the “**Existing Shares**”) and will be subject to all the provisions of the articles of association of the Company and will be governed by French law. They will carry full dividend rights and will give right, from their issue, to all dividends and distributions decided by the Company from that date.

The New Shares will be admitted to trading on Euronext Paris as from 21 November 2023 according to the indicative timetable. They will be immediately assimilated to the Existing Shares of the Company, which are already traded on Euronext Paris (Compartment B) and tradable, from that date, under the same trading line and under the same ISIN code as the Existing Shares.

**Share name:** Latecoere

**ISIN code:** FR001400JY13

**Ticker symbol:** LAT

**Compartment:** B

**ICB Business line:** Aerospace

**ICB Classification:** 50201010

**LEI:** 969500F9H7I22AX1D138

##### **4.2 APPLICABLE LAW AND JURISDICTION**

The New Shares will be issued under French law and the competent courts in the event of a dispute are those of the registered office of the Company if the Company is a defendant and are designated according to the nature of the litigation, unless otherwise provided in the French Civil Procedure Code and/or the French Commercial Code.

##### **4.3 FORM AND METHOD OF BOOK-ENTRY OF SHARES**

In accordance with the articles of association of the Company, the New Shares are under the registered form (*nominatives*) or the bearer form (*au porteur*), at the option of the holder. They may only be in bearer form once they have been fully paid up.

In accordance with Article L.211-3 of the French Monetary and Financial Code, they must be registered in a securities account held, as the case may be, by the Company or an authorised intermediary.

Consequently, the rights of the holders will be represented by an inscription in a securities account opened in their name on the books of:

- Uptevia, mandated by the Company, for New Shares held under the registered form (*au nominatif pur*);
- an authorised intermediary of their choice and Uptevia, mandated by the Company, for the New Shares held under the administered registered form (*au nominatif administré*); or

- an authorised intermediary of their choice for New Shares held under the bearer form (*au porteur*).

In accordance with Articles L.211-15 and L.211-17 of the French Financial and Monetary Code, the shares are transferred via account-to-account transfer, and the transfer of title to the New Shares will result from their registration in the securities account of the holder.

Application will be made for the New Shares to be admitted to Euroclear France, which will ensure the clearing of the shares between custody account-keepers.

According to the indicative timetable, it is expected that the Company's New Shares will be listed in securities accounts and negotiable as of 21 November 2023.

#### **4.4 ISSUE CURRENCY**

The New Shares are issued in euros.

#### **4.5 RIGHTS ATTACHED TO THE SHARES**

As from their issue date, the New Shares will be subject to all the terms of the Company's articles of association. Under the current state of French law and the Company's articles of association, the main rights attached to the New Shares are described below.

##### ***Right to dividends – Right to a share of the profits***

Each share gives the right to a portion of the profits and the corporate assets proportional to the amount of the capital which it represents.

Whenever it is necessary to hold a certain number of shares in order to exercise any right, in the event of an exchange, consolidation or allotment of securities or a share capital increase or reduction, merger or any other transaction, shareholders holding fewer number of shares than required may only exercise these rights if they personally obtain the required number of shares.

Five percent (5%) of the profit, less any previous losses, is deducted from the profits to form the legal reserve fund. This deduction ceases to be compulsory when the legal reserve fund has reached a sum equal to one tenth of the share capital. It resumes when, for any reason, the reserve has fallen below such one tenth threshold.

The distributable profit is comprised of the annual profits, reduced by the loss carry forwards and the contribution to the legal reserve. In addition, the general meeting of shareholders may decide, under the conditions provided for by law, to distribute sums taken from the available reserves and/or the retained earnings account; in this case, the decision of the general meeting of shareholders must expressly indicate the reserve items from which the withdrawals are made.

The general meeting of shareholders may decide on the distribution of dividends to shareholders only after having approved the financial statements for the previous fiscal year and recorded the existence of amounts available for distribution.

The terms of payment of the dividend are set by the general meeting of shareholders or by the Board of Directors.

Under the conditions provided for by law, the Board of directors may decide to distribute an interim dividend for the previous or current fiscal year, before the financial statements for the fiscal year have been approved, and fix the amount and date of the distribution thereof.

##### ***Voting right***



Subject to the application of legal and regulatory provisions, each member of the shareholders' meeting has as many votes as he owns or represents shares.

However, until 11 June 2020, Article 18 of the Company's articles of association provided, since the general meeting of 20 July 1988 which instituted it, for a double voting right attributed to all fully paid-up shares with proof of nominative registration, for at least four (4) years, in the name of the same shareholder. Since the general meeting of 11 June 2020, which amended it, Article 18 of the articles of association provides that double voting rights are granted to all fully paid-up shares that have been registered for at least two (2) years, in accordance with Article L.225-123 of the French Commercial Code.

In addition, in the event of a capital increase through the incorporation of reserves, profits or issue premiums, a double voting right is conferred, upon their issuance, to registered bonus shares granted to a shareholder on the basis of old shares where it has such right.

Double voting rights automatically cease for any share that has been converted to the bearer form or transferred. However, the aforementioned two-year period is not interrupted and the acquired right is retained in the event of transfer as a result of succession, sharing of community of property between spouses or gift *inter vivos* for the benefit of a spouse or a relative entitled to inherit.

### ***Crossing legal and statutory thresholds***

Under the terms of Article L.233-7 of the French Commercial Code, any natural or legal person, 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 share capital or voting rights, must inform the Company and the AMF by letter, indicating the total number of shares and voting rights held, at least before the close of trading on the fourth trading day following the day on which the shareholding threshold is crossed. Threshold crossings declared to the AMF are made public by the latter. This notification is also transmitted, within the same deadlines and under the same conditions, when the number of shares or voting rights falls below the thresholds referred to above. In the absence of having been duly declared, the shares exceeding the fraction which should have been declared in accordance with the legal provisions recalled above are deprived of voting rights for any shareholders' meeting that would be held until the end of a two-year period following the date of regularization of the notification.

Article 9 of the Company's articles of association further provides that any natural or legal person who crosses (either upwards or downwards), directly or indirectly, alone or in concert, the threshold of 0.5% of the Company's share capital or voting rights (or any multiple of this threshold), must inform the Company by registered letter with acknowledgement of receipt, within a period of four trading days from the date on which the said threshold is crossed, specifying his or her identity as well as the identity of the persons acting in concert with the person. 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 is registered in an account.

Under the same conditions, this notification must be renewed, in the event that the threshold of 1% of the share capital or voting rights of the Company is exceeded or fallen below, and thereafter for each threshold of the share capital or voting rights of the Company containing the fraction of 0.5% of the share capital or voting rights above the threshold of one percent (1%) of the share capital or voting rights of the Company. This obligation shall cease to apply in the event of a holding, alone or in concert, of more than 50% of the voting rights.

In the event of non-compliance with the obligation to report the crossing of statutory thresholds, the sanctions provided for in Article L.233-14 of the French Commercial Code apply, subject to such a request to that effect, presented by one or more shareholders holding at least 2% of the share capital or voting rights, and recorded in the minutes of the general meeting.

### ***Preferential subscription rights for securities of the same class***

The Company's shares carry a preferential subscription right in the event of a share capital increase. Shareholders have a preferential right to subscribe for shares issued for cash to carry out a share capital increase immediately or in the future, proportionally to the number of the shares they own. When the preferential subscription is not detached from the share, it is transferable under the same conditions as the share itself. Otherwise, the right can be traded for a period equal to that of the exercise of the subscription right by the shareholders, but which shall begin before the latter opens, and ends before it closes. Shareholders may waive their preferential subscription rights individually (Articles L.225-132 and L.228-91 to L.228-93 of the French Commercial Code).

The general meeting that decides or authorises an immediate or future capital increase may cancel the preferential subscription rights for the entire capital increase or for one or more tranches of such increase and may provide for or authorise a priority subscription period for shareholders (Articles L.225-135 and L.22-10-51 of the French Commercial Code).

The issue without preferential subscription rights by way of public offering results in an issue price at least equal to the weighted average of the last three trading days preceding its fixing, possibly minus a maximum discount of 10% (Articles L.22-10-52 1<sup>st</sup> paragraph and L.225-136, 2<sup>nd</sup> paragraph, 2<sup>o</sup> and R.22-10-32 of the French Commercial Code). However, within a limit of 10% of the share capital per year, the general meeting may authorise the Board of directors to set the issue price according to the terms it determines (Article L.22-10-52, 2<sup>nd</sup> paragraph of the French Commercial Code).

The general meeting may also cancel the preferential subscription rights if the Company carries out a capital increase:

- reserved for one or more named persons or categories of persons with characteristics that it determines. The issue price or the conditions for fixing this price are determined by the extraordinary general meeting upon a report from the Board of directors and upon a special report from the statutory auditors (Article L.225-138 of the French Commercial Code),
- for the purpose of remunerating financial securities contributed to a public exchange offer of a company whose shares are admitted to trading on a regulated market in a State party to the Agreement on the European Economic Area or a member of the Organisation for Economic Co-operation and Development. In this case, the Statutory Auditors must decide on the conditions and consequences of the issue (Article L.22-10-54 of the French Commercial Code).

In addition, the general meeting may decide to proceed with a capital increase:

- to remunerate contributions in kind. The value of the contributions is subject to the assessment of one or more capital contributions auditors. The general meeting may delegate to the Board of Directors the powers necessary to carry out a capital increase, up to a limit of 10% of the share capital, with a view towards remunerating contributions in kind consisting of equity securities or securities giving access to the share capital (Articles L.225-147 and L.22-10-53 of the French Commercial Code),
- reserved for members (employees of the Company or its affiliates within the meaning of Article L.225-180 of the French Commercial Code) of a company savings plan (Article L.225-138-1 of the French Commercial Code). The issue price may not be more than 30% lower than the average of the prices quoted during the twenty trading days preceding the day of the decision setting the opening date of the subscription (Article L.3332-19 of the French Labour Code),
- by way of free award of shares to the employees of the Company or to companies in the Group to which it belongs, certain categories of them, or their corporate officers, within the limit of

10% of the share capital of the Company (Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code).

Lastly, the Company may award stock options to employees of the Company or of companies in the Group to which it belongs, certain categories of them, or their corporate officers, within the limit of one-third of the share capital of the Company (Articles L.225-177 *et seq.* and L.22-10-56 *et seq.* of the French Commercial Code).

### ***Right to the liquidation surplus***

Each share entitles the holder to a proportion of the liquidation surplus in proportion to the number of existing shares.

After redemption of the nominal value of the shares, net assets are shared equally among all the shares.

### ***Repurchase and conversion provisions***

The Company's articles of association do not set forth provisions regarding the repurchase or conversion of ordinary shares.

### ***Identification of shareholders***

The Company's shares, whatever their form (registered or bearer), give rise to an account entry in the name of their owner under the conditions and according to the methods provided for by the laws and regulations in force.

However, any intermediary can be registered on behalf of the owners of securities who do not have their domiciled on French territory, within the meaning of Article 102 of the French Civil Code. This registration can be done in the form of a collective account or in several individual accounts, each corresponding to an owner. At the time of the opening of its account with the Company or the authorized financial intermediary managing the account, the registered intermediary must inform the latter that it is holding the shares on behalf of another party.

The Company is entitled to identify all holder of securities conferring, immediately or in the future, the right to vote at its meetings, in accordance with the procedure provided for in Articles L.228-2 *et seq.* of the French Commercial Code.

For the purpose of identifying the holders of shares in the bearer form, the Company has the right, under the conditions provided for by the applicable laws and regulations, 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 securities conferring immediate or future voting rights at its shareholders' meetings, as well as the quantity of securities held by each of them and, where applicable, any restrictions that may apply to such securities.

With respect to the list issued by the aforementioned institution, the Company, in the light of the list transmitted by the aforementioned organization, may request, under the same conditions, either through this organization or directly from the persons mentioned on this list and whom the Company considers to be registered on behalf of third parties, the same information concerning the owners of the securities. Such persons shall 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 must forward it either to the Company or the aforementioned central depository, as the case may be.

For registered shares giving immediate or future access to the share capital, the intermediary holding the shares on behalf of others 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.

Moreover, the Company may request any legal person holding more than 2.5% of the Company's share capital or voting rights to disclose the identity of persons holding directly or indirectly more than one third of its share capital or voting rights.

If an individual or corporate shareholder is asked to provide information in accordance with the above conditions and fails to provide it by the applicable deadline, or provides incomplete or incorrect information relating to his capacity or the shareholders or the quantity of shares held by each of them, the shares or securities giving immediate or future access to the capital and for which this person is registered in the shareholders' meeting held until the identification request has been fulfilled, and the payment of any corresponding dividends shall be deferred until that date.

In addition, in the event that the registered person knowingly fails to comply with these obligations, the court in whose jurisdiction the Company has its registered office 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 total period not exceeding five years, of the voting rights attached to the shares that have been the subject of the enquiry and, where applicable, for the same period, of the corresponding dividend.

### ***Preferred shares***

#### *Preferred shares 2022*

As part of its share incentive plan launched in April 2022 (MEP Plan No. 1), the Company has issued preferred shares, the terms and conditions of which are detailed in Appendix 1 of the Company's Articles of Association (the "**2022 Preferred Shares**"). These preferred shares are not admitted to trading on Euronext Paris, nor on any regulated market or other trading venue. They are convertible into ordinary shares of the Company at a conversion parity detailed in Appendix 1 of the Company's Articles of Association. Their nominal value is €0.01 per 2022 Preferred Share. Each 2022 Preferred Share has a voting right proportional to the fraction of the Company's share capital it represents, without being able to benefit from double voting rights. These shares do not give entitlement to any dividend or other distribution of reserves and premiums of the Company, and do not confer any preferential subscription right on the occasion of a subscription to a capital increase of the Company.

The Chief Executive Officer of the Company, acting on delegation from the Board of Directors of 30 March 2022, acting himself on delegation from the General Meeting of 22 March 2022 (5th resolution), decided, on 21 April 2022, to allocate 59,500 2022 Preferred Shares to 19 employees and 2 corporate officers executive officers and to set at 100,000 the maximum number of 2022 Preferred Shares that may be issued under the regulations of the 2022 Preferred Shares plan. Under this plan, the 2022 Preferred Shares are vested after a vesting period of one year from their date of allocation (unless otherwise specified in the plan regulations), subject to compliance with a presence condition; they will then be subject to a retention period expiring on the second anniversary of their grant date (unless otherwise specified in the plan regulations).

To date, 54,500 2022 Preference Shares have been issued.

#### *Preferred shares 2023*

The Company's articles of association also permit the issuance of preference shares, the terms and conditions of which are described in Appendix 2 of the Articles of Association (the "**2023 Preferred**

**Shares**"). These terms and conditions are similar to those of the 2022 Preferred Shares, with the exception of the conversion parity into ordinary shares.

To date, no 2023 Preferred Shares have been awarded or issued by the Company.

## **4.6 AUTHORISATIONS**

### **4.6.1 Delegation of authority of the general meeting**

The issuance of the New Shares in the framework of the Capital Increase will be carried out on the basis of the twenty-first (21<sup>st</sup>) and twenty-ninth (29<sup>th</sup>) resolutions which were approved by the ordinary and extraordinary general meeting of the Company's shareholders held on 26 July 2023 as reproduced below:

***"Twenty-first resolution** (Delegation of authority to the Board of Directors to increase the Company's capital by issuing shares and/or securities carrying immediate or deferred rights to shares, with pre-emptive subscription rights for existing shareholders.)*

The Shareholders' Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129, L. 225-129-2, L. 225-132 to L. 225-134 and L. 228-91 et seq. of the French Commercial Code:

**1. delegates** to the Board of Directors, with powers to subdelegate within the law, its authority to issue, free of charge or against payment, on one or more occasions, in the proportions and at the times it sees fit, on the French and/or international market, either in euros or in foreign currencies or in any other unit of account established by reference to a group of currencies,

- ordinary shares,
- and/or ordinary shares giving entitlement to the allotment of other ordinary shares or debt securities,
- and/or securities giving access to ordinary shares to be issued.

In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may give access to ordinary shares to be issued by any company that directly or indirectly owns more than half of its capital or of which it directly or indirectly owns more than half of the capital.

**2. resolves** to set the following limits on the amounts of issues authorized in the event that the Board of Directors makes use of the present delegation of authority:

- the maximum nominal amount of capital increases that may be carried out under this authorization is set at three hundred million (300,000,000) euros (excluding additional paid-in capital and based on the par value of €0.01 per share resulting from the 19th resolution above) or in any other monetary unit established by reference to several currencies, it being specified that the total nominal amount of these capital increases will be deducted from the nominal amount of the overall ceiling provided for in the 33<sup>rd</sup> resolution of the Shareholders' Meeting;
- to this ceiling shall be added, where applicable, the nominal amount of any capital increases, in the event of new financial transactions, to preserve the rights of holders of securities giving access to the Company's capital, in accordance with the law and, where applicable, with contractual stipulations providing for other methods of preservation;
- the maximum nominal amount of debt securities that may be issued under this authorization may not exceed three hundred million (300,000,000) euros or any other monetary unit established by reference to several currencies, which will be deducted from the overall ceiling

set by the 33<sup>rd</sup> resolution of the Shareholders' Meeting.

**3. resolves**, should the Board of Directors make use of this authorization, that:

- that the issue(s) will be reserved on a priority basis for shareholders, who will be entitled to subscribe on an irreducible basis in proportion to the number of shares they hold at that time;

- take formal note that the Board of Directors will have the option of instituting a right to subscribe for shares on a reducible basis;

- formally note that the present delegation of authority automatically entails the waiver by shareholders of their pre-emptive right to subscribe for the shares to which these securities will entitle them, either immediately or in the future, in favor of the holders of the securities giving access to the Company's capital;

- take due note that, in accordance with Article L. 225-134 of the French Commercial Code, if subscriptions by irrevocable entitlement and, where applicable, by entitlement subject to reduction (*à titre réductible*) have not absorbed the entire issue referred to in paragraph 1 above, the Board of Directors may exercise the following options:

- limit the amount of the issue to the amount of subscriptions, where applicable within the limits set by regulations,
- freely allocate all or part of the unsubscribed shares,
- offer all or part of the unsubscribed shares to the public.

**4. resolves** that the Company's share warrants may be issued by subscription offer, but also by free allocation to owners of existing shares, it being specified that the Board of Directors will have the option of deciding that fractional allocation rights will not be negotiable and that the corresponding securities will be sold;

**5. resolves** that the Board of Directors will have full powers, which it may further delegate in accordance with the law, to implement this authorization, and in particular to:

- determine the amount of the issue, the issue price and the amount of any premium that may be requested on issue;

- determine the dates and terms of the capital increase, and the nature, number and characteristics of the securities issued;

- in the event of the issue of debt securities, determine whether they will be subordinated or not (and, if so, their subordination ranking, in accordance with the provisions of article L. 228-97 of the French Commercial Code), set their interest rate (including fixed-rate, floating-rate, zero-coupon or indexed interest) and provide for any compulsory or optional suspension or non-payment of interest, stipulate their term (fixed or perpetual), the possibility of reducing or increasing their nominal value, and the other terms of issue (including the granting of guarantees or sureties) and redemption (including redemption by delivery of Company assets); where applicable, these securities may be accompanied by warrants giving entitlement to the allotment, acquisition or subscription of bonds or other debt securities, or provide for the Company to issue debt securities (whether fungible or not) in payment of interest whose payment has been suspended by the Company, or take the form of complex bonds within the meaning of the stock market authorities (for example, due to their terms of redemption or compensation or other rights such as indexation, option rights); amend the above terms and conditions during the life of the securities concerned, in compliance with applicable formalities;

- determine the method of payment for the securities issued, it being specified that the securities may be paid up in cash and/or by offsetting against certain, liquid and payable debts owed to the

Company;

- set the terms and conditions for the exercise of any rights attached to the shares or securities carrying rights to shares (including rights to conversion, exchange or redemption, including by delivery of Company assets such as treasury shares or securities already issued by the Company) and, in particular, set the date, which may be retroactive, from which the new shares will carry rights, as well as any other terms and conditions for the completion of the issue;

- set the terms and conditions under which the Company may, if necessary, purchase or exchange the securities giving access to the capital on the stock market, at any time or during specific periods, with a view to cancelling them or not, in accordance with the law;

- provide for the possibility of suspending the exercise of rights attached to shares or securities giving access to the capital, in accordance with legal and regulatory provisions;

- at its sole discretion, deduct the costs of the capital increase from the related premiums, and deduct from this amount the sums required to fund the legal reserve; determine and make any adjustments to take account of the impact of the issue, and set any other terms and conditions to ensure the preservation of the rights of holders of securities giving access to the capital or other rights giving access to the capital (including through adjustments in cash);

- record the completion of each capital increase and amend the bylaws accordingly;

- in general, enter into any and all agreements, in particular to successfully complete the proposed issues, take any and all measures and carry out any and all formalities required for the issue, listing and financial servicing of the securities issued under this authorization and for the exercise of the rights attached thereto.

**6. sets** the period of validity of the authorization granted under this resolution at twenty-six months from the date of the Shareholders' Meeting, i.e. until 26 September 2025.

**7. notes** that this authorization cancels, with immediate effect, the unused portion of the previous authorization granted by the 16<sup>th</sup> resolution of the Shareholders' Meeting of 11 May 2022.

***Twenty-ninth resolution*** (*Authorization for the Board of Directors to increase the number of shares to be issued in connection with a capital increase with or without pre-emptive subscription rights*)

The Shareholders' Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129-2 and L. 225-135-1 of the French Commercial Code:

**1. authorizes** the Board of Directors, with powers to subdelegate within the law, to decide to increase the number of shares to be issued in connection with an increase in the Company's share capital, with or without pre-emptive subscription rights, decided pursuant to the 21<sup>st</sup> to 23<sup>rd</sup> resolutions of the Shareholders' Meeting, at the same price as for the initial issue, within the timeframes and limits stipulated by the regulations applicable on the issue date (as of today, within thirty days of the close of the subscription period and up to a maximum of 15% of the initial issue), notably with a view to granting an over-allotment option in accordance with market practices.

**2. resolves** that the nominal amount of capital increases carried out pursuant to this resolution will be deducted from the ceiling stipulated in the resolution under which the initial issue is decided, and from the applicable overall ceiling stipulated in the 33<sup>rd</sup> resolution of the

Shareholders' Meeting or, where applicable, from the ceilings stipulated in any similar resolutions that may supersede said resolutions during the period of validity of this authorization

**3. sets** the period of validity of the authorization provided for in this resolution at twenty-six months, from the date of this Shareholders' Meeting, i.e. until 26 September 2025.

**4. notes** that this authorization cancels with immediate effect the unused portion of the previous authorization granted by the 22<sup>nd</sup> resolution adopted by the Shareholders' Meeting of 11 May 2022.

#### **4.6.2 Decisions of the Board of Directors using the delegation of authority**

Using the delegation of authority granted to it by the combined shareholders' meeting held on 26 July 2023 in its twenty-first (21<sup>st</sup>) and twenty-ninth (29<sup>th</sup>) resolutions, the Board of Directors of the Company, during its deliberations of 18 September 2023 and 13 October 2023:

- approved the principle of an increase in the Company's share capital by subscription in cash and by offsetting with certain, liquid and payable debts held on the Company, with maintenance of the preferential subscription right, for an initial total amount of €105 million together with any expenses under the Bridge Loan (subject to rounding linked to the determination of the parity for exercising preferential subscription rights), i.e. a total amount of approximately €108.2 million;
- decided that in the event of excess requests, the initial amount of the capital increase may be increased by a maximum of 15%;
- decided to sub-delegate to the Chief Executive Officer of the Company the powers to carry out this capital increase in accordance with applicable legal and regulatory provisions and within the limits laid down by the combined general meeting held on 26 July 2023 (21<sup>st</sup> and 29<sup>th</sup> resolutions) and by the deliberations of the Board of Directors of 18 September 2023 and 13 October 2023, to implement the aforementioned decisions, and carry out the capital increase or, as the case may be, defer it.

#### **4.6.3 Decision of the Chief Executive Officer of the Company using the sub-delegation of the Board of Directors**

On 27 October 2023, the Chief Executive Officer of the Company used the subdelegation and decided to carry out the said Capital Increase within the limits laid down by the Board of Directors.

#### **4.7 EXPECTED ISSUE DATE OF THE NEW SHARES**

The expected issue date of the New Shares is 21 November 2023 according to the indicative timetable.

#### **4.8 RESTRICTIONS ON THE FREE TRADING OF THE NEW SHARES**

Not applicable.

#### **4.9 FRENCH REGULATIONS ON PUBLIC OFFERS**

The Company is subject to the laws and regulations in force in France relating to mandatory public offers, public buyout offers, and squeeze-outs.

##### **4.9.1 Mandatory public offers**



Article L.433-3 of the French Financial and Monetary Code and Articles 234-1 *et seq.* of the General Regulations of the *Autorité des marchés financiers* set forth the conditions for the mandatory filing of a public offer, made under such terms to be declared compliant by the *Autorité des marchés financiers*, covering all the equity securities and securities giving access to the capital or voting rights of a company whose shares are admitted to trading on a regulated market.

#### **4.9.2 Public buyout offer and squeeze-out**

Article L.433-4 of the French Monetary and Financial Code and Articles 236-1 *et seq.* (public buyout offer), 237-1 *et seq.* (squeeze-out) of the General Regulations of the *Autorité des marchés financiers* set the conditions for filing a public buyout offer and implement a squeeze-out procedure for minority shareholders of a company whose shares are admitted to trading on a regulated market.

#### **4.10 THIRD-PARTY PUBLIC TAKEOVER BIDS ON THE ISSUER'S SHARE CAPITAL DURING THE LAST FINANCIAL YEAR AND THE CURRENT FINANCIAL YEAR**

No third-party public takeover bids were launched on the Company's share capital during the last financial year or the current financial year.

#### **4.11 TAX REGIME APPLICABLE TO THE NEW SHARES**

The information contained in the Securities Note summarises the French tax regime applicable to the income derived from the New Shares. This information is based on the French tax laws and regulations applicable as at the date of the Prospectus.

This information may be affected by any legislative and/or regulatory changes (which may include a retroactive effect), or by a change in their interpretation by the French tax authorities.

This information does not constitute a complete and exhaustive description of all the tax effects that may apply to persons who will be holding New Shares.

The concerned persons are invited to consult their usual tax adviser on the taxation applicable to their particular case, especially with regard to the detachment, acquisition, transfer, and exercise of the preferential subscription rights and more generally with regard to the subscription, acquisition, holding, and disposal of the Company's New Shares.

It is specified, as necessary, that the deductions and withholding taxes described in the following developments will under no circumstances be borne by the Company.

##### **4.11.1 Shareholders resident of France for tax purposes**

###### **4.11.1.1 Individual shareholders resident of France for tax purposes**

The following paragraphs are addressed to shareholders individuals who are French tax residents within the meaning of Article 4 B of the French *code général des impôts* ("CGI") acting in the course of the management of their private assets (i) who do not hold the Company's shares as part of a share savings plan (*plan d'épargne en actions* or "PEA") or a Small and Medium Companies' share savings plan (*plan d'épargne en actions PME* or "PEA-PME"), (ii) who do not hold their shares as part of an employee savings scheme, (iii) who have not booked their shares as assets on their business balance sheet and (iv) who do not carry out stock market transactions on conditions similar to those that characterise an activity carried out on a professional basis.

(a) Dividends

*Upon distribution*

Upon distribution of dividends, subject to certain exceptions, individuals who are French tax residents within the meaning of Article 4 B of the CGI are, by principle, subject to a non-final single flat-rate withholding tax on income (*prélèvement forfaitaire non libératoire* or “PFNL”) of 12.8% based on the gross amount of distributed income. This PFNL is undertaken by the entity that pays the dividend, if such entity is established in France. Where the paying entity is established outside of France, the income is declared, and the PFNL is paid, within the first 15 days of the month following that in which the dividend is paid, either (i) by the taxpayer himself, or (ii) by the paying entity (a) where it is registered in a Member State of the European Union or in another State which is a party to the European Economic Area Agreement and has entered into a convention on administrative assistance with France to combat fraud and tax evasion and (b) where it has been mandated by the taxpayer for this purpose.

However, individuals who belong to a tax household whose reference taxable income for the second last year, as defined in Article 1417, IV, 1° of the CGI, is less than €50,000 for single, divorced or widowed taxpayers, and less than €75,000 for taxpayers subject to joint taxation, may request to be exempted from PFNL under the conditions provided for in Article 242 *quater* of the CGI, *i.e.* by providing to the paying entity, no later than 30 November of the year preceding the year in which the dividends are paid, with a sworn statement stating that their reference taxable income, as stated on their tax assessment notice issued in relation to their income for the year falling two years before the year in which the dividends are to be paid, is less than the aforementioned thresholds. However, taxpayers who acquire shares after the deadline for filing the above-mentioned exemption application may file this exemption request with their paying institution upon acquisition of these shares pursuant to paragraph 320 of the extract published in the BOFiP under the reference BOI-RPPM-RCM-30-20-10 dated 6 July 2021.

Where the paying entity is established outside of France, only individuals who belong to a tax household whose reference tax income for the second last year, as defined in Article 1417, IV, 1° of the CGI, is equal to or higher than the thresholds referred to in the previous paragraph, are subject to PFNL (Article 117 *quater* of the CGI).

In addition, subject to certain exceptions, the dividends are also submitted upon payment to social security contributions at a rate of 17.2%. Social security contributions break down as follows: (i) general social contribution (“CSG”) at a rate of 9.2% (Articles L.136-7 and L.136-8 of the French *code de la sécurité sociale*), (ii) contribution to the repayment of the social debt at a rate of 0.5% (Articles 16 and 19 of Ordinance No 96-50 of 24 January 1996 on the repayment of the social debt) and (iii) solidarity levy at a rate of 7.5% (Article 235 *ter* of the CGI). Social security contributions are collected according to the same rules as the PFNL.

Furthermore, regardless of the place of residence of the beneficiary, dividends paid outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the CGI (“NCST”), with the exception of those referred to in 2° of 2 *bis* of Article 238-0 A aforementioned, shall be subject to a 75% withholding tax on the gross amount of distributed income unless the debtor demonstrates that the dividend distribution in such NCST has neither the object nor the effect of allowing, for the purpose of tax evasion, their localisation in such NCST (Article 119 *bis* 2 and 187 of the CGI). The list of NCST is published by ministerial order and may be updated at any time, in principle at least once a year. The provisions of Article 238-0 A of the CGI shall apply to States or territories added to this list as from the first day of the third month following the publication of the order.

Under the terms of the Order of 3 February 2023 amending the Order of 12 February 2010 issued in application of the second paragraph of paragraph 1 of article 238-0 A of the CGI, the list of NFCTs other than those referred to in 2° and 2 *bis* of that article is composed, as at the date of the Securities

Note, of the following States and territories: Anguilla, Bahamas, Turks and Caicos Islands, British Virgin Islands, Panama, Seychelles and Vanuatu.

*At the time of definitive taxation*

At the time of definitive taxation, dividends are subject to income tax (after deducting the PFNL) at a flat rate of 12.8% (single flat tax) or, on the irrevocable option of the taxpayer covering all revenue falling under the single flat tax scope, at the progressive scale (Article 200 A of the CGI). This option, which is express and irrevocable, is exercised each year when the tax return is filed.

In the case the taxpayer opts for the progressive scale, the dividends can (under certain conditions) be reduced, when calculating the amount of the income tax, by a standard rebate equal to 40% of the gross dividend amount (Article 158 of the CGI). In addition, if the taxpayer opts for the progressive scale, the general social contribution (CSG) is allowed as a deduction from the taxable income of the year of payment up to 6.8% (Article 154 *quinquies* of the CGI).

Dividends may also be subject to an exceptional contribution payable by taxpayers liable for income tax whose reference tax income exceeds certain limits (the “**Exceptional Contribution**”). The Exceptional Contribution is calculated on the basis of the following rates:

- 3% on the fraction of the reference taxable income above €250,000 and under or equal to €500,000 for single, widowed, separated or divorced taxpayers, and on the fraction of the reference taxable income above €500,000 and under or equal to €1,000,000 for taxpayers subject to joint taxation; and
- 4% on the fraction of the reference taxable income above €500,000 for single, widowed, separated or divorced taxpayers and on the fraction of the reference taxable income above €1,000,000 for taxpayers subject to joint taxation.

Reference taxable income of the household referred to above is defined in accordance with Article 1417, IV of the CGI, without taking into account the capital gains mentioned in I of Article 150-0 B *ter*, for their amount before application of the discount referred to in 1 *ter* or 1 *quater* of Article 150-0 D and for which the deferral of taxation expires, and without the application of the quotient rules defined in Article 163-0 A of the CGI (Article 223 *sexies* of the CGI).

The investors concerned are invited to consult their usual tax advisor in order to determine the terms of application of the non-liberatory lump-sum withdrawal, social security contributions, the 75% withholding tax, the “final” income tax and the Exceptional Contribution.

(b) Capital gains or losses

Net capital gains realised by individuals who are residents of France for tax purposes within the meaning of Article 4 B of the CGI on the sale of the Company’s New Shares are subject to income tax at the single flat tax or, upon the irrevocable option of the taxpayer covering all revenue falling under the single flat tax, at the progressive scale (Article 200 A of the CGI).

These capital gains are also subject to social security contributions at a rate of 17.2%. If the tax payer opts for the progressive scale, the general social contribution is allowed as a deduction from the overall taxable income of the year of payment up to 6.8% (Article 154 *quinquies* of the CGI).

These capital gains fall within the scope of the Exceptional Contribution.

Capital losses incurred during the course of a year may be offset exclusively against capital gains of the same nature taxable in the same year. In the event of a negative balance, the excess capital loss is

chargeable against capital gains of the same kind realized in the following ten years (article 150-0 D, 11 of the CGI).

Investors with capital losses carried forward or realizing a capital loss upon the sale of New Shares are invited to contact their usual tax advisor to study the conditions for using these capital losses.

#### 4.11.1.2 Legal entity shareholders resident of France for tax purposes

*The following paragraphs are addressed to shareholders who are legal entities having their registered office in France and subject to corporate income tax according to the rules of common law.*

##### (a) Dividends

Dividends distributed by the Company to shareholders who are legal entities subject to corporate income tax are in principle included in their taxable income and subject to corporate income tax at the normal rate (i.e., 25% for financial years beginning on or after the 1st January 2022 (article 219 of the CGI), plus, where applicable, a social contribution equal to 3.3% of the amount of corporate income tax less an allowance which may not exceed €763,000 per 12-month period (article 235 ter ZC of the CGI). Legal entity shareholders meeting certain turnover and share capital requirements may benefit from a lower rate of corporate income tax of 15% on the portion of taxable profits below €42,500 per twelve-month period as well as an exemption from the 3.3% social contribution (articles 219, I, b and 235 ter ZC of the CGI).

Certain shareholders who are legal entities subject to corporate income tax may nevertheless benefit, under certain conditions and upon option, from the regime for parent companies and subsidiaries. Under this regime, dividends received may be exempt from corporate income tax, except for a proportionate share on account of fees and expenses equal to 5% (subject to certain exceptions) of the total income from participating interests. To benefit from this regime, the shares must in particular (i) be held under the registered form or be deposited or booked in an account held by an authorised intermediary, (ii) represent at least 5% of the Company's share capital or, failing to reach that threshold, 2.5% of the Company's share capital and 5% of the voting rights of the Company provided that the shareholder is controlled by one or more non-profit organisations (mentioned in 1 bis of Article 206 of the CGI) and (iii) be held for a period of two years if the securities represent at least 5% of the Company's share capital or five years if the securities represent 2.5% of the Company's share capital and 5% of the Company's voting rights (Articles 145 and 216 of the CGI).

Notwithstanding the foregoing, regardless of the location of the beneficiary's registered office, dividends paid outside of France in a NCST other than those mentioned in Article 238-0 A, 2 bis, 2° of the CGI are subject to withholding tax at a rate of 75%, unless the debtor proves the distributions of such products in such NCST have neither as their purpose nor as their effect that of allowing, for the purpose of tax fraud, the location thereof in such NCST (Articles 119 bis 2 and 187 of the CGI).

Investors are invited to consult their usual tax advisers to determine the tax regime applicable to their particular situation.

##### (b) Capital gains or losses

Net capital gains realised by shareholders who are legal entities subject to corporate income tax on the sale of the New Shares are in principle included in their taxable income subject to corporate income tax at the normal rate (i.e. 25% for financial years beginning on or after January 1, 2022 (article 219 of the CGI), plus, where applicable, a social contribution equal to 3.3% of the amount of corporate income tax less an allowance which may not exceed €763,000 per 12-month period (article 235 ter ZC of the CGI).

Legal entity shareholders meeting certain turnover and share capital requirements may benefit from a lower rate of corporate income tax of 15% on the portion of taxable profits below €42,500 per twelve-

month period as well as an exemption from the 3.3% social contribution (articles 219, I, b and 235 ter ZC of the CGI).

Notwithstanding the above, capital gains realised on the sale of the New Shares may, however, be exempt from corporate income tax if those relate to shares (i) having the nature of equity securities within the meaning of Article 219, I-a quinquies of the CGI, and (ii) which were held for at least two years (long-term capital gains regime). A proportionate share on account of fees and expenses equal to 12% of the gross amount of the capital gains must in principle be reinstated in the taxable income of the shareholder legal entity selling the New Shares (Articles 39 *duodecies* and 219, I-a *quinquies* of the CGI).

Investors concerned are invited to consult their usual tax advisers to determine the tax regime applicable to their particular situation.

#### 4.11.1.3 Other shareholders resident of France for tax purposes

Shareholders of the Company subject to a tax regime other than those referred to above, in particular taxpayers whose transactions in securities go beyond simple portfolio management or who have booked their shares as assets of their business balance sheet, should enquire about the tax regime applicable to their particular case with their usual tax advisor.

#### 4.11.2 Shareholders not resident of France for tax purposes

The following paragraphs are addressed to shareholders (i) who are not French tax residents as defined in Article 4 B of the CGI or whose registered office is located outside of France, and (ii) whose ownership of the shares of the Company cannot be attached to a fixed base or a permanent establishment subject to tax in France.

##### (a) Dividends

Subject to any applicable double tax treaties, the dividends paid by the Company are subject, in principle, to a withholding tax levied by the entity paying the dividends, where the beneficiary is not a French tax resident or has its registered office located outside France (Article 119 *bis* 2 of the CGI).

The rate of such withholding tax is fixed at:

- 12.8% where the beneficiary is an individual;
- 15% where the beneficiary is an entity whose registered office is located in a Member State of the European Union or in another State party to the Agreement on the European Economic Area that has entered into a convention on administrative assistance with France to combat fraud and tax evasion, and which would, if it had its registered office in France, be subject to tax on the conditions set out in Article 206, 5 of the CGI applicable to “non-profit organisations”, as interpreted by the BOFiP extract under the reference BOI-IS-CHAMP-10-50-10-40, dated 25 March 2013, no. 580 *et seq*; and
- at the standard corporate income tax rate provided for in the second paragraph of I of Article 219 of the CGI, set at 25% for financial years beginning on or after 1 January 2022 in other cases (Article 187 of the CGI).

However, regardless of the beneficiary’s residence for tax purposes or the location of its registered office, and subject to the provisions of any applicable double tax treaties, the dividends paid by the Company outside France into an NCST, with the exception of those referred to in Article 238-0 A, 2 *bis*, 2° of the CGI, are subject to a 75% withholding tax unless the debtor can prove that such product

distributions in such NCST have neither as their purpose nor as their effect that of allowing, for the purpose of tax fraud, the location thereof in such NCST (Articles 119 *bis* 2 and 187 of the CGI).

However, the withholding tax is not applicable, pursuant to the CGI, to shareholders who are:

- Legal entities being the beneficial owners of the dividends:
  - (a) That have their place of effective management in a Member State of the European Union or in another State party to the Agreement on the European Economic Area that has entered into a convention providing for administrative assistance with France to combat fraud and tax evasion and that do not qualify, within the meaning of a double tax treaty entered into with a third State, as residents of a country outside the European Union or the European Economic Area for tax purposes;
  - (b) That take one of the forms listed in Section A of Annex I to Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, or an equivalent form where the company has its place of effective management in a State party to the agreement on the European Economic Area;
  - (c) Holding directly and continuously for at least two years, in full or bare ownership, 10% (or 5% where these legal entities hold shares satisfying the conditions provided for in Article 145 of the CGI and are deprived of any possibility to deduct the withholding tax) at least of the share capital of the company distributing the dividends, or undertaking to retain such participation continuously for a period of at least two years and designating, as is the case with turnover taxes, a representative responsible for paying the withholding tax in the event of non-compliance with this undertaking; and
  - (d) That are subject, in a Member State of the European Union or in a State party to the Agreement on the European Economic Area where it has its place of effective management, to corporate income tax in such State, without the possibility of an option or that of being exempt;

provided that this exemption shall not apply to dividends distributed in connection with an arrangement or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of Article 119 *ter* of the CGI, are not genuine having regard to all relevant facts and circumstances (Article 119 *ter* of the CGI); or

- Legal entities which justify to the debtor or the person in charge of paying the income that they fulfil, in respect of the financial year during which they receive such income, the following conditions:
  - (a) Their registered office and, where applicable, the permanent establishment in the results of which the income is included are located in a Member State of the European Union or in another State or territory party to the agreement on the European Economic Area which has entered into a convention on administrative assistance with France to combat fraud and tax evasion as well as a convention of mutual assistance in relation to recovery similar in scope to that laid down in directive 2010/24/EU of 16 March 2010 on mutual assistance for the recovery of claims relating to taxes, duties and other measures and which is not a NCST, or in a country which is neither a member of the European Union nor a member of the agreement on the European Economic Area having concluded the conventions mentioned in the present (a), on the condition that this State is not a NCST and that

the shareholding in the company or the distributing entity does not allow the beneficiary to participate effectively in the management or control of such company or entity;

- (b) Their taxable profits or, where applicable, that of the permanent establishment in the results of which the income is included, determined in accordance with the rules of the State or territory in which their registered office or such permanent establishment is situated, is in a loss position; and
  - (c) They are, on the date of income payment, the subject of a procedure comparable to that mentioned in Article L.640-1 of the French Commercial Code or, in the absence of such a procedure, they are, on that date, in a state of suspension of payments and their turnaround is clearly impossible (Article 119 *quinquies* of the CGI); or
- Collective investment schemes incorporated under foreign law and located in a Member State of the European Union or another State or territory that has entered into a convention on administrative assistance with France to combat fraud and tax evasion and which meet the following conditions:
- (a) raise capital from a number of investors with a view to investing such capital, in accordance with a defined investment policy, for the benefit of those investors:
  - (b) present characteristics similar to those of collective investment schemes incorporated under the laws of France that meet the requirements set out in Article 119 *bis* 2, 2° of the CGI; and
  - (c) comply with the conditions set out in the BOFIP extract under reference BOI-RPPM-RCM-30-30-20-70, dated 6 October 2021 (Article 119 *bis* 2 of the CGI).

In addition, a mechanism of refund of the withholding tax together with a tax deferral is applicable to shareholders who are legal persons or organisations:

- (a) whose taxable income, calculated in accordance with the rules applicable in the State or territory in which their registered office or permanent establishment is located, for the year in which the dividend is received is in a loss position;
- (b) whose registered office or permanent establishment in which the income and profits are included is located in a Member State of the European Union or in another State party to the Agreement on the European Economic Area which has concluded with France an administrative assistance agreement to combat fraud and tax evasion, and a mutual assistance agreement on recovery similar in scope to that laid down in Council Directive 2010/24/EU of 16 March 2010 on mutual assistance for the recovery of claims relating to taxes, duties and other measures and which is not an NCST, or in a State which is not a Member State of the European Union or which is not a party to the Agreement on the European Economic Area having concluded the above-mentioned agreements with France, provided that this State is not a NCST and that the shareholding held in the distributing company does not allow the beneficiary to participate effectively in the management or control of such company or entity; and
- (c) complying with certain reporting obligations (Article 235c of the CGI).

The tax deferral ends in respect of the financial year in which the legal entity shareholder concerned becomes profitable again, as well as in the cases set out in Article 235 *quater* of the CGI.

A mechanism for restitution of withholding tax up to the difference between the withholding tax paid and the withholding tax determined on the basis of a net basis of acquisition and conservation costs directly attached to the products is also applicable when:

- (a) the beneficiary of the products is a legal entity or an organization whose results are not subject to income tax in the hands of a partner and whose headquarters or permanent establishment in the results of which the products are included is located in a Member State of the European Union or in another State party to the agreement on the European Economic Area having concluded with France an administrative assistance agreement with a view to combat fraud and tax evasion and not being a non-cooperative state or in a non-member State of the European Union or which is not a State party to the agreement on the European Economic Area having concluded the above-mentioned convention with France, provided that this State is not a non-cooperative state and the participation held in the distributing company does not allow the beneficiary to participate effectively in the management or control of this company;
- (b) the costs of acquiring and storing these products would be deductible if the beneficiary was located in France; and
- (c) the tax rules in the State of residence do not allow the beneficiary to deduct the withholding tax there.

The restitution request is filed with the non-resident tax service under the conditions provided for claims relating to taxes other than local taxes and taxes ancillary to these taxes. It is accompanied by all the supporting documents necessary to calculate the refund requested (Article 235 *quinquies* of the CGI).

Such investors should consult their usual tax advisor to determine (i) how to apply these provisions to their particular circumstances (ii) and/or to benefit from a reduction or an exemption from withholding tax under the CGI or an applicable tax treaty (as specified in particular in the BOFiP extract BOI-INT-DG-20-20-20 dated 12 September 2012 relating to the "normal" or "simplified" procedure), and/or (iii) a refund of withholding tax.

Finally, the attention of shareholders is drawn to the fact that, as an effect of an anti-arbitrage measure, the withholding tax provided for in Article 119 *bis* 2 of the French Tax Code is applicable to any payment made by a person who is established or has their tax residence in France to a person who is not established or does not have their tax residence in France in the context of a temporary transfer of securities made during a period of less than forty-five days (spanning the date of payment of the dividend). In this case, the withholding tax applies without the beneficiary being able to avail himself of the so-called "simplified" procedure to benefit from the more favourable provisions of any applicable tax treaty. Under certain conditions, a safeguard measure allows the reimbursement of all or part of the withholding tax thus levied if the beneficiary proves that the payment corresponds to a transaction which has mainly a purpose and an effect other than that of avoiding the application of a withholding tax or to obtain a tax advantage (Article 119 *bis* A of the CGI).

(b) Capital gains

Capital gains realised on the sale of securities or social rights for valuable consideration by individuals who are not French tax residents within the meaning of Article 4 B of the CGI or by legal entities whose registered office is located outside of France are, in principle, not taxable in France (Article 244 *bis* C of the CGI).

However, subject to any applicable double tax treaties, capital gains realised on the sale of social rights for valuable consideration of a company subject to corporate income tax and having its registered office in France, by persons who are not French tax residents within the meaning of Article 4 B of the CGI or



whose registered office is located outside France, are subject to a withholding tax in France where such persons:

- Have held, at any time during the five years preceding the sale, directly or indirectly, together with their family group (spouse, ascendants and descendants), more than 25% of the rights in the company's profits, in which case the withholding tax is calculated (i) at the normal corporate income tax rate provided for in the second paragraph of Article 219 of the French Tax Code where payable by a legal entity or body in any form or (ii) the rate of 12.8% where payable by an individual; or
- Are domiciled, established or incorporated outside France in an NCST other than those mentioned in Article 238-0 A, 2 bis, 2° of the CGI (irrespective of the percentage of rights held in the profits of the concerned company), in which case the withholding tax is calculated at the rate of 75%, unless such persons provide evidence that the transactions to which these profits correspond have a main purpose and effect other than that of allowing such profits to be located in an NCST (Article 244 bis B of the CGI).

It should be noted that the withholding tax levied in Article 244 bis B of the CGI was ruled incompatible with the European Union law by the French supreme administrative court (*Conseil d'État*, 14 October 2020, no. 421524, *Sté AVM International Holding*) in that it subjects companies established outside the European Union to a higher level of taxation than that which would have resulted from the application of the long-term capital gains regime (see section 4.11.1.2(b) above).

Investors concerned are invited to consult their usual tax advisers, particularly with regard to the terms and conditions of application of any tax treaties that may be applicable.

## **5. CONDITIONS OF THE OFFERING**

### **5.1 CONDITIONS, STATISTICS OF THE OFFER, PROVISIONAL TIMETABLE, AND HOW TO FILE A SUBSCRIPTION FORM**

#### **5.1.1 Conditions of the offer**

The Capital Increase will concern a number of 10,820,137,070 New Shares (which can be extended to 12,443,157,630 New Shares in case of the exercise in full of the Extension Clause (as this term being defined below)).

The Company's Capital Increase will be carried out with shareholders' preferential subscription rights, on the basis of 202 New Shares for 1 Existing Share with a par value of €0.01 each at a price of €0.01 per share (corresponding to their par value).

Each shareholder will receive a preferential subscription right per share registered on its securities account at the end of 3 November 2023 according to the indicative timetable. In order to allow registration in a securities account on this date, the execution of purchases on the Existing Shares market must take place no later than November 1<sup>st</sup>, 2023. The preferential subscription rights will be tradable on Euronext Paris from 2 November 2023 until 10 November 2023 (inclusive), and can be exercised from 6 November 2023 until 14 November 2023 (inclusive) according to the indicative timetable.

Each preferential subscription right will entitle the holder to subscribe for 202 New Shares with a par value of €0.01 each.

The preferential subscription rights not exercised at the end of the subscription period, *i.e.* on 14 November 2023 at the end of the trading session, according to the indicative timetable, will lapse automatically.

The preferential subscription rights detached from the Company's treasury shares will be sold on the market before the end of the trading period for the preferential subscription rights under the conditions of Article L. 225-210 of the French Commercial Code. It is indicative that the Company held, at 27 October 2023, 38,451 ordinary shares, *i.e.* 0.07 % of the share capital on that date.

#### **5.1.2 Amount of the issue**

The total amount of the issue, carried out without issue premium, is €108,201,370.70 corresponding to the proceeds from the number of New Shares issued, *i.e.*, 10,820,137,070 New Shares, multiplied by the subscription price of a New Share, *i.e.*, €0.01 (corresponding to their par value), which can be extended to a total amount of €124,431,576.30 (without issue premium), through the issue of 12,443,157,630 New Shares in case of the full exercise of the Extension Clause.

In accordance with the provisions of Article L.225-134 of the French Commercial Code and pursuant to the 21<sup>st</sup> resolution of the combined general meeting held on 26 July 2023 and the decisions of the Board of Directors dated 18 September 2023 and 13 October 2023, if subscriptions made on an irreducible basis and, as the case may be, subscriptions made on a reducible basis do not represent the entire amount of the Capital Increase, the Board of Directors may use, in accordance with the legal provisions and in the order it determines, all or some of the following faculties :

- freely allot all or part of the unsubscribed shares at its discretion;
- or all or part of the unsubscribed shares to the public, either in the French or on the international market;

- more generally limit the size of the Capital Increase to the amount of the approved subscriptions received if they represent at least three quarters of the capital increase.

However, it should be noted that the Capital Increase is subject to the Subscription Commitment (as this term is defined below), on an irreducible and reducible basis, representing 100% of the initial amount (excluding the Extension Clause) of the issue.

See Section 5.2.2 “*Subscription commitments and subscription intentions of the main shareholders of the Company or members of its administrative or management bodies or anyone intending to subscribe for more than 5% of the New Shares*” below.

### **5.1.3 Period and procedure of subscription**

#### **5.1.3.1 Subscription period**

Subscriptions for the New Shares will be open from 6 November 2023 until the end of the subscription period, *i.e.* 14 November 2023 inclusive, according to the indicative timetable.

#### **5.1.3.2 Preferential subscription right**

The trading period for the exercise of preferential subscription rights is 2 November 2023 to 10 November 2023 inclusive, according to the indicative timetable.

#### ***Subscription on an irreducible basis***

The subscription of the New Shares is reserved, by preference (see Section 5.1.1 “*Conditions of the offer*” of this Securities Note) :

- to the holders of Existing Shares registered on their securities account at the end of 3 November 2023 according to the indicative timetable. In order to allow registration in a securities account on this date, the execution of purchases on the Existing Shares market must take place no later than November 1<sup>st</sup>, 2023; and
- to the purchasers of preferential subscription rights.

The holders of preferential subscription rights may subscribe, on an irreducible basis 202 New Shares with a par value of €0.01 each for 1 preferential subscription right held. 1 preferential subscription right will allow for the subscription of 202 New Shares at a price of €0.01 euro per share.

#### ***Subscription on a reducible basis***

Simultaneously with their subscriptions on an irreducible basis, the shareholders or purchasers of their preferential subscription rights may subscribe on a reducible basis for the number of New Shares they wish, in addition to the number of New Shares resulting from the exercise of their preferential subscription rights on an irreducible basis.

Any New Shares that are not absorbed by subscriptions on an irreducible basis will be distributed and awarded to the subscribers on a reducible basis. Subscription orders made on a reducible basis will be allocated within the limit of their requests, in proportion to the number of preferential subscription rights whose rights will have been used to subscribe on an irreducible basis and for a whole number of New Shares without this resulting into an allotment of fractional New Shares.

In the event that the same subscriber submits several separate subscription orders, the number of New Shares that the subscriber will be entitled to on a reducible bases will be calculated on all of its preferential subscription rights if such subscriber has expressly requested this in writing, no later than

the day of the closing of the subscription period. This application must be attached to one of the subscriptions and provide all the information needed to consolidate the rights, specifying the number of subscriptions made, and the authorised intermediary or intermediaries with whom these subscriptions were deposited.

Subscriptions on behalf of separate subscribers may not be combined to obtain shares on a reducible basis.

A notice published by Euronext Paris S.A. will disclose the distribution schedule for subscriptions made on a reducible basis (see Section 5.1.9 “*Publication of the results of the offer*” of the Securities Note).

***Theoretical value of the preferential subscription right and theoretical ex-right value of one Latecoere share – Discounts on the issue price of the New Shares as compared to the trading price of the share and to the theoretical ex-right price of the Latecoere share***

Based on the closing price of the Latecoere share on 27 October 2023, *i.e.*, €0.506:

- the issue price of the New Shares of €0.01 euro includes a discount of 98.0 % on their face value,
- the theoretical value of the preferential subscription right amounts to €0.494,
- the theoretical ex-right value of one Latecoere share amounts to €0.012,
- the issue price of the New Shares shows a discount of 19.7 % to the theoretical ex-right value of one Latecoere share.

These values are without prejudice of the value of the preferential subscription rights during the trading period of the preferential subscription rights nor the ex-right value of one Latecoere share, nor the discounts, as they will be recorded on the market.

**5.1.3.3 Procedure for exercising the preferential subscription right**

The preferential subscription rights will be detached on 2 November 2023 and may be traded on Euronext Paris until the end of the trading period of the preferential subscription rights, *i.e.*, until 10 November 2023 inclusive, according to the indicative timetable, under ISIN code FR001400LAB4, under the same conditions as the Existing Shares.

In order to exercise their preferential subscription rights, the holders must make a request to their authorised financial intermediary at any time between 6 November 2023 and 14 November 2023 inclusive, according to the indicative timetable and pay the corresponding issue price (see Section 5.1.8 “*Payment of funds and methods of delivering shares*” of the Securities Note).

In case of sale of the preferential subscription right detached from an Existing Share, the seller of the preferential subscription right will be removed in favour of the purchaser who, for the exercise of the preferential subscription rights thus acquired, will be purely and simply substituted in all the rights and obligations of the owner of the Existing Share.

The preferential subscription right must be exercised by its beneficiaries, under penalty of forfeiture, before the expiry of the subscription period. The preferential subscription rights not exercised at the end of the subscription period, *i.e.*, by 21 November 2023 (inclusive) according to the indicative timetable, will lapse automatically.

#### 5.1.3.4 **Preferential subscription rights detached from the Company's treasury shares**

Pursuant to Article L.225-206 of the French Commercial Code, the Company cannot subscribe for its own shares either itself or through a person acting in its name but on the Company's behalf.

The preferential subscription rights detached from the 189,300 treasury shares held by the Company, corresponding to 0.05 % of the share capital as at the date of the Prospectus, will be sold on the market before the end of the trading period of the preferential subscription rights under the terms of Article L.225-210 of the French Commercial Code.

#### 5.1.3.5 **Indicative timetable for the Capital Increase**

9 June 2023	Execution of the conciliation protocol ( <i>protocole de conciliation</i> ).
16 June 2023	Court approval of the conciliation protocol ( <i>protocole de conciliation</i> ).
23 June 2023	Filing of the universal registration document for the year ended December 31, 2022 with the AMF.
26 July 2023	Decisions of the Extraordinary General Meeting deciding in particular (i) to delegate to the Board of Directors the power to carry out the Reverse Stock Split, (ii) to authorize the Board of Directors to carry out the Capital Reduction, and (iii) to delegate to the Board of Directors the power to implement the Capital Increase (21 <sup>st</sup> resolution).
28 July 2023	Publication of the notice relating to the Reverse Stock Split in the BALO Publication of a Euronext notice relating to the Reverse Stock Split and the Capital Reduction
From 18 August to 14 September 2023	Consolidation Period
15 September 2023	Effective completion of the Reverse Stock Split and implementation of the Capital Reduction
18 September 2023	Deliberation of the Board of Directors authorizing the principle of the Capital Increase and subdelegating to the Chief Executive Officer the power to implement the Capital Increase.
From 19 September to 18 October 2023	Period of sale of shares corresponding to rights forming fractional shares within the framework of the Consolidation
13 October 2023	Deliberation of the Board of Directors setting the size of the Capital Increase and confirming the characteristics decided at its meeting of September 18, 2023.
27 October 2023	Decision of the Chief Executive Officer to launch the Capital Increase.
30 October 2023	Approval of the Prospectus by the AMF. Execution of the placement agency agreement
31 October 2023	Publication of a press release by the Company announcing the approval of the Prospectus by the AMF and describing the characteristics of the Capital Increase and the conditions of availability of the Prospectus. Publication of the Prospectus online. Publication by Euronext Paris S.A. of the notice relating to the offer announcing the listing of the preferential subscription rights.
1st November 2023	Deadline for execution of purchases of Existing Shares entitling their purchaser to the preferential subscription right which will be detached from it.
2 November 2023	Detachment of the preferential subscription rights and opening of the trading period for preferential subscription rights on Euronext Paris.

3 November 2023	Deadline for registration of Existing Shares for the allocation of existing shares for the allocation of preferential subscription rights ( <i>record date</i> )
6 November 2023	Opening of the subscription period for the Capital Increase.
10 November 2023	Closing of the trading period for the preferential subscription rights.
14 November 2023	Last day of settlement-delivery of preferential subscription rights. Closing of the subscription period for the Capital Increase <sup>4</sup> .
16 November 2023	Decision of the Chief Executive Officer regarding the implementation of the Extension Clause.
17 November 2023	Publication of a press release by the Company announcing the result of the subscriptions for the Capital Increase. Publication by Euronext Paris S.A. of the notice relating to the admission to trading of the New Shares indicating the definitive amount of the Capital Increase and indicating the proportionate distribution of the reducible subscriptions.
21 November 2023	Issue of the New Shares – Settlement-delivery of the Capital Increase. Admission of the New Shares to trading on Euronext Paris.

The public will be informed of any change in the above indicative timetable by means of a press release issued by the Company and posted on its website and a notice issued by Euronext Paris S.A.

#### **5.1.4 Revocation/Suspension of the offer**

The issue of the New Shares will not be underwritten by a syndicate of banks (see section 5.4.3 “*Guarantee – Abstention / lock-up arrangements*” below).

However, it should be noted that the Capital Increase is subject to the Subscription Commitment representing 100% of the initial amount (excluding the Extension Clause) of the issue (see Section 5.2.2 “*Subscription commitment and intention to subscribe of the main shareholders of the Company or of the members of its administrative and management or supervisory bodies or anyone intending to subscribe for more than 5% of the New Shares*” below). The Subscription Commitment may be terminated or cancelled or not honoured. In such a case, the issue of the New Shares would be cancelled. Therefore, the investors who would have purchased preferential subscription rights could sustain a loss equal to the acquisition price of these rights.

#### **5.1.5 Reduction of orders**

The New Shares are issued with preferential subscription rights. Shareholders may subscribe for, on an irreducible basis, 202 New Shares for 1 Existing Share (see Section 5.1.3 “*Period and procedure of subscription*” above) without their orders being reduced.

Shareholders may also subscribe on a reducible basis. The conditions for subscription, on a reducible basis, for the shares not subscribed on an irreducible basis and the reduction methods are described in Section 5.1.3 “*Period and procedure of subscription*” and 5.3 “*Issue price*” of the Securities Note.

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<sup>4</sup> The processing times required by account holders may lead them to bring forward the deadlines and times for receiving instructions from their clients holding DPS. To that extend, account holders must inform their clients through securities transaction notices and the investors concerned are invited to contact their account holder.

### **5.1.6 Minimum and/or maximum amount of a subscription**

As the issue of the New Shares is carried out with preferential subscription rights on an irreducible and reducible basis, the minimum subscription is 202 New Shares requiring the exercise of 1 preferential subscription right. There is no maximum subscription (see Section 5.1.3 “*Period and procedure of subscription*” above).

### **5.1.7 Revocation of subscription orders**

Subscription orders are irrevocable.

### **5.1.8 Payment of funds and methods of delivering shares**

Subscriptions for the New Shares by SCP SKN Holding I SAS will be made partly by offsetting against the certain, liquid and payable claim held on the Company by SCP SKN Holding I SAS under the Bridge Loan and partly by payment of cash.

Subscriptions for the New Shares and the payment of the funds by the subscribers, whose Existing Shares are held under the registered form or the bearer form, will be received until 14 November 2023 inclusive according to the indicative timetable by their authorised intermediary acting on their behalf and for their account.

Subscriptions and payments of subscribers whose Existing Shares are registered in directly registered form will be received without charge until 14 November inclusive, according to the indicative timetable, by Uptevia (90-110 Esplanade du Général de Gaulle, 92931 Paris La Défense Cedex, France, à l’attention du service OST-REGISTRE).

Each subscription must be accompanied by the payment of the issue price. Subscriptions for which payments have not been made will be automatically cancelled without the need for a formal notice.

Funds paid for subscriptions will be centralised by Uptevia (La DEFENSE – CŒUR DEFENSE TOUR A – 90-110 Esplanade du Général de Gaulle, 92400 Courbevoie, France), who will be responsible for issuing the certificate of deposit of the funds evidencing the completion of the Capital Increase.

The expected date of delivery of the New Shares is 21 November 2023 according to the indicative timetable.

### **5.1.9 Publication of the results of the offer**

At the end of the subscription period for the New Shares referred to in Section 5.1.3 “*Period and procedure of subscription*” above and after the centralisation of subscriptions, a Company press release announcing the results of the subscriptions will be distributed and posted on the Company’s website.

In addition, a notice issued by Euronext Paris S.A. relating to the admission of the New Shares will mention the definitive number of shares issued and the distribution scale for subscriptions made on a reducible basis (see Section 5.1.3 “*Period and procedure of subscription*” above).

### **5.1.10 Procedure for exercising and trading the preferential subscription rights**

See Section 5.1.3 “*Period and procedure of subscription*” above.

## 5.2 PLAN TO DISTRIBUTE AND ALLOCATE SECURITIES

### 5.2.1 Category of potential investors – Countries in which the offering will be open – Restrictions on the offer

#### *Category of potential investors*

As the offering is carried out with preferential subscription rights on an irreducible and reducible basis, the subscription of the New Shares to be issued is reserved for the initial holders of the preferential subscription rights and to the purchasers of these preferential subscription rights under the conditions described in Section 5.1.3 “*Period and procedure of subscription*” above.

#### *Countries in which the offering will be open*

The offer will be open to the public only in France.

#### *Restrictions applicable to the offer*

The distribution of the Prospectus, the sale of the shares and the preferential subscription rights, as well as the subscription for the New Shares may be subject to specific regulations in certain countries, including the United States of America. Persons in possession of the Prospectus must inform themselves on any local restrictions and comply with them. Authorised intermediaries will not be able to accept any subscriptions for the New Shares nor any exercise of preferential subscription rights from customers with an address in a country that has such restrictions, and the corresponding orders will be deemed to be null and void.

Any person (including trustees and nominees) receiving the Prospectus must distribute it or send it in such countries only in accordance with the applicable laws and regulations.

Any person who, for any reason whatsoever, transmits or permits the transmission of the Prospectus in such countries, must draw the addressee’s attention to the provisions of this paragraph.

In general, persons exercising their preferential subscription rights outside France must ensure that this exercise does not violate the applicable law. The Prospectus or any other document relating to the Capital Increase may be distributed outside France only in accordance with the applicable local laws and regulations and may not constitute a subscription offer in countries where such an offer would violate applicable local law.

The paragraphs “*Restrictions in Member States of the European Economic Area (other than France)*”, “*Restrictions in the United Kingdom*”, “*Restrictions in the United States of America*”, “*Restrictions in Canada, Australia, South Africa and Japan*” below are intended only to provide an overview of the regulations that may be applicable, respectively, in the European Economic Area, the United Kingdom, the United States of America, Canada, Australia, South Africa and Japan.

#### 5.2.1.1 Restrictions in Member states of the European Economic Area (other than France)

With regard to the Member states of the European Economic Area other than France (the “**Member States**”), no action was undertaken nor will be undertaken in order to allow an offer to the public of New Shares or preferential subscription rights making it necessary to publish a prospectus in any of these Member States. As a result, New Shares or preferential subscription rights may be offered in Member States only to:

- (i) qualified investors, as defined by the Prospectus Regulation;



- (ii) less than 150 natural persons or legal entities, other than qualified investors (as defined in the Prospectus Regulation) per Member State, subject to the prior consent of the financial intermediaries in charge of the placement; or
- (iii) in all other cases where the publication by the Company of a prospectus is not required under the provisions of Article 1(4) of the Prospectus Regulation;

and provided that none of the offers mentioned in paragraph (i) to (iii) above require the publication by the Company or the institutions in charge of the placement of a prospectus in accordance with the provisions of Article 3(1) of the Prospectus Regulation or a supplement to the prospectus in accordance with the provisions of Article 23 of the Prospectus Regulation.

For the purposes of this paragraph, (i) the term “*offer to the public of New Shares or preferential subscription rights*” in a particular Member State means any communication to persons in any form and by any means, and which provides sufficient information on the terms of the offer and the securities issued by the Company in such a way as to enable an investor to decide to purchase or subscribe for these securities, (ii) the term “*Prospectus Regulation*” means Regulation (EU) 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing the Prospectus Directive 2003/71/EC.

A depositary institution in a Member State where the offer is not open to the public may inform its shareholder clients of the Company of the allocation of pre-emptive subscription rights to the extent that it is required to do so under its contractual obligations to its shareholder clients and provided that the disclosure of such information does not constitute an “offer to *the public*” in that Member State. A shareholder of the Company located in a Member State where the offer is not open to the public may exercise its pre-emptive subscription rights provided that it has not been the subject in that Member State of a communication constituting an “offer to the public” as defined above.

These selling restrictions regarding Member States are in addition to any other selling restrictions applicable in the Member States.

#### 5.2.1.2 Restrictions in the United Kingdom

With respect to the United Kingdom, no action has been or will be taken to permit an offer to the public of the New Shares or the preferential subscription rights of the Company that would require the publication of a prospectus in the United Kingdom. As a result, the New Shares or the preferential subscription rights may only be offered in the United Kingdom:

- to qualified investors as defined by the Prospectus Regulation (incorporated into the domestic law of the United Kingdom under the European Union (Withdrawal) Act 2018 (“EUWA”);
- to less than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation incorporated into the domestic law of the United Kingdom under the EUWA) in the UK; or
- at any time in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (“FSMA”),

and provided that none of the offers of the New Shares or the preferential subscription rights referred to in the above paragraphs require the publication of a prospectus pursuant to section 85 of the FSMA or a supplement pursuant to Article 23 of the Prospectus Regulations incorporated into the domestic law of the United Kingdom under the EUWA.

For the purposes of this paragraph, (i) “**offer to the public of the New Shares or the preferential subscription rights**” in the United Kingdom means any communication in any form and by any means to persons which provides sufficient information about the terms of the offer and the securities to be

offered so as to enable an investor to decide whether to purchase or subscribe for such securities and (ii) “**Prospectus Regulation**” means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (incorporated into the domestic law of the United Kingdom pursuant to the EUWA).

The Prospectus is addressed and intended only for (i) persons who are located outside the United Kingdom, (ii) “investment professionals” within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth companies and other persons to whom the Prospectus may be addressed in accordance with the law, referred to in Article 49(2) (a) to (d) of the Order (“high net worth companies”, “unincorporated associations”, etc.) (the persons referred to in (i), (ii) and (iii) being referred to collectively as the “**Authorised Persons**”). The New Shares and the preferential subscription rights are intended only for Authorised Persons and any invitation, offer or any contract relating to the subscription for, purchase, or acquisition of the New Shares or preferential subscription rights may be addressed or entered into only with Authorised Persons. Any person other than an Authorised Person must refrain from using or relying on the Prospectus or any information contained therein to make an investment or investment activity.

Invitations or inducements to undertake investment services (Article 21 FSMA) shall only be communicated or distributed, or caused to be communicated or distributed, in circumstances where Article 21(1) FSMA does not apply to the issuer.

#### 5.2.1.3 Restrictions in the United States of America

Neither the New Shares nor the preferential subscription rights have been nor will be registered under the United States of America's securities law (*US Securities Act of 1933*, as amended, hereinafter referred to as the “**US Securities Act**”). Neither the New Shares nor the preferential subscription rights may be nor will be offered, sold or delivered in the United States of America, as defined by Regulation S of the US Securities Act (the “**Regulation S**”). As a result, shareholders or investors cannot take part to the issue nor subscribe to New Shares nor exercise their preferential subscription right in the United States of America.

Notwithstanding an exemption from the US Securities Act, no envelope containing subscription orders shall be mailed from the United States of America or sent in any other way from the United States of America and all persons exercising their preferential subscription rights and wishing to hold their shares in registered form must provide an address outside the United States of America.

Each purchaser of New Shares or any person exercising preferential subscription rights shall be deemed to have declared, guaranteed, and acknowledged, by exercising its preferential subscription rights, that it acquires the New Shares or exercises the preferential subscription rights in the context of an “**offshore transaction**” as defined by Regulation S of the US Securities Act.

Subject to an exemption from the U.S. Securities Act, authorized intermediaries may not accept subscriptions for New Shares from clients having an address in the United States of America and such notifications shall be deemed to be void and non-binding.

In addition, until the expiration of a 40-day period from the date of the opening of the trading period of the preferential subscription rights, an offer to sell or a sale of New Shares in the United States of America by a financial intermediary (regardless of whether it participates in this offer) could constitute a violation of the registration requirements under the US Securities Act if such offer to sell or sale is made other than pursuant to an exemption from the registration obligations under the US Securities Act.

#### 5.2.1.4 Restrictions in Canada, Australia, South Africa and Japan

The New Shares and the preferential subscription rights may not be offered, sold, or acquired in Canada, in Australia, in South Africa and in Japan.

#### 5.2.2 **Subscription commitment and intention to subscribe of the main shareholders of the Company or of the members of its administrative and management or supervisory bodies or anyone intending to subscribe for more than 5% of the New Shares**

At the date of the Prospectus, the Company has received an irrevocable subscription commitment (the "**Subscription Commitment**"), on an irreducible basis, 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, from SCP SKN Holding I SAS, which holds 74.65 % of the capital, it being specified that the subscription amount will be paid up (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 and (ii) up to approximately €33.56 million by cash payment. SCP SKN Holding I SAS has also irrevocably undertaken to subscribe on a reducible basis for 2,735,190,494 New Shares representing the remainder of the initial amount of the Capital Increase (excluding the Extension Clause).

As at 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.

See Section 5.1.3.4 "*Preferential subscription rights detached from the Company's treasury shares*" above with respect to the preferential subscription rights attached to the treasury shares held by the Company.

#### 5.2.3 **Pre-allocation information**

Since the issue is carried out with preferential subscription rights on an irreducible and reducible basis, the holders of preferential subscription rights and the purchasers of these rights, who will have exercised them under the conditions described in Section 5.1.3 "*Period and procedure of subscription*" above are guaranteed (subject to Section 5.1.9 "*Guarantee – abstention / lock-up arrangements*" below), that they will receive, without possibility of reduction, 202 New Shares with a par value of €0.01 each, at a unit price of €0.01, for 1 preferential subscription right exercised.

Any subsequent requests to subscribe for New Shares on a reducible basis will be served in accordance with the distribution scale for subscriptions made on a reducible basis, which will be set forth in a notice published by Euronext Paris S.A. (see Sections 5.1.3 "*Period and procedure of subscription*" and 5.1.9 "*Publication of the results of the offer*" of the Securities Note).

Except for the maintenance of the preferential subscription right, no predetermined preferential treatment is provided for, when the New Shares are allocated, to a specific class of investors.

#### 5.2.4 **Notification to subscribers**

Subscribers who placed subscription orders on an irreducible basis are guaranteed, subject to the effective completion of the Capital Increase, to receive the number of New Shares subscribed for (see Section 5.1.3 "*Period and procedure of subscription*" above).

Those who placed subscription orders on a reducible basis under the terms set out in Section 5.1.3 "*Period and procedure of subscription*" above will be informed of their allocation by their financial intermediary.

A notice published by Euronext Paris S.A. will, if applicable, disclose the distribution scale for subscriptions made on a reducible basis (see Section 5.1.3 “*Period and procedure of subscription*” and Section 5.1.9 “*Publication of the results of the offer*” of the Securities Note).

### **5.3 ISSUE PRICE**

#### **5.3.1 Issue price of the New Shares**

The issue price is €0.01 per New Share, corresponding to the par value per share. The subscription price will therefore not be accompanied by any issue premium.

At the time of subscription, the price of €0.01 per New Share subscribed, corresponding to their nominal value, must be paid up in full by cash payment (subject to the release of part of the subscription price of the New Shares as part of the Subscription Commitment by way of debt offsetting) or by offsetting against certain claims, liquid and payable in the case of the subscription of SCP SKN Holding I SAS. Subscriptions that have not been fully paid up will be cancelled automatically without the need for formal notice.

A shareholder holding 1 Existing Share will therefore be able to subscribe for 202 New Shares for a total subscription price of €2.02.

The amounts paid for subscriptions made on a reducible basis (see Section 5.1.6 “*Minimum and/or maximum amount of a subscription*” above) and available after the distribution will be refunded without interest to the subscribers by the authorised intermediaries who will have received them.

#### **5.3.2 Publication of the issue price**

Not applicable.

#### **5.3.3 Restriction or suppression of the preferential subscription right**

Not applicable.

#### **5.3.4 Price disparity**

Not applicable.

### **5.4 PLACEMENT AND UNDERWRITING**

#### **5.4.1 Contact details of the Global Coordinator and Bookrunner**

##### ***Global Coordinator and Bookrunner***

Société Générale  
29, boulevard Haussmann  
75009 Paris  
France

#### **5.4.2 Contact details of the authorised intermediaries responsible for the deposit of subscription funds and the financial service of the shares**

Funds in support of subscriptions will be centralised by Uptevia (La DEFENSE – CŒUR DEFENSE TOUR A – 90-110 Esplanade du Général de Gaulle, 92400 Courbevoie, France), who will issue the certificate of deposit of the funds evidencing the completion of the Capital Increase.

The securities service and the financial service of the shares of the Company are provided by Uptevia (La DEFENSE – CŒUR DEFENSE TOUR A – 90-110 Esplanade du Général de Gaulle, 92400 Courbevoie, France).

### **5.4.3 Underwriting – Abstention / lock-up arrangements**

#### 5.4.3.1 Underwriting

The issue of the New Shares will not be underwritten by a syndicate of banks. It is however reminded that the Subscription Commitment relates to the entire amount of the initial amount (excluding the Extension Clause) of the Capital Increase.

The transaction will be covered by a placement agency agreement dated 30 October 2023 entered into between the Company and Société Générale acting as global coordinator and bookrunner (the “**Global Coordinator and Bookrunner**”).

The placement agency agreement may be terminated at any time by the Global Coordinator and Bookrunner up to (and including) the settlement-delivery date, under certain conditions and in certain circumstances, especially in the event of inaccuracy of the representations and warranties, non-compliance with one of its commitments by the Company, non-realization of the usual conditions precedent, significant adverse change in the Company’s situation and its subsidiaries or the occurrence of significant national or international events.

In case the depositary’s certificate of deposit is not issued, this information will be disclosed in a press release by the Company and published on the Company’s website and in a notice issued by Euronext Paris S.A.

#### 5.4.3.2 Abstention / lock-up arrangements

##### *Company*

The Company undertakes, as at the date of the Prospectus and for a period expiring 90 calendar days following the date of completion of the Capital Increase, not to issue, offer, sell, pledge, sell options or other commitments to purchase, buy options or other commitments to sell, grant options, rights or warrants to purchase or otherwise transfer or sell, directly or indirectly, shares or other securities similar to shares of the Company, or securities convertible, redeemable or exchangeable into, or representing the right to receive, to acquire or subscribe for shares of the Company or other securities similar to shares of the Company, do not engage in short selling transactions, do not enter into any transactions involving derivatives or hedging instruments or having a similar economic effect with respect to the shares of the Company or other securities similar to shares of the Company, nor commit or publicly announce its intention to carry out such transactions without the prior written consent of the Global Coordinator and Bookrunner.

This commitment is granted subject to certain exceptions, including:

- the allocation of preferential subscription rights and the issue of the New Shares;
- the sale, transfer or offering of shares of the Company in connection with a share buy-back program of the Company (including pursuant to a liquidity agreement) authorized by the general meeting of the Company's shareholders;
- the issue or delivery of shares under an employee shareholding scheme; and
- the free grant of performance shares to Company employees.

*SCP SKN Holding I SAS*

SCP SKN Holding I SAS commits to the benefit of the Global Coordinator and Bookrunner, during the period starting from the date of the Prospectus and ending 180 calendar days starting from the settlement and delivery of the Capital Increase, not to, without the Global Coordinator and Bookrunner's prior written consent:

- (i) issue, offer, sell, pledge, sell options or other commitments to purchase, buy options or other commitments to sell, grant options, rights or warrants to purchase or otherwise transfer or sell, directly or indirectly, shares or other securities similar to shares of the Company, or securities convertible, redeemable or exchangeable into, or representing the right to receive, to acquire or subscribe for shares of the Company or other securities similar to shares of the Company, or
- (ii) engage in short selling transactions, enter into any transactions involving derivatives or hedging instruments or having a similar economic effect with respect to the shares of the Company, or
- (iii) commit or publicly announce its intention to carry out such transaction, regardless of whether the aforementioned transaction is settled by the delivery of ordinary shares or other securities, in cash or otherwise.

The following transactions are excluded from the undertaking described above : (i) the transfer of all or part of the ordinary shares of the Company held by the shareholder concerned to legal entities controlled by, controlling or under the control of the shareholder concerned (the term "control" having the meaning provided for in Article L.233-3 I and II of the French Commercial Code) (an "**Affiliate**"), provided that the Affiliate receiving such ordinary shares agrees to adhere to and be bound by the obligations contained in the lock-up agreement for the remainder of the lock-up period, and (ii) a merger, spin-off or takeover bid (within the meaning of Book II Title III of the General Regulations of the *Autorité des marchés financiers*) concerning the ordinary shares of the Company.

## **6. ADMISSION TO TRADING AND TERMS OF TRADING**

### **6.1 ADMISSION TO TRADING**

The preferential subscription rights will be detached on 2 November 2023 and will be tradable on Euronext Paris until the end of the trading period of the preferential subscription rights, *i.e.*, until 10 November 2023, according to the indicative timetable under ISIN code FR001400LAB4.

As a result, the Existing Shares will be traded ex-rights as from 2 November 2023 according to the indicative timetable.

An application will be made for the New Shares issued in connection with the Capital Increase to be admitted to trading on Euronext Paris. They will be admitted to trading on this market as from 21 November 2023 according to the indicative timetable. They will be immediately assimilated to the Existing Shares of the Company and will be traded under the same trading line and ISIN code FR001400JY13.

The Company has made no other application for admission to trading on a regulated market.

### **6.2 LISTING PLACE**

The shares of the Company are admitted to trading on the regulated market of Euronext Paris.

### **6.3 CONCURRENT OFFERS OF COMPANY SHARES**

Not applicable.

### **6.4 LIQUIDITY AGREEMENT**

The Company entered into a liquidity agreement with Société de Bourse Gilbert Dupont.

The agreement has been suspended during the contemplated operation.

### **6.5 STABILISATION – MARKET INTERVENTIONS**

Not applicable.

### **6.6 OVER-ALLOTMENT AND “GREEN SHOE”**

Not applicable.

### **6.7 EXTENSION CLAUSE**

Depending on demand, the Company may decide to increase the number of New Shares initially offered by a maximum of 15%, *i.e.* a maximum of 1,623,020,560 additional New Shares (the "**Extension Clause**").

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. Under the terms of the Conciliation Protocol, the Company has undertaken to implement the Extension Clause if the conditions of excess demand from the shareholders of the Company and the transferees of preferential subscription rights are met.

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 17 November 2023 (according to the indicative timetable) 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.



**7. HOLDERS OF SECURITIES WISHING TO SELL**

Not applicable (subject to Section 5.1.3.4 “*Preferential subscription rights detached from the Company’s treasury shares*” and 5.2.2 “*Subscription commitment and intention to subscribe of the main shareholders of the Company or of the members of its administrative and management or supervisory bodies or anyone intending to subscribe for more than 5% of the New Shares*” of the Securities Note).

## **8. EXPENSES RELATED TO THE ISSUE**

### ***Income and expenses related to the Capital Increase***

The gross proceeds correspond to the number of New Shares to be issued times the subscription price of the New Shares. The net proceeds correspond to the gross proceeds less the charges mentioned below.

For information purposes, in the event that the Capital Increase is completed at a level of 100% the gross proceeds of the issue and its estimated net proceeds would be as follows:

- Gross proceeds: approximately €108.2 million (which may be extended to approximately €124.4 million in case the Extension Clause is exercised in full);
- Remuneration of the financial intermediaries and legal and administrative costs: approximately €1.0 million;
- Estimated net proceeds: approximately €107.2 million (which may be extended to approximately €123.4 million in case the Extension Clause is exercised in full).

## 9. DILUTION

### 9.1 THEORETICAL IMPACT OF THE ISSUE ON THE PORTION PER SHARE OF SHAREHOLDERS' EQUITY

For information purposes, the theoretical impact of the issue of the New Shares on the portion per share of the consolidated shareholders' equity (*calculated on the basis of the consolidated shareholders' equity as shown in the consolidated financial statements half-yearly as at 30 June 2023 and the number of shares making up the share capital of the Company at this same date, after deduction of treasury shares and taking into account the Reverse Stock Split*) would be as follows:

	Portion of shareholder's equity, per ordinary share (in euros)	
	Undiluted basis	Diluted basis <sup>(1)</sup>
Before issue of the New Shares	(0.42)	(0.38)
After issue of the New Shares ( <i>subscription level at 100%</i> )	0.008	0.007
After issue of the New Shares and exercise in full of the Extension Clause ( <i>subscription level at 115%</i> )	0.008	0.007

*(1) After acquisition of all the 338,642 free ordinary shares allocated under the 1 July 2022 plan and conversion of the preferred shares into the maximum number of ordinary shares provided for by the bylaws, corresponding to 10% of the share capital on the conversion date.*

### 9.2 THEORETICAL IMPACT OF THE ISSUE ON THE SHAREHOLDERS' POSITION

For information purposes, the theoretical impact of the issue of the New Shares on the shareholding interest in the share capital of a shareholder holding 1% of the Company prior to the issue and not subscribing to the issue (*calculated on the basis of the number of shares comprising the capital of the Company as at the date of the Prospectus*) would be as follows:

	Shareholder's interest	
	Undiluted basis	Diluted basis <sup>(1)</sup>
Before issue of the New Shares	1.00 %	0.90 %
After issue of the New Shares ( <i>subscription level at 100%</i> )	0.005 %	0.005 %
After issue of the New Shares and exercise in full of the Extension Clause ( <i>subscription level at 115%</i> )	0.004 %	0.004 %

*(1) After acquisition of all the 338,642 free ordinary shares allocated under the 1 July 2022 plan and conversion of the preferred shares into the maximum number of ordinary shares provided for by the bylaws, corresponding to 10% of the share capital on the conversion date.*

### 9.3 IMPACT OF THE ISSUE ON THE SHAREHOLDING STRUCTURE

On the basis of the number of shares outstanding and the shareholding structure of the Company as at the date of the Prospectus and of the Subscription Commitment:

In the event that no shareholder other than SCP SKN Holding I SAS subscribes to the Capital Increase (in which case the Extension Clause would not be exercisable), the shareholding structure of the Company would be as follows (100% subscription):

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After issue of the New Shares

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Shareholders	Number of shares	% of the share capital	Number of theoretical voting rights <sup>(1)</sup>	% of the theoretical voting rights	Number of real voting rights <sup>(2)</sup>	% of the real voting rights
SCP SKN Holding I SAS	10,860,161,558	99.87	10,900,186,046	99.87	10,900,186,046	99.87
Employee shareholding <sup>(3)</sup>	150,406	0.00	187,114	0.00	187,114	0.00
Treasury shares <sup>(4)</sup>	38,451	0.00	38,451	0.00	-	-
Free float	13,406,190	0.12	13,478,106	0.12	13,478,106	0.12
<b>Total</b>	<b>10,873,756,605</b>	<b>100</b>	<b>10,913,889,717</b>	<b>100</b>	<b>10,913,851,266</b>	<b>100</b>

(1) Registered shares held by same owner for two years carry double voting rights. The total number of theoretical voting rights is calculated on the basis of all the shares, including shares without voting rights (treasury shares) (Article 223-11 of the AMF's General Regulations).

(2) The total number of actual voting rights is calculated on the basis of all the shares less the shares without voting rights (treasury shares).

(3) Including 54,500 preferred shares. For more information on employee shareholding, see section 6.2.3, "Employee shareholders" and section 6.4.3, "Employee shareholding", of the 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 financial year", of the Universal Registration Document.

In the event that the Capital Increase is subscribed in full on an irreducible basis and that no shareholder other than SCP SKN Holding I SAS has subscribed on a reducible basis (in which case the Extension Clause would be exercised in full for the benefit of SCP SKN Holding I SAS), the shareholding structure of the Company would be as follows (115% subscription):

After issue of the New Shares and full exercise of the Extension Clause						
Shareholders	Number of shares	% of the share capital	Number of theoretical voting rights <sup>(1)</sup>	% of the theoretical voting rights	Number of real voting rights <sup>(2)</sup>	% of the real voting rights
SCP SKN Holding I SAS	9,747,991,624	78.00	9,788,016,112	78.07	9,788,016,112	78.07
Employee shareholding <sup>(3)</sup>	19,523,418	0.16	19,560,126	0.16	19,560,126	0.16
Treasury shares <sup>(4)</sup>	38,451	0.00	38,451	0.00	-	-
Free float	2,279,223,672	21.84	2,729,295,588	21.77	2,829,871,826	21.77
<b>Total</b>	<b>12,496,777,165</b>	<b>100</b>	<b>12,536,910,277</b>	<b>100</b>	<b>12,536,871,826</b>	<b>100</b>

(1) Registered shares held by same owner for two years carry double voting rights. The total number of theoretical voting rights is calculated on the basis of all the shares, including shares without voting rights (treasury shares) (Article 223-11 of the AMF's General Regulations).

(2) The total number of actual voting rights is calculated on the basis of all the shares less the shares without voting rights (treasury shares).

(3) Including 54,500 preferred shares. For more information on employee shareholding, see section 6.2.3, "Employee shareholders" and section 6.4.3, "Employee shareholding", of the 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 financial year", of the Universal Registration Document.

**10. FURTHER INFORMATION**

**10.1 ADVISERS LINKED TO THE OFFER**

Not applicable.

**10.2 OTHER INFORMATION VERIFIED BY THE AUDITORS**

Not applicable.