

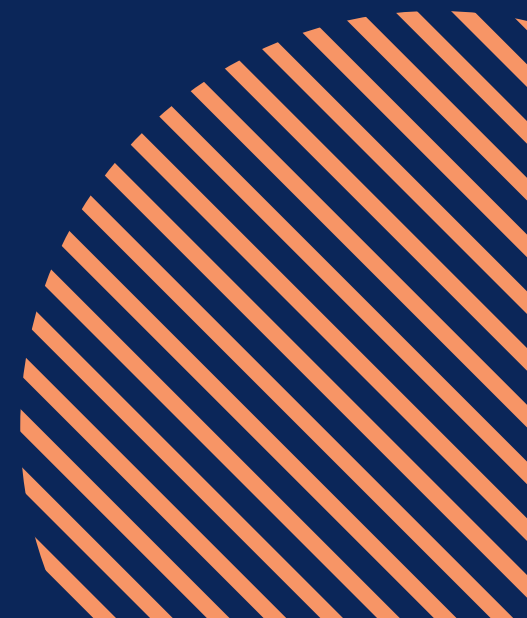
LATECOERE

HALF YEAR

REPORT

2026

Including the annual financial report



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GROUP ACTIVITIES IN 2026

1.1 THE ESSENTIALS

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1.1. THE ESSENTIALS

Latecoere Reports 2026 Half Year Results: Delivering on customer ramp up and investing in revenue growth

Revenue reached €431.6 million - c.19% organic growth - driven by higher customer

demand, production ramp-ups, and commercial initiatives.

- Ca. €18m drop in recurring EBITDA reflecting growth-related investments and

headwinds (inflation, supply chain and FX impacts).

- Negative cash flow driven by strategic investments and higher working capital requirements.

- Continued investment to meet customer expectations.
- Cautious H2 2026 outlook given ongoing geopolitical and macroeconomic uncertainties.

1.2. PREAMBLE

André-Hubert Roussel, Group Chief Executive Officer, stated:

"H1 2026 reflects both the strength of customer demand and the operational intensity required to support the aerospace industry's ramp-up while continuing to improve our operations. Across Latecoere, our teams are fully mobilized to meet our customers' production rate objectives and to support their programs with

the highest level of commitment. This mobilization comes with clear priorities: we will continue to do everything possible to improve execution, delivery performance and efficiency, while never compromising on the quality of the products and services we deliver. Our newly established Latecoere Services division continued to deliver strong growth & profitability in line with our strategy. Our

people's safety and engagement remain a clear foundation for our performance.

In a demanding environment marked by supply chain constraints, inflationary pressures and foreign exchange headwinds, our focus remains on operational discipline, cash management and the gradual improvement of our industrial performance. We are continuing to invest in our platform, our people and our capabilities to

build a more resilient Group, aligned with our customers' needs and positioned to support their long-term growth. We are also engaging our customers on pricing and contractual discussions to propose a fair sharing of the burden of the global inflationary pressures."

1.3. 2026 HY RESULTS - HIGHLIGHTS AND KEY FINANCIAL INDICATORS

(in millions of €)	Jun 30, 2026	Jun 30, 2025
Revenue	431.6	374.6
Reported growth	15.2%	6.4%
Organic growth	19.3%	6.9%
Recurring EBITDA (1)	3.7	22.3
Recurring EBITDA margin on revenue	0.8%	5.9%
Operating free cash flows from continuing operations	(5.6)	(0.4)
Net Cash Flow	(11.1)	(18.7)
Cash and cash equivalents	45.6	42.4
Net debt (excluding RMF) (2)	162.6	174.8
Net debt (including RMF) (2)	169.8	182.0

(1) Recurring EBITDA corresponds to recurring operating profit before depreciation, amortisation and impairment losses on tangible and intangible assets, and restated for any IFRS impacts.

(2) RMF stands for Return to Better FortuneF

Latecoere's unaudited financial results for the H1 period ended June 30, 2026, reflects the general increased level of production in the aeronautical sector as a whole. Revenues amounted to €431.6 million reflecting organic revenue growth of 19%. Actual growth including the effect of the disposal of MADES in August 2025 was +15.2%. This underlying increase in revenues was driven by higher production rates from OEMs, additional revenue from new business wins and the conclusion of commercial initiatives.

The Group reported recurring EBITDA of €3.7 million in the first half of 2026, compared with €22.3 million in the first half of 2025. The decline in underlying profitability reflects

investment in short-term resources to support the significant increase in customer demand as well as continued inflationary pressures, increasing order lead times and ongoing supply chain disruptions. The investment in these resources will enable continued growth in H2 2026 and 2027 and management expects productivity to improve in H2 2026. However, given the complex global macro environment with the ongoing Iran crisis and high oil prices, Latecoere is cautious on the knock-on raw materials and energy inflation impact ahead both in H2 2026 and looking towards 2027.

The group has also suffered from adverse foreign currency movements with the medium-term trends of weakening US Dollars and

strengthening Mexican Pesos and Brazilian Real against the Euro.

Latecoere's net financial result amounted to - €7.9million in H1 2026, compared with - €16.3 million in H1 2025, reflecting similar net interest cost on the PGE loans and other indebtedness outstanding during the period but with lower unrealised exchange losses on foreign currency denominated debt in H1 2026.

The Group's net result for H1 2026 amounted to -€23.5 million, compared with -€6.8 million for H1 2025.

Operating free cash flow from continuing operations amounting to (€5.6) million outflow primarily reflects:

- The recurring EBITDA of €3.7 million.
- Non-recurring cash costs of €0.1 million primarily related to the ongoing transfers of work and related restructuring offset by the gain on the disposal of our plant in Labege, France.
- Further investments of €6.3 million into capital expenditures.
- A net increase in total working capital of €1.9 million; and
- Tax payments of €1.5 million

At the end of June 2026, cash and cash equivalent stood at €45.6 million. The net debt at the end of June 2026 stood at €162.6 million (excluding the Retour a Meilleur fortune ('RMF') obligation of €7.2 million).

NEW SEGMENTAL REPORTING

- On July 1, 2025, the group formalized a transformation towards a more integrated and customer-centric organization. The new structure moves from a product-oriented structure to an integrated matrix model, combining the product approach and the geographical approach and where regions focus on serial production of **Aerostructures**

and **Interconnection Systems** activities for OEMs according to customer location.

Latecoere Services presents a global offering with two platforms to serve its customers: Toronto Canada and Los Angeles US for American customers and Toulouse France for other customers worldwide. These organizations now form the backbone of the Latecoere group. In accordance with IFRS, the

Group applied this new segment structure prospectively, starting with the annual consolidated financial statements for the year ended December 31, 2025. Therefore, the Group's historically defined business segments were modified to reflect the Group's new organizational structure. The Group now operates through the following four activities: Aerostructures, Interconnection systems,

Latecoere Services and Space, but only segmentally report Aerostructures, Interconnection System and Latecoere Services, as the Space business does not individually exceed any of the thresholds defined by IFRS.

For the H1 period ended June 30, 2026 the Group's new segments reported the following results (see also Note 4).

AEROSTRUCTURES

Revenue for Latecoere's Aerostructures Division increased by +16.6% on a reported basis vs 2025. The segment's activity benefited from increased production rates and the benefit of commercial initiatives concluded in 2025 and beginning of 2026.

The division's recurring EBITDA amounted to a loss of (€25.6) million, representing a significant decline from the €5.6 million reported in the prior year. This reflects an investment in short term resources to support the significant increase in customer demand as well as continued inflationary pressures, increasing order lead times and ongoing supply chain

disruptions. The supply chain disruptions and lower initial productivity in the ramp up period has led to costs outpacing deliveries and hence margin compression. The Aerostructures Division has also been significantly affected by the adverse foreign currency movements with the medium-term trends of weakening US Dollars and strengthening Mexican Pesos and

Brazilian Real against the Euro. Through conscious focus on cost control, productivity improvements, pricing discussions with customers and the continuation of the ramp up, the Group expects to return normal margins in the remainder of 2026.

Aerostructures (in millions of €)	Jun 30, 2026	Jun 30, 2025
Consolidated revenue	237.0	203.2
Reported growth	16.6%	
Recurring EBITDA	(25.6)	5.6
Recurring EBITDA margin on revenue	-10.8%	2.8%

INTERCONNECTION SYSTEMS

Revenues of €139.2 million a significant growth of 16% compared with 2025 on a reported basis. Underlying growth, considering the effect of the disposal of MADES in August 2025, is approximate 30%. This underlying performance reflects growth in both European and American programs and a richer mix of configuration types year over year.

Recurring EBITDA for the Interconnection Systems division reached €16.0 million, an increase of €8.3 million from €7.7 million from the prior year. Removing the effect of the MADES disposal, the underlying recurring EBITDA grew by €9.9 million, which is approximately 2.6 times the previous year's level, reflecting tight costs control, and better

commercial terms and conditions achieved with customers plus improved product configuration mix.

Nevertheless, the group had to invest to support certain programs experiencing significant increase in customer demand, inflationary pressures, increasing order lead times and ongoing supply chain disruptions.

The supply chain disruptions and low initial productivity in the ramp up period for these programs has led to costs outpacing deliveries. The Interconnection Systems division has also been affected by the adverse foreign currency movements with the medium-term trends of weakening US Dollars and strengthening Mexican Pesos against the Euro.

Interconnection Systems (in millions of €)

	Jun 30, 2026	Jun 30, 2025
Consolidated revenue	139.2	120.1
Reported growth	16.0%	
Organic growth	29.9%	
Recurring EBITDA	16.0	7.7
Recurring EBITDA margin on revenue	11.5%	6.4%

LATECOERE SERVICES

Revenues of €55.3 million delivering a growth of 7.8% compared with 2025 on a reported basis. This performance reflects growth in both

European and American aftermarket and services market, key contract wins and better commercial terms.

Recurring EBITDA for the Services division reached €13.3 million, an increase of €4.4 million from €8.9 million from the prior year

reflecting volume growth, tight costs control, and better commercial terms and conditions achieved with customers.

Lartecoere Services (in millions of €)

	Jun 30, 2026	Jun 30, 2025
Consolidated revenue	55.3	51.3
Reported growth	7.8%	
Recurring EBITDA	13.3	8.9
Recurring EBITDA margin on revenue	24.1%	17.4%

1.4. 2026 OUTLOOK

Inflationary pressures and challenges arising from operating within a constrained aerospace supply chain are continuing in 2026. OEM volume growth for commercial, business jet and defense market sub-segments continue to significantly ramp up and improve overall revenue, but the ramp-up in activity results in challenges and cost pressures for the whole industry, as precisely experienced by Latecoere in H1 2026. 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, and it will continue to monitor its liquidity and key operating metrics very closely. We expect to see further improvements in profitability and cash flow resulting from increased volumes and the focus on improving operational efficiency across all parts of the business versus H1 2026. We are also convinced that the business is well positioned to capitalize on the continuing, strong market demand for civil, military and space products and from the strong prospects for our customer

services and after-market business. Latecoere's outlook for FY 2026 includes:

- Continued volume growth across most major programs
- A full year effect of the operational and commercial initiatives started in H1 2026 plus improving productivity and cost control in H2 2026
- Continued cost inflation across bill of materials and labour cost but largely counterbalanced by **(i)** new commercial negotiation; **(ii)** restricting indirect operating costs whilst accommodating volume growth;

and **(iii)** delivering cost savings from our value creation programs.

- Notwithstanding our last press release, given all the factors cited above along with our H1 2026 operating performance, we now forecast lower underlying profitability / Recurring EBITDA than the level achieved in 2025.
- This deterioration of the profitability as well as the working capital needs to support the ramp ups will lead to a marginal decline in operating free cash flow compared that generated in the prior year.

1.5. SIGNIFICANT EVENTS OF THE PERIOD

No significant events occurred in the period.

1.6. POST CLOSING EVENTS

An agreement in principle has been reached with the PGE (French State-Guaranteed Loan) lenders regarding a renegotiation of the terms and conditions of the PGE debt. This agreement in principle provides for an

extension of the maturity period for this debt until December 31, 2029, a revision of the ratios incorporated into the financial covenants for the period from December 2026 to

December 2029 and an amendment to the debt amortization schedule.

The finalization of this agreement is expected by end of October 2026.

In addition, an agreement to increase the Group's asset-backed financing facility was finalized in July with BZ Private Credit Limited.

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RISK FACTORS

2 RISK FACTORS

There have been no significant changes to any of the risks identified and set out in the 2025 Universal Registration Document. These risks are described in Chapter 2 of the reference document filed on 23 April 2026 with the AMF, in its capacity as the competent authority under Regulation (EU) No 2017/1129.

No changes in risk during the first half of 2026 require specific mention in this document.

3

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2026

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3.1. HALF-YEAR CONSOLIDATED BALANCE SHEET

<i>In thousands of euros</i>	Notes	June 30, 2026	Dec. 31, 2025
Goodwill	5	14,227	14,227
Intangible assets	6	87,603	95,339
Property, plant and equipment	6	85,795	89,552
Other financial assets	24.4	6,430	6,446
Deferred taxes	16	1,015	0
Derivative financial instruments	10	-0	3,704
Other long-term assets		0	-
TOTAL NON-CURRENT ASSETS		195,070	209,268
Inventories and work-in-progress	7	250,743	232,813
Trade and other receivables	9	125,276	108,990
Tax receivables	16	9,501	8,089
Derivative financial instruments	10	2,800	11,582
Other current assets		5,395	3,789
Cash and cash equivalents	8	45,694	56,769
Assets held for sale	23	-	-
TOTAL CURRENT ASSETS		439,410	422,032
TOTAL ASSETS		634,480	631,300

<i>In thousands of euros</i>	Notes	June 30, 2026	Dec. 31, 2025
Capital	11	127,319	127,231
Additional paid-in capital		326,000	326,087
Treasury stock		-452	-447
Other reserves		-370,682	-341,732
Derivative financial instruments - effective portion		-7,162	9,701
Net income / loss for the period		-23,539	-32,141
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		51,484	88,699
NON-CONTROLLING INTERESTS		-	-0
TOTAL SHAREHOLDERS' EQUITY		51,484	88,699
Borrowings and financial liabilities	14	104,840	186,869
Repayable advances	14	24,071	25,603
Commitments to employees	13	13,148	12,553
Non-current provisions	12	15,530	19,253
Deferred taxes	16	4,767	9,525
Derivative financial instruments	10	5,841	1,446
Other non-current liabilities		771	99
TOTAL NON-CURRENT LIABILITIES		168,969	255,349
Borrowings and bank overdrafts	14	110,878	28,289
Repayable advances	14	2,830	2,313
Current provisions	12	8,121	10,648
Trade and other payables	15	206,403	165,329
Tax payables		4,242	4,239
Contract liabilities	17	37,374	39,746
Other current liabilities	17	38,910	36,658
Derivative financial instruments	10	5,270	30
Liabilities held for sale	23	-	-
TOTAL CURRENT LIABILITIES		414,028	287,252
TOTAL LIABILITIES		582,996	542,601
TOTAL EQUITY AND LIABILITIES		634,480	631,300

3.2. HALF-YEAR CONSOLIDATED INCOME STATEMENT

<i>In thousands of euros</i>	Notes	June 30, 2026	June 30, 2025
Sales figures		431,555	374,606
Other operating income		1,285	-9
Stocked production		2,899	6,009
Purchases and external charges	18	-275,751	-227,597
Personnel expenses	18	-156,170	-128,163
Taxes		-5,093	-4,963
Depreciation, amortization and impairment		-16,934	-18,752
Net additions to operating provisions		1,060	1,574
Net additions to current assets		-303	-757
Other products		2,961	3,849
Other expenses		-25	-2,277
OPERATING INCOME RECURRING		-14,517	3,519
Other non-recurring operating income	19	6,504	5,673
Other non-current operating expenses	19	-6,513	-12,251
OPERATING INCOME		-14,526	-3,059
Cost of net financial debt		-6,460	-6,530
Foreign exchange gains and losses		318	-7,065
Unrealized gains and losses on derivative financial instruments		99	-305
Other financial income and expense		-1,816	-2,390
FINANCIAL RESULT	20	-7,858	-16,289
Income tax	21.2	-1,155	12,523
NET INCOME FROM CONTINUING OPERATIONS		-23,539	-6,825

<i>In thousands of euros</i>	Notes	June 30, 2026	June 30, 2025
NET INCOME		-23,539	-6,825
• Of which attributable to owners of the parent		-23,539	-6,825
• Of which attributable to non-controlling interests		-	-
NET INCOME FROM CONTINUING OPERATIONS		-23,539	-6,825
• Of which attributable to owners of the parent		-23,539	-6,825
• Of which attributable to non-controlling interests		-	-
NET INCOME FROM DISCONTINUED OPERATIONS		-	-
• Of which attributable to owners of the parent		-	-
• Of which attributable to non-controlling interests		-	-
NET INCOME (GROUP SHARE) PER SHARE		-	-
• Basic result	11.2	-0.0019	-0.0005
• DILUTED EARNINGS	11.2	-0.0019	-0.0005
NET INCOME (GROUP SHARE) PER SHARE		-	-
• Basic earnings from continuing operations		-0.0019	-0.0005
• Diluted earnings from continuing operations		-0.0019	-0.0005
NET INCOME (GROUP SHARE) PER SHARE		-	-
• Basic earnings from discontinued operations		-	-
• Diluted earnings from discontinued operations		-	-

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3.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros

	June 30, 2026	June 30, 2025
NET INCOME FOR THE PERIOD (1)	-23,539	-6,825
OTHER COMPREHENSIVE INCOME :		0
• Items not subsequently reclassified to net income :		
Revaluation of net defined benefit liability (asset)	0	8
Tax income (expense) on items not subsequently reclassified	0	-2
• Items subsequently reclassified to net income :		
Currency translation adjustments	1,998	-4,264
Derivative instruments hedging future cash flows (change in fair value)	-22,219	61,835
Tax benefit (expense) on items subsequently reclassified	-62	0
Other comprehensive income	5,356	-15,972
TOTAL OTHER COMPREHENSIVE INCOME (2)	-14,927	41,605
TOTAL COMPREHENSIVE INCOME (1+2)	-38,466	34,780

Due to the absence of any minority interests, it has been decided not to present any distinction in comprehensive income between minority interests and Group share.

3.4. CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Notes	June 30, 2026	June 30, 2025
Net income for the period		-23,539	-6,825
Adjustment for :		-	-
Depreciation and provisions ⁽¹⁾		16,406	18,053
Elimination of revaluation gains/losses (fair value)		-99	305
(Gains)/losses on asset disposals		-3,223	119
Other non-cash items ⁽²⁾		1,179	-144
Other ⁽³⁾		1,256	797
CASH FLOW AFTER COST OF NET DEBT AND TAX		-8,020	12,306
Of which cash flow from discontinued operations		-	-
Income tax expense	21.2	1,155	-12,523
Cost of debt	20	6,460	6,530
CASH FLOW FROM OPERATIONS BEFORE COST OF DEBT AND TAX		-404	6,313
Change in inventories net of provisions		-16,157	-564
Change in trade and other receivables net of provisions		-18,697	16,347
Change in trade and other payables		35,139	-13,009
Tax paid		-1,527	-2,694
CASH FLOW FROM OPERATING ACTIVITIES		-1,648	6,392
Of which cash flow from operating activities related to discontinued operations		-	-
Impact of changes in scope of consolidation		-	-
Acquisitions of tangible and intangible fixed assets (including change in fixed asset suppliers) ⁽⁵⁾	6	-6,343	-7,024
Acquisition of financial assets		-	-
Change in loans and advances		59	-209
Disposal of property, plant and equipment and intangible assets ⁽⁴⁾	6	4,414	374
Dividends received		1	-

In thousands of euros	Notes	June 30, 2026	June 30, 2025
CASH FLOW FROM INVESTING ACTIVITIES		-1,870	-6,859
Of which cash flow from investing activities related to discontinued operations		-	-
Capital increase	11	-0	1,100
Purchase or sale of treasury shares		-5	-6
Loan issues ⁽⁶⁾	14.2	4,544	-
Loan repayments	14.2	-148	-4,447
Repayment of lease obligations	14.2	-5,492	-5,707
Interest paid		-5,636	-6,770
Cash flow from repayable advances		-1,017	-104
Other flows from financing activities	14.2	-	-
CASH FLOW FROM FINANCING ACTIVITIES		-7,754	-15,934
+/- impact of exchange rate fluctuations		188	-542
Impact of changes in accounting policies		-0	-1,710
CHANGE IN NET CASH AND CASH EQUIVALENTS		-11,083	-18,653
Opening cash and cash equivalents		56,715	59,374
Closing cash and cash equivalents		45,632	40,721

(1) Depreciation, amortisation and provisions differ from the amounts shown in the profit and loss account due to the recognition and reversal of financial provisions

(2) This mainly relates to the discounting of various loans

(3) In 2026, €1.255 million in respect of calculated income and expenses relating to share-based payments

(4) Proceeds from the sale of the Labège site in May 2026 (4.2M)

(5) The total acquisitions of tangible and intangible fixed assets differ from the total presented in Note 6 due to the inclusion of changes in fixed asset suppliers and the impact of new finance leases that do not affect cash flow (0.75k)

(6) The increase in borrowings of €4.5M relates to the revolving credit facility with Avcorp

3.5. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>In thousands of euros</i>	Capital issued	Capital reserves	Own shares	Consolidated reserves and income	Derivative instruments hedging future cash flows	Currency translation adjustments	Attributable to owners of the parent	Non-controlling interests	TOTAL
DEC. 31, 2024	126,198	326,020	-443	-334,879	-36,212	-12,320	68,365	-	68,365
Capital transactions (*)	1,033	67	-	-	-	-	1,100	-	1,100
Share-based payments	-	-	-	2,919	-	-	2,919	-	2,919
Treasury share transactions	-	-	-3	-	-	-	-3	-	-3
Transactions with shareholders	1,033	67	-3	2,919	-	-	4,015	-	4,015
Net income for the year (1)	-	-	-	-32,141	-	-	-32,141	-	-32,141
Derivative instruments hedging future cash flows (change in fair value and transfers to income)	-	-	-	-	45,913	-	45,913	-	45,913
Translation adjustments: changes and transfers to income	-	-	-	-	-	1,851	1,851	-	1,851
Other changes (**)	-	-	-	697	-	-	697	-	697
Other comprehensive income (2)	-	-	-	697	45,913	1,851	48,460	-	48,460
TOTAL COMPREHENSIVE INCOME (1)+(2)	-	-	-	-31,444	45,913	1,851	16,319	-	16,319
DEC. 31, 2025	127,231	326,087	-447	-363,405	9,701	-10,469	88,699	-	88,699
Capital transactions	87	-87	-	-	-	-	-0	-	-0
Share-based payments	-	-	-	1,256	-	-	1,256	-	1,256
Treasury share transactions	-	-	-5	-	-	-	-5	-	-5
Transactions with shareholders	87	-87	-5	1,256	-	-	1,250	-	1,250
Net income for the year (1)	-	-	-	-23,539	-	-	-23,539	-	-23,539
Derivative instruments hedging future cash flows (change in fair value and transfers to income)	-	-	-	-	-16,863	-	-16,863	-	-16,863
Translation adjustments: changes and transfers to income	-	-	-	-	-	1,998	1,998	-	1,998
Other changes	-	-	-	-62	-	-	-62	-	-62
Other comprehensive income (2)	-	-	-	-62	-16,863	1,998	-14,927	-	-14,927
TOTAL COMPREHENSIVE INCOME (1)+(2)	-	-	-	-23,601	-16,863	1,998	-38,466	-	-38,466
JUNE 30, 2026	127,319	326,000	-452	-385,750	-7,162	-8,471	51,483	-	51,483

(*) Capital increase of €1.1 million in December 2025,

(**) Capital increase of €87K in May 2026

(***) Main impact relating to the revaluation of the discount rate on employee benefit obligations

FIRST HALF OF 2025

<i>In thousands of euros</i>	Capital issued	Capital reserves	Own shares	Consolidated reserves and income	Derivative instruments hedging future cash flows	Currency translation adjustments	Attributable to owners of the parent	Noncontrolling interests	TOTAL
DEC. 31, 2024	126,198	326,020	-443	-334,879	-36,212	-12,319	68,365	-	68,365
Capital transactions	733	367	-	-	-	-	1,100	-	1,100
Share-based payments	-	-	-	797	-	-	797	-	797
Treasury share transactions	-	-	-6	-	-	-	-6	-	-6
Transactions with shareholders	733	367	-6	797	-	-	1,891	-	1,891
Net income for the year (1)	-	-	-	-6,825	-	-	-6,825	-	-6,825
Derivative instruments hedging future cash flows (change in fair value and transfers to income)	-	-	-	-	45,863	-	45,863	-	45,863
Translation adjustments: changes and transfers to income	-	-	-	-	-	-4,264	-4,264	-	-4,264
Other changes	-	-	-	6	-	-	6	-	6
Other comprehensive income (2)	-	-	-	6	45,863	-4,264	41,606	-	41,606
TOTAL COMPREHENSIVE INCOME (1)+(2)	-	-	-	-6,818	45,863	-4,264	34,781	-	34,781
JUNE 30, 2025	126,931	326,387	-449	-340,901	9,651	-16,583	105,037	-	105,037

3.6. NOTES TO THE CONSOLIDATED ACCOUNTS

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INFORMATION RELATING TO THE GROUP

Latecoere is a public limited company under French law, domiciled at 135 rue de Périole 31000 Toulouse - France, listed on the Euronext Paris stock exchange FR001400JY13 - LAT.

The consolidated financial statements of the Latecoere Group for the year ended June 30, 2026, include the parent company and its subsidiaries (together referred to as the Group) and the Group's share of associates.

The Group's consolidated accounts were approved by the Board of Directors on September 22, 2026. These accounts will be submitted for approval to the 2026 Combined Annual General Meeting.

NOTE 1 | KEY FACTS

There were no significant events to report

NOTE 2 | ACCOUNTING PRINCIPLES

2.1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The condensed consolidated financial statements as at 30 June 2026 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. As these are condensed financial statements, they do not include all the information required by IFRS and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2025.

- The accounting policies and methods applied to the condensed consolidated financial statements as at 30 June 2026 are identical to those applied in the consolidated financial statements as at 31 December 2025, except the standards, amendments and interpretations adopted by the European Union that are mandatory for financial years beginning on or after 1 January 2026.

The financial statements are presented in K€, rounded to the nearest thousand euros. They are prepared on a historical-cost basis, except the following assets and liabilities, which are measured at fair value: derivative financial instruments, financial instruments held for trading, and financial assets and liabilities designated at fair value through profit or loss.

2.2. APPLICATION OF STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE TO FINANCIAL STATEMENTS

New standards, interpretations and amendments to IFRS standards mandatory from January 1, 2026:

Amendments to IFRS 9 and IFRS 7: 'Classification and Measurement of Financial Instruments'.

These amendments aim, in particular, to clarify the derecognition of financial liabilities settled via electronic payment systems, to specify the analysis of the SPPI criterion ('Solely Payments of Principal and Interest'), and to enhance certain disclosures in the notes..

Amendments to **IFRS 9 and IFRS 7**: 'Contracts Referencing Nature-dependent Electricity' These amendments, published in December 2024, relate to certain electricity contracts indexed to renewable energy production and also become effective from **January 2026**. Standards, interpretations and amendments

not adopted by the European Union as at 30 June 2026 or whose application is not mandatory as at 1 January 2026:

IFRS 18 - Presentation and Disclosure in Financial Statements (mandatory application from 1 January 2027).

2.3. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Group formulates assumptions and regularly makes estimates relating to its various activities on this basis. These estimates are based on past experience and other factors considered reasonable in the circumstances.

The Group's management regularly reviews these estimates and assumptions, drawing on experience and various other factors considered reasonable for estimating the carrying amounts of assets and liabilities. The impact of changes in accounting estimates is recognized in the period in which the change occurs if it affects only that period, or in the period of the change and subsequent periods if those periods are also affected by the change. The estimates and assumptions used have been determined with reference to the current environment, in particular for the estimates set out below:

- the valuation of goodwill (note 5);

- the assumptions regarding future cash flows and the discount rates used for impairment tests on goodwill, intangible assets and property, plant and equipment, based on the 2025-2029 business plan approved by the Board of Directors, remain unchanged since the financial year ended 31 December 2025 (note 6 URD of 31/12/2025);
- assessment of inventory impairment (note 7);
- fair value measurement of financial instruments and derivatives (note 10);
- measurement of provisions (note 12);

- fair value measurement of the financial liability relating to the 'Return to Better Fortunes' clause provided for in the conciliation protocol signed on 9 June 2023 (note 14)
- measurement of deferred tax (note 16.2).

As at 30 June 2026, the estimates and assumptions used in the consolidated financial statements were determined on the basis of information available to the Group at the balance sheet date, in particular regarding commercial information (order book and production rates) provided by the various aircraft manufacturers and information derived from the outlook for the aerospace market, taking into account ongoing commercial negotiations.

2.4. EVALUATION METHOD SPECIFIC TO THE HALF-YEARLY CONDENSED CONSOLIDATED ACCOUNTS

- Liabilities to staff as at 30 June 2026 have been discounted, taking into account significant changes affecting the yield on bonds issued by companies with a 1st tier (the benchmark used to determine discount rates, with the Group referring in particular to the Iboxx Corp AA 10+ index), with the discount rate rising from 3.38% to 3.61%. The impact of the revaluation of the discount rate on the Group's equity is immaterial.

NOTE 3 | CONSOLIDATION SCOPE

As the Group exercises, directly or indirectly, exclusive control over all companies, these are fully consolidated. All significant companies within the scope close their accounts on December 31, except Latecoere India Private Limited, which closes its accounts on March 31 and for which a statement of financial position is prepared as of the closing date. Interim statements as of June 30 are prepared by all subsidiaries in order to prepare the half-yearly condensed consolidated financial statements.

SUBSIDIARIES

Companies controlled directly or indirectly by Latecoere are consolidated using the full consolidation method. Control of a company exists when the Group:

- holds power over the company;
- is exposed or entitled to variable returns due to its links with the company;
- has the ability to exercise its power over the activities deemed relevant to the company in order to influence the amount of returns it obtains. The full consolidation method consists of integrating all assets, liabilities, income and expenses. Subsidiaries are included in the scope of consolidation from the date of taking control. All transactions between consolidated subsidiaries are eliminated, as are internal Group results (capital gains, profits on inventories, dividends).

NON-CONSOLIDATED ENTITIES

Relations with non-consolidated entities are presented in note 24.4.

	Country	% of voting rights	% of interest	Consolidation method
Latecoere	France			Consolidating company
Latecoere do Brasil	Brazil	100 %	100 %	Full consolidation
Latecoere Czech Republic s.r.o	Czech Republic	100 %	100 %	Full consolidation
LETOV LV a.s.	Czech Republic	100 %	100 %	Full consolidation
Latecoere Inc.	United States	100 %	100 %	Full consolidation
Latecoere Développement	France	100 %	100 %	Full consolidation
Latecoere Mexico	Mexico	100 %	100 %	Full consolidation
Latecoere Mexico Services	Mexico	100 %	100 %	Full consolidation
Latecoere Bulgaria	Bulgaria	100 %	100 %	Full consolidation
Technical Airborne Components (TAC)	Belgium	100 %	100 %	Full consolidation
LATF11	France	100 %	100 %	Full consolidation
LATF12	Belgium	100 %	100 %	Full consolidation
LFR4	France	100 %	100 %	Full consolidation
Avcorp Industries Inc.	Canada	100 %	100 %	Full consolidation
Avcorp Composite Fabrication Inc.	United States	100 %	100 %	Full consolidation
Comteck Advanced Structures Ltd.	Canada	100 %	100 %	Full consolidation
Avcorp US Holding Inc.	United States	100 %	100 %	Full consolidation
LATelec	France	100 %	100 %	Full consolidation
LATelec GmbH	Germany	100 %	100 %	Full consolidation
SEA LATelec	Tunisia	100 %	100 %	Full consolidation
LATelec Mexico	Mexico	100 %	100 %	Full consolidation
LATelec Mexico Services	Mexico	100 %	100 %	Full consolidation
LATsima	Morocco	100 %	100 %	Full consolidation
LATelec Interconnection Inc.	Canada	100 %	100 %	Full consolidation
Latecoere Interconnection Systems US	United States	100 %	100 %	Full consolidation
Latecoere Interconnection Systems UK	England	100 %	100 %	Full consolidation
Latecoere India Private Limited	India	100 %	100 %	Full consolidation

NOTE 4 | OPERATING SEGMENTS

On 1 July 2025, the Group formalised a transformation towards a more integrated and customer-focused organisation. The new structure moves from a product-oriented model to an integrated matrix model, combining a product-based and a geographical approach, in which the regions focus on the mass production of Aerostructures and Interconnection Systems for OEMs, based on customer location. Latecoere Services (Specialised Services & Products – SPS) offers a comprehensive range of services via two platforms to serve its customers:

Burlington (Canada) for US customers and Toulouse for other customers worldwide; It should be noted that, in accordance with the “entity-wide disclosures” under IFRS 8 (paragraphs 31 to 34), our three main customers each account for more than 10 per cent of the Group’s consolidated turnover. The organisations mentioned now form the backbone of the Latécoère Group. In accordance with IFRS, the Group has applied this new segment structure prospectively, with effect from the annual consolidated financial statements for the financial year ended 31 December 2025.

Consequently, the operating segments as previously defined have been amended to reflect the Latécoère Group’s new organisational structure. The Group will operate through the following four business segments:

- Aerostructures (AS)
- Interconnection Systems (IS)
- Latecoere Services (SPS)
- Space; however, only the Aerostructures, Interconnection Systems and Latecoere Services segments will be reported on a segment basis, as the Space business does not exceed any of the thresholds defined by IFRS.

The presentations in this publication include indicators relating to the Group’s new segments, both as at 30 June 2026 and at the end of June 2025; this approach is consistent with the integrated management approach set out in IFRS 8, which requires external segment reporting reflecting the internal structure actually used by management at the end of the reporting period. The sectors or segments presented by the Group are distinct components of the Group engaged in the provision of related goods or services (business sectors) which are exposed to risks and profitability different from those of other sectors and are monitored

4.1. MEASUREMENT OF ECONOMIC PERFORMANCE

4.1.1 Key indicators by sector

Performance measurement for each business segment, as reviewed by General Management, is based on the following key indicators.

- **Sales**
- **Recurring EBITDA**, which corresponds to recurring operating income before depreciation, amortization and impairment of property, plant and equipment and intangible assets and restated of potential IFRS 2 impacts;
- **Operating income before non-recurring** items, which by their very nature are not sufficiently predictable due to their unusual, abnormal or infrequent nature.
- **Net Investments**, which measures the volume of new investments. They correspond to assets net of depreciation adjusted for disposals during the period.

FIRST HALF OF 2026*June 30, 2026- Thousands of euros*

	Aerostructures	Interconnection Systems	Latécoère Services	Total
CONSOLIDATED SALES FROM CONTINUING OPERATIONS	236,992	139,235	55,327	431,553
Recurring EBITDA from continuing operations	-25,556	15,989	13,333	3,767
Recurring operating income from continuing operations	-35,662	8,468	12,677	-14,517
Recurring operating income from continuing operations/sales for the activity	-15%	6%	23%	-3%
Other non-recurring operating income and expenses from continuing operations	-2,284	2,849	-574	-8
Operating income from continuing operations	-37,945	11,390	12,029	-14,526
Net Investments (excluding gains on disposals)	-4,580	-1,268	-495	-6,343

FIRST HALF OF 2025*June 30, 2025- Thousands of euros*

	Aerostructures	Interconnection Systems	Latecoere Services	Total
CONSOLIDATED SALES FROM CONTINUING OPERATIONS	203,204	120,070	51,332	374,606
Recurring EBITDA from continuing operations	5,632	7,702	8,938	22,272
Recurring operating income from continuing operations	-3,555	-1,275	8,349	3,519
Recurring operating income from continuing operations/sales for the activity	-1.7%	-1.1%	16.3%	0.8%
Other non-recurring operating income and expenses from continuing operations	-5,411	-1,167	-	-6,578
Operating income from continuing operations	-8,966	-2,442	8,349	-3,059
Net Investments (excluding gains on disposals)	-4,266	-2,551	-	-6,817

MADES has an impact on consolidated business sales of €13 million, €1.6 million on recurring EBITDA and €1.3 million on recurring operating income.

BALANCE SHEET ITEMS AT JUNE 30, 2026

<i>June 30, 2026- Thousands of euros</i>	Aerostructures	Interconnection Systems	Latecoere Services	Inter-sector elimination	Total
Goodwill	14,227	-	-	-	14,227
Intangible assets	76,186	10,650	768	-	87,603
Tangible assets	71,153	9,486	5,156	-	85,795
Other financial assets	5,714	715	-	-	6,430
FIXED ASSETS	167,280	20,851	5,924	-	194,055
Inventories and work-in-progress	165,919	63,656	21,184	-16	250,743
Trade and other receivables	88,302	26,024	23,048	-12,099	125,275
Other assets	43,214	21,441	-	-247	64,407
Assets held for sale	-	-	-	-	-
TOTAL SEGMENT ASSETS	464,715	131,972	50,156	-12,362	634,480
Provisions	15,246	3,855	4,551	-	23,651
Repayable advances	15,391	11,510	-	-	26,901
Trade and other payables	149,886	58,381	7,961	-9,825	206,404
Contract liabilities	26,846	10,528	-	-	37,374
Other liabilities	55,416	10,297	7,479	-242	72,949
Liabilities held for sale	-	-	-	-	-
TOTAL SEGMENT LIABILITIES	262,784	94,570	19,991	-10,067	367,279

Other assets of €64.4 million include, in particular, cash and cash equivalents amounting to €45.6 million.

BALANCE SHEET ITEMS AT DECEMBER 31, 2025

<i>Dec. 31, 2025 - Thousands of euros</i>	Aerostructures	Interconnection Systems	Latecoere Services	Inter-sector elimination	Total
Goodwill	14,227	-	-	-	14,227
Intangible assets	78,918	15,297	1,123	-	95,339
Tangible assets	71,364	13,097	5,091	-	89,552
Other financial assets	5,704	742	-	-	6,446
FIXED ASSETS	170,214	29,136	6,214	-	205,564
Inventories and work-in-progress	157,663	56,399	18,767	-16	232,813
Trade and other receivables	80,500	23,400	18,181	-13,091	108,991
Other assets	57,553	27,862	-	-1,481	83,933
Assets held for sale	-	-	-	-	-
TOTAL SEGMENT ASSETS	465,930	136,797	43,162	-14,588	631,301
Provisions	21,672	2,999	5,229	-	29,900
Repayable advances	15,698	12,219	-	-	27,916
Trade and other payables	174,071	46,083	7,970	-62,795	165,329
Contract liabilities	28,093	11,653	-	-	39,746
Other liabilities	50,391	12,126	3,516	-1,481	64,551
Liabilities held for sale	-	-	-	-	-
TOTAL SEGMENT LIABILITIES	289,925	85,079	16,715	-64,276	327,443

Other assets of €83.9 million include, in particular, cash and cash equivalents amounting to €56.8 million.

4.1.2 Reconciliation with Group data

Recurring EBITDA is reconciled with the Group's operating result as follows:

<i>In thousands of euros</i>	June 30, 2026	June 30, 2025
(+) Recurring operating income	-14,526	-3,059
(-) Other non-recurring operating income and expenses	-9	-6,578
(-) Depreciation, amortization and impairment losses	-16,934	-18,752
(+/-) Other non-cash elements	-1,256	0
Recurring EBITDA	3,673	22,272

NOTE 5 | GOODWILL

<i>In thousands of euros</i>		Dec. 31, 2025	June 30, 2026 Gross value	Previous write-downs	Impairment for the period	Other changes	June 30, 2026 Net value
UGT TAC	Technical Airborne Components (TAC)	2,229	2,229	-	-	-	2,229
CGU AVCORP	Avcorp Industries Inc.	11,999	19,280	- 7,281	-	-	11,999
CGU	GOODWILL	14,228	21,509	- 7,281	-	-	14,228

Please note that the CGU's are set out in detail in note 6.2

NOTE 6 | FIXED ASSETS

6.1. CHANGE IN FIXED ASSETS

GROSS VALUE OF FIXED ASSETS

<i>In thousands of euros</i>	Dec. 31, 2025	Effects of exchange rate changes	Reclassification and scrapping	Acquisitions	Disposals	June 30, 2026
Capitalized development costs	209,555	-16	-167	418	-	209,791
Brands	1,396	-3	-	-	-	1,393
Customer relations	61,110	-618	-	-	-	60,492
Order book	660	-	-	-	-	660
Licences	4,807	-	-	-	-	4,807
Software	60,352	-14	1,487	47	-9	61,863
Other intangible assets	9,157	-	-1,567	2,206	-	9,795
INTANGIBLE ASSETS	347,037	-651	-247	2,671	-9	348,801
Land	5,398	157	-	-	-3	5,552
Buildings	82,935	626	-662	450	-746	82,602
Plant, machinery & equipment	198,012	765	3,351	1,007	-3,557	199,579
Other property, plant and equipment	28,549	173	-324	545	-1,462	27,481
Assets under construction	9,980	290	-3,727	1,416	-	7,959
Advances and deposits on tangible assets	8	0	-1	158	-	165
Right to use contracts	97,427	824	-	20	-6,125	92,146
TANGIBLE ASSETS	422,309	2,836	-1,364	3,597	-11,893	415,485

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DEPRECIATION OF FIXED ASSETS

<i>In thousands of euros</i>	Dec. 31, 2025	Effects of exchange rate changes	Reclassification and scrapping	Endowments	Reversals	June 30, 2026
Capitalized development costs	172,318	-3	-	5,432	-	177,746
Brands	-	-	-	-	-	-
Customer relations	15,575	-110	-	2,360	-	17,825
Order book	660	-	-	-	-	660
Licences	2,288	-	-	240	-	2,528
Software	55,811	-12	3	1,667	-9	57,460
Other intangible assets	5,045	12	-80	-	-	4,977
AMORTISATION OF INTANGIBLE ASSETS	251,698	-113	-77	9,699	-9	261,198
Impairment of land	1,375	-	-	-	-	1,375
Buildings	72,595	341	-763	896	-438	72,630
Plant, machinery & equipment	169,619	683	-262	2,954	-3,734	169,260
Other property, plant and equipment	25,470	189	-333	634	-1,252	24,709
Assets under construction	4,349	-	-	-	-	4,349
Advances and deposits on tangible assets	99	-	-	-	-	99
Right to use contracts	59,250	544	-	2,706	-5,232	57,268
AMORTISATION OF TANGIBLE ASSETS	332,757	1,757	-1,358	7,189	-10,655	329,691

NET VALUE OF FIXED ASSETS

<i>In thousands of euros</i>	June 30, 2026	Dec. 31, 2025
Capitalized development costs	32,045	37,238
Brands	1,393	1,396
Customer relations	42,667	45,535
Order book	0	0
Licences	2,278	2,518
Software	4,402	4,541
Other intangible assets	4,818	4,111
INTANGIBLE ASSETS	87,603	95,339
Land	4,177	4,023
Buildings	9,972	10,340
Plant, machinery & equipment	30,319	28,393
Other property, plant and equipment	2,773	3,078
Assets under construction	3,610	5,632
Advances and deposits on tangible assets	66	-91
Right to use contracts	34,877	38,177
TANGIBLE ASSETS	85,795	89,551

Development costs

Development costs correspond mainly to NRC costs on contracts (design, tooling). When an indication of impairment is identified (discontinuation of a program, significant drop in production rate forecasts by the client), a case-by-case analysis is performed, and an impairment loss is recognized when the future gross margin of the program concerned is less than the net book value of the development costs.

Significant development costs not related to contracts are subject to an annual review of future profitability prospects to ensure that there is no indication of impairment. Where necessary, an impairment loss is recognized

The majority of development costs relate to the following programs: A400M (electrical furniture), F7X (harness, rear fuselage section), Embraer E2 (doors) and A350 (harness) and A321 (doors).

6.2. ASSET IMPAIRMENT TEST

Analysis as at 30 June 2026:

As part of this interim financial statement, the company has not identified any indications of impairment. Consequently, no impairment test was carried out as at 30 June 2026.

Reminder of the valuation carried out at 31 December 2025:

Each of the Group's business segments has been allocated to a Cash-Generating Unit (CGU), for which the monitoring of goodwill is set out in note 5. Those identified within the Latecoere Group are:

- The CGUs of the Aerostructures division: Structures – AvCorp – TAC;
- The CGU of the SI (Interconnection Systems) division;
- The CGU of the Latecoere Services division (Services and Special Products – SPS). Tests were carried out at 31 December 2025 on the cash-generating units carrying goodwill, in accordance with IAS 36, namely TAC and AvCorp. The main assumptions used to assess the value in use of these CGUs are as follows:
- Future cash flows are derived from five-year operating forecasts for the CGU under test;

- The operating forecasts take into account general economic data, inflation rates, specific exchange rates by geographical region, and medium- and long-term macroeconomic assumptions;
- The value in use of the CGUs is equal to the sum of these discounted projected cash flows, plus a terminal value calculated by applying an expected growth rate for the activities in question to a normative cash flow representative of long-term operations.

The parameters used were as follows:

- The growth rate used to determine the terminal value was set at 2 per cent (unchanged from 2024);
- The reference discount rate used is 9.04 per cent, applied to post-tax cash flows (compared with 9.89 per cent in 2024).

The value in use of the TAC CGU was found to exceed the net asset value of the assets tested. No impairment was recognised in the accounts as at 31 December 2025.

The impairment test for the AvCorp CGU was carried out in accordance with IAS 36. The main assumptions used to assess the CGU's value in use are as follows:

- Future cash flows are derived from the five-year operating forecasts for the CGU under test;

- The operating forecasts used take into account general economic data, inflation rates specific to each geographical region, a Canadian dollar (CAD) exchange rate based on available market information, and medium- and long-term macroeconomic assumptions;
- The value in use of the CGUs is equal to the sum of these discounted projected cash flows, plus a terminal value calculated by applying an expected growth rate for the relevant operations to a normative cash flow representative of long-term operations. The value in use of the AvCorp CGU exceeds the net asset value of the assets tested. No further impairment loss was recognised in the accounts as at 31 December 2025.

The analysis of these two CGUs was supported by a sensitivity analysis, which took into account a change in the discount rate of +/- 0.5 per cent and a change in the long-term growth rate of +/- 0.5 per cent compared with the rates mentioned above, either in combination or individually. In none of the scenarios did the fair values fall below the net carrying amounts.

As at 31 December 2025, no indications of impairment were identified in respect of the assets of the Interconnection Systems and SPS (Latecoere Services) CGU. Consequently, no impairment tests were carried out on the assets of these two CGUs, and no impairment charge or reversal was recognised for the 2025 financial year.

Finally, as at 31 December 2025, no indications of impairment were identified in respect of the assets of the Structures CGU. Furthermore, no indications were identified to suggest that any impairment losses recognised in the past might no longer exist or might have decreased. Consequently, no impairment tests

NOTE 7 | STOCKS AND WORK IN PROGRESS

	June 30, 2026			Dec. 31, 2025			Variation		
	Gross	Provision	Net	Gross	Provision	Net	Gross	Provision	Net
<i>In thousands of euros</i>									
Raw materials and supplies	178,344	-19,532	158,813	165,169	-21,791	143,378	13,175	2,259	15,434
Work-in-progress and finished goods	107,882	-15,951	91,931	107,918	-18,483	89,434	-36	2,532	2,496
INDUSTRIAL INVENTORIES	286,226	-35,483	250,743	273,087	-40,274	232,813	13,139	4,792	17,931

NOTE 8 | FINANCIAL ASSETS

The Group has distinguished three categories of financial instruments according to the consequences that their characteristics have on their valuation method and relies on this classification to present some of the information required by IFRS 7:

- Level 1 category "Market price": financial instruments quoted on an active market;
- Level 2 category "Model with observable parameters": financial instruments whose valuation requires the use of valuation techniques based on observable parameters;
- Level 3 category "Model with unobservable parameters".».

	Amortized cost	Financial assets at fair value through profit or loss	Derivatives qualifying as hedges	June 30, 2026	Fair value
<i>In thousands of euros</i>					
Non-current financial assets	6,430	-	-	6,430	6,430
Trade and other receivables	125,276	-	-	125,276	125,276
Derivative instruments in assets	-	-	2,800	2,800	2,800
Cash and cash equivalents	45,694	-	-	45,694	45,694
TOTAL FINANCIAL ASSETS	177,399	-	2,800	180,200	180,200

	Level 1	Level 2	Level 3	Fair value
<i>In thousands of euros</i>				
Financial instruments	-	2,800	-	2,800
TOTAL	-	2,800	-	2,800

	Amortized cost	Financial assets at fair value through profit or loss	Derivatives qualifying as hedges	Dec. 31, 2025	Fair value
<i>In thousands of euros</i>					
Non-current financial assets	6,446	-	-	6,446	6,446
Trade and other receivables	108,990	-	-	108,990	108,990
Derivative instruments in assets	-	-	15,286	15,286	15,286
Cash and cash equivalents	56,769	-	-	56,769	56,769
TOTAL FINANCIAL ASSETS	172,206	-	15,286	187,492	187,492

	Level 1	Level 2	Level 3	Fair value
<i>In thousands of euros</i>				
Financial instruments	-	15,286	-	15,286
TOTAL	-	15,286	-	15,286

The fair value of trade receivables corresponds to their balance sheet value, taking into account the very short payment deadlines. The same applies to other receivables.

NOTE 9 | CUSTOMERS AND OTHER PAYERS*In thousands of euros*

	June 30, 2026	Dec. 31, 2025
Advances and deposits paid on orders	4,860	2,749
Accounts receivable	75,538	68,444
Invoices to be issued	25,774	18,898
Impairment of trade receivables	-4,746	-4,781
Tax receivables	14,796	15,238
Other receivables	9,052	8,442
TOTAL TRADE AND OTHER RECEIVABLES	125,276	108,990
Prepaid expenses	4,615	3,071
Other current assets	780	718
TOTAL OTHER CURRENT ASSETS	5,395	3,789

NOTE 10 | INSTRUMENTS AND DERIVATIVES

Due to its international exposure and the fact that it invoices its customers in US dollars, the Group is exposed to foreign exchange risks. The Group has therefore developed a natural hedging policy by making a proportion of its purchases in US dollars.

Consequently, the Group's entities exposed to this foreign exchange risk invoice approximately 76 per cent of their sales in US dollars and purchase approximately 72 per cent of their supplies or subcontracted work in US dollars.

The Group's natural hedge against the US dollar represents approximately 42 per cent. Changes in the fair value of financial instruments did not affect the financial result for the first half of 2026. It should be noted that the change in CVA/DVA on the financial result amounted to +€0.1 million in the first half of 2026 and -€0.3 million in 2025.

10.1. INFORMATION ON THE VALUE OF DERIVATIVE INSTRUMENTS AND NOTIONAL AMOUNTS HEDGED

The Group mainly uses forward foreign exchange contracts and option collars to hedge its foreign exchange risk.

In thousands of euros	Balance sheet value			Maturity		
	Assets	Liabilities	Notional*	< 1 year	1 to 5 years	> 5 years
CVA/DVA on EUR/USD instruments	0	-69	-	-69	-	-
NON-QUALIFIED INSTRUMENTS	0	-69	-	-69	-	-
Cash flow hedges :	-	-	-	-	-	-
• EUR/USD currency options	-	-	-	-	-	-
• EUR/USD forward foreign exchange contracts	2,800	11,180	577,222	376,163	201,059	-
QUALIFIED INSTRUMENTS	2,800	11,180	577,222	376,163	201,059	-
Instruments not qualifying for hedge accounting	0	-69	-	-	-	-
Instruments qualifying for hedge accounting	2,800	11,180	577,222	376,163	201,059	-
TOTAL DERIVATIVE INSTRUMENTS	2,800	11,111	577,222	376,163	201,059	-
• Of which non-current derivatives	-	5,841	-	-	-	-
• Of which current derivatives	2,800	5,270	-	-	-	-

(*) The notional amount is valued in thousands of euros using the exchange rate at the balance sheet date.

10.2. INFORMATION ON THE IMPACT OF DERIVATIVE INSTRUMENTS ON INCOME AND EQUITY

IMPACT OF CASH FLOW HEDGES

<i>In thousands of euros</i>	June 30, 2026	Dec. 31, 2025
Equity - Hedging instruments (net of tax) at beginning of year	9,701	-36,212
Opening impact correction	-	-
Change in effective fair value	-22,219	49,487
Reclassification to net income for the year	-	-
Cumulative translation adjustment	-	-
Tax effect on changes for the year	5,356	-3,575
Equity - Hedging instruments (net of tax) at end of year	-7,163	9,701

IMPACT OF DERIVATIVE INSTRUMENTS TO WHICH HEDGE ACCOUNTING IS NOT APPLIED

<i>In thousands of euros</i>	June 30, 2026	Dec. 31, 2025
Opening fair value	-30	150
Pre-tax impact on income	99	-180
Closing fair value	69	-30

NOTE 11 | SHAREHOLDERS' EQUITY

11.1. CAPITAL STRUCTURE AND EARNINGS PER SHARE

	June 30, 2026	Dec. 31, 2025
Number of shares	12,731,869,144	12,723,143,054
Par value of a share	0.01	0.01
SHARE CAPITAL IN EUROS	127,318,692	127,231,431

The main movements in shares during the first half of the year were as follows:

A capital increase took place on 13 May 2026 through the issue of 59,500 preference shares at 0.01 euros, and on 5 June 2026 through the issue of 8,666,664 ordinary shares at 0.01 euros, bringing the new share capital from 12,723,143,054 shares to 12,731,869,218 at €0.01.

	June 30, 2026	Dec. 31, 2025
Average number of shares issued	12,668,763,569	12,668,154,826
Average treasury stock	661,335	647,836
Weighted average number of shares (a)	12,668,102,233	12,667,506,990
Dilutive effect of performance share plan (b)	3,702,257	40,305,110
Total diluted shares (a+b)	12,671,804,491	12,707,812,100
NET INCOME (GROUP SHARE) IN EUROS	-23,538,951	-32,141,403
Earnings per share	-0.0019	-0.0025
Diluted earnings per share	-0.0019	-0.0025

11.2. TREASURY SHARES

In quantity	Dec. 31, 2025	Acquisitions	Disposals	June 30, 2026	% of Capital
LATECOERE shares	634,721	4,316,614	4,036,359	914,976	0.01%
In euros	Dec. 31, 2025	Acquisitions	Disposals	June 30, 2026	Average acquisition price
LATECOERE shares	8,805	72,075	69,651	11,229	0.01

Transactions involving treasury shares are carried out under the liquidity contract managed by Gilbert Dupont.

In accordance with IAS 32-33, treasury shares are recognized directly in equity.

NOTE 12 | CURRENT AND NON-CURRENT PROVISIONS

<i>In thousands of euros</i>	Dec. 31, 2025	Endowments	Used reversals	Unused reversals	Reclassification	Effect of exchange rates change	June 30, 2026
Non-current provisions	19,253	681	-1,346	-454	-2,630	27	15,530
Provisions for restructuring (non-current)	-	-	-	-	-	-	-
TOTAL NON-CURRENT PROVISIONS	19,253	681	-1,346	-454	-2,630	27	15,530
Current provisions	10,194	123	225	-	-2,541	6	8,007
Provisions for restructuring (current)	454	102	-420	-63	-	40	114
TOTAL CURRENT PROVISIONS	10,648	225	-194	-63	-2,541	46	8,121
TOTAL PROVISIONS	29,901	906	-1,541	-516	-5,171	73	23,651

The reclassifications, totalling €5.2 million, relate to restatements of opening provisions to the 'Other liabilities' heading.

Unused reversals totalling €1.5 million relate to provisions for commercial contracts that were settled during the financial year.

The balance at 30 June consists mainly of €16.3 million in provisions for disputes relating to commercial contracts, €4 million for the provision for the decontamination of the Périole site and €2 million in provisions for redundancy plans (PSE) / employee engagement plans (GEPP) and other HR risks.

NOTE 13 | EMPLOYEE BENEFITS

<i>In thousands of euros</i>	June 30, 2026	Dec. 31, 2025
Pension commitments	10,505	10,053
Long-service awards	2,643	2,500
TOTAL	13,148	12,553

The final amount of the liability will be updated as at 31 December 2026 when the full and final actuarial calculations are carried out.

13.1. BONUS SHARE PLAN

JULY 1ST, 2022 PLAN

On July 1, 2022, the Board of Directors approved new free share allocations to members of the Executive Committee exercising managerial or salaried functions, and to certain employees exercising managerial functions within the Latecoère Group. The main features of the plan are summarized in the table below:

Authorization from the Annual General Meeting	03/22/2022
Date of Board Meeting	07/01/2022
Beneficiaries	Members of the Executive Committee exercising managerial or salaried functions and certain employees exercising managerial functions within the Latecoere Group
Number of beneficiaries at initial grant	69
Total number of shares available for allocation	The Regulations of the 2022 Plan concern the free allocation of a maximum of 4,606,897 shares
Number of shares allocated	3,836,420 shares
Grant date	07/01/2022
Acquisition date	12/31/2026 (subject to cumulative presence and performance conditions)
Performance conditions	At the vesting date: Performance conditions detailed below

The performance conditions are thus constituted:

The number of Shares to be delivered will be calculated based on the EBITDA performance criterion. (EBITDA @hedged Rate - with M&A). At the end of the acquisition Period, the Board will assess the performance of the criterion based on the following scale:

- Performance: if the EBITDA achieved is greater than €113 million then the entire envelope of Shares allocated will be delivered.
- Underperformance: if the EBITDA achieved is less than €83 million then no allocated shares will be delivered.
- Between these two thresholds, progress will be made in stages.

Information on the fair value of the plan

Given the immaterial nature of the valuation at the balance sheet date, no valuation has been recognised in the accounts as at 30 June 2026.

DECEMBER 19, 2023 PLAN

The Board of December 19, 2023 made new free allocations of preference shares and ordinary shares with cancellation of preferential subscription rights, for the benefit of salaried staff members, or certain categories of them, and corporate officers, or certain of them, of the Company and/or the Companies related to it.

This plan was finalized at the end of December 2024 by a capital increase, amounting to €1,230,275.61.

The main features of the plan are summarized in the table below:

FREE PREFERENCE SHARES

Authorization from the Annual General Meeting	07/26/2023
Date of Board Meeting	12/22/2023
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	13
Total number of shares available for allocation	The 2023 Plan Regulations cover the free allocation of a maximum number of 48,500 preference shares
Number of shares allocated	45,000
Grant date	12/22/2023
Acquisition date	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Duration of the mandatory retention period for shares from the date of allocation	2 years
Performance conditions	At the date of acquisition: N/A On the conversion date: see below

The performance conditions are thus constituted:

The conversion parity is based on the IRR achieved by the financial investor on the earliest of the following dates: the Exit Date or the Merger Date, corresponding to the effective date of one of the transactions described in the Terms and Conditions of the regulations of the Preference Share plan included in the Company's articles of association, or the expiry of a period of 6 months from the completion of the transaction(s) in question.

Information on the fair value of the plan:

The fair value of the plan, calculated by an external actuary, is determined on the grant date. The valuation is based on the Cox, Ross and Rubinstein binomial model as part of the valuation of a European option. A specific model has been developed to take into account the payoff of ADPs, which are economically and financially similar to options, the value of which depends on a performance criterion (IRR achieved by the financial investor, the SCP company).

ORDINARY FREE SHARES

Authorization from the Annual General Meeting	07/26/2023
Date of Board Meeting	12/22/2023
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	8
Total number of shares available for allocation	The 2023 Plan Regulations cover the free allocation of a maximum number of 400,000,000 ordinary shares
Number of shares allocated	133,999,797
Grant date	12/22/2023
Acquisition date	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Duration of the mandatory retention period for shares from the date of allocation	2 years

No performance condition is established.

DECEMBER 30, 2024 PLAN

At its meeting on 30 December 2024, the Board of Directors made further grants of preference shares and ordinary shares free of charge, with the pre-emptive subscription right waived, to employees, or certain categories thereof, and corporate officers, or certain of them, of the Company and/or its affiliated companies. This scheme was settled at the end of December 2025 through a capital increase amounting to €300,050. The main features of the scheme are summarised in the table below: The main features of the scheme are summarised in the table below:

FREE PREFERENCE SHARES

Authorization from the Annual General Meeting	07/26/2023
Date of Board Meeting	12/30/2024
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	1
Total number of shares available for allocation	The 2023 Plan Regulations cover the free allocation of a maximum number of 48,500 preference shares
Number of shares allocated	5,000
Grant date	12/30/2024
Acquisition date	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Duration of the mandatory retention period for shares from the date of allocation	2 years
Performance conditions	At the date of acquisition: N/A
	On the conversion date: see below

The performance conditions are thus constituted:

The conversion parity is based on the IRR achieved by the financial investor on the earliest of the following dates: the Exit Date or the Merger Date, corresponding to the effective date of one of the transactions described in the Terms and Conditions of the regulations of the Preference Share plan included in the Company's articles of association, or the expiry of a period of 6 months from the completion of the transaction(s) in question.

ORDINARY FREE SHARES

Authorization from the Annual General Meeting	07/26/2023
Date of Board Meeting	12/30/2024
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	1
Total number of shares available for allocation	The 2023 Plan Regulations cover the free allocation of a maximum number of 400,000,000 ordinary shares
Number of shares allocated	30,000,000
Grant date	12/30/2024
Acquisition date	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Duration of the mandatory retention period for shares from the date of allocation	2 years
Performance conditions	At the date of acquisition: N/A As of the conversion date: N/A

The fair value of the free allocations (ordinary shares and preference shares) made in December 2024, calculated on the basis of the report of an external actuary, amounts to 332 thousand euros as of June 30, 2025, recorded as personnel expenses.

MAY 12, 2025 PLAN

At its meetings on 19 March 2025 and 18 April 2025, the Board of Directors authorised new grants of preference shares and ordinary shares free of charge, with the pre-emptive subscription right waived, to employees, or certain categories thereof, and corporate officers, or certain of them, of the Company and/or its affiliated companies.

This scheme was settled in May 2026 through a capital increase amounting to €87,267.

The main features of the scheme are summarised in the table below:

FREE PREFERENCE SHARES

Authorization from the Annual General Meeting	07/26/2023
Date of Board Meeting	19 March 2025 and 18 April 2025
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	12
Total number of shares available for allocation	The 2023 Plan Regulations cover the free allocation of a maximum number of 60,000 preference shares
Number of shares allocated	59 500
Grant date	12/05/2025
Acquisition date	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Duration of the mandatory retention period for shares from the date of allocation	2 years
Performance conditions	At the date of acquisition: N/A
	On the conversion date: see below

The performance conditions are as follows::

The conversion parity is based on the IRR achieved by the financial investor on the earliest of the following dates: the Exit Date or the Merger Date, corresponding to the effective date of one of the transactions described in the Terms and Conditions of the regulations of the Preference Share plan included in the Company's articles of association, or the expiry of a period of 6 months from the completion of the transaction(s) in question.

ORDINARY FREE SHARES

Authorization from the Annual General Meeting	07/26/2023
Date of Board Meeting	04/18/2025
Beneficiaries	Members of the salaried staff, or certain categories of them, and corporate officers, or certain of them
Number of beneficiaries at initial grant	5
Total number of shares available for allocation	The 2023 Plan Regulations cover the free allocation of a maximum number of 400,000,000 ordinary shares
Number of shares allocated	8,666,664
Grant date	12/05/2025
Acquisition date	1 year from the date of allocation by the Director General on delegation from the Board (subject to presence)
Duration of the mandatory retention period for shares from the date of allocation	2 years
Performance conditions	At the date of acquisition: N/A As of the conversion date: N/A

The fair value of the free share awards (ordinary shares and preference shares) settled in May 2026, calculated on the basis of a report by an external actuary, resulted in an expense of €1.3 million in the financial statements as at 30 June 2026, recognised under 'staff costs'.

NOTE 14 | FINANCIAL LIABILITIES

14.1. DETAILS OF FINANCIAL LIABILITIES

<i>In thousands of euros</i>	Financial liabilities at fair value through profit or loss	Derivatives qualifying as hedges	Other financial liabilities	June 30, 2026
PGE Loan & RMF Loan (State Guaranteed Loan)	-	-	85,004	85,004
Sienna bond loan (Latfi1)	-	-	20,000	20,000
Borrowings Miscellaneous	-	-	40,856	40,856
Debts on rental obligations	-	-	69,795	69,795
Banking and other facilities	-	-	63	63
TOTAL BORROWINGS	-	-	215,718	215,718
Repayable advances	-	-	26,901	26,901
Other long-term liabilities	-	-	771	771
Derivative financial instruments	-69	11,180	-	11,111
Trade and other payables	-	-	206,403	206,403
TOTAL OTHER FINANCIAL LIABILITIES	-69	11,180	207,175	218,285
TOTAL FINANCIAL LIABILITIES	-69	11,180	422,893	434,003

<i>In thousands of euros</i>	Level 1	Level 2	Level 3	Fair value
Derivative financial instruments	-	11,111	-	11,111
TOTAL	-	11,111	-	11,111

<i>In thousands of euros</i>	Financial liabilities at fair value through profit or loss	Derivatives qualifying as hedges	Other financial liabilities	Dec. 31, 2025
PGE Loan & RMF Loan (State Guaranteed Loan)	-	-	85,004	85,004
Sienna bond loan (Latfi1)	-	-	19,951	19,951
Borrowings Miscellaneous	-	-	35,056	35,056
Debts on rental obligations	-	-	75,093	75,093
Banking and other facilities	-	-	54	54
TOTAL BORROWINGS	-	-	215,158	215,158
Repayable advances	-	-	27,916	27,916
Other long-term liabilities	-	-	99	99
Derivative financial instruments	-	1,477	-	1,477
Trade and other payables	-	-	165,329	165,329
TOTAL OTHER FINANCIAL LIABILITIES	-	1,477	193,344	194,821
TOTAL FINANCIAL LIABILITIES		1,477	408,503	409,979

<i>In thousands of euros</i>	Level 1	Level 2	Level 3	Fair value
Derivative financial instruments	-	1,477	-	1,477
TOTAL	-	1,477	-	1,477

The fair value of trade payables is considered to correspond to their balance sheet value, given the very short payment deadlines. The same applies to other creditors. Borrowings and financial debts are recorded at amortized cost, calculated using the effective interest rate (EIR).

Repayable advances :

Repayable advances: Repayable advances relate to the A350 (€16.6 million) and Embraer (€6 million) programmes. The advances are repayable upon the programme's success, and repayments are linked to the delivery of each product for which an advance was made. The repayment terms are set out in the agreement signed with the lender.

14.2. BORROWINGS AND FINANCIAL LIABILITIES

<i>In thousands of euros</i>	31 Dec. 2025	Increase	Decrease	Changes with no cash impact	Reclassification	June 30, 2026
Bank borrowings - due in more than one year	122,261	-	-148	1,601	-78,535	45,179
Obligations under capital leases - portion due in more than one year	64,608	-	-545	131	-4,534	59,661
Other financial liabilities & banking facilities - portion due in more than one year	-	-	-	-	-	-
Non-current liabilities	186,869	-	-693	1,732	-83,069	104,840
Bank borrowings - current portion	17,750	4,544	-	-159	78,545	100,680
Obligations under capital leases - current portion	10,484	-	-4,947	73	4,524	10,134
Other financial liabilities & banking facilities - current portion	54	-	-	9	-	63
Current liabilities	28,286	4,544	-4,947	-77	83,069	110,878
TOTAL BORROWINGS	215,157	4,544	-5,639	1,655	-0	215,718

The discount rate applied to rental bond liabilities corresponds to the borrowing rate the Group would have to pay if it were to borrow money on the market to finance itself. The PGE debt was reclassified as current debt in the accounts as at 30 June, in accordance with the terms of the banking agreements referred to in Note 22.1 'Counterparty risk'.

The terms and conditions of the current loans are as follows:

<i>In thousands of euros</i>	Currency	Interest rate	Year of expiry	June 30, 2026	
				Original par value	Book value
State-guaranteed loans and return to better fortune (PGE & RMF)	EURO	Fixed rate / Variable rate	2027	92,200	85,004
Sienna bond loan (Latfi1)	EURO	Fixed rate	2031	23,500	20,000
Avcorp loan - Borrowing Miscellaneous	CAD	Variable rate	2026 à 2034	25,000	21,113
Other liabilities	Multi-currency	Fixed Rates	2026 à 2031	-	19,743
Debts on rental obligations	Multi-currency	Fixed Rates	N/A	N/A	69,795
Banking and other facilities	EURO	Fixed rates / variable rates	N/A	63	63
TOTAL BORROWINGS				140,763	215,718

The contractual deadlines for loans and financial debts are as follows:

	June 30, 2026 Capital
<i>In thousands of euros</i>	
Less than 1 year	110,878
PGE and RBF (1)	77,804
Debts on rental obligations	10,134
Avcorp Loan	18,953
Other financial liabilities	3,986
1 to 5 years	73,048
PGE and RBF	0
Debts on rental obligations	30,023
Avcorp Loan	2,160
Other financial liabilities	40,865
Over 5 years	31,792
PGE and RBF	0
Debts on rental obligations	29,639
Avcorp Loan	0
Other financial liabilities	2,154
TOTAL	215,718
(1) The PGE debt has been reclassified as current debt in the accounts as at 30 June, in accordance with the terms of the banking agreements referred to in Note 22.1 'Counterparty risk'.	

NOTE 15 | TRADE AND OTHER PAYABLES

	June 30, 2026	Dec. 31, 2025
<i>In thousands of euros</i>		
Trade payables	118,474	102,120
Social debts	53,395	45,224
Tax liabilities	2,796	4,612
Customer accounts payable	27,866	10,930
Other payables	3,874	2,443
TOTAL TRADE AND OTHER PAYABLES	206,403	165,329

NOTE 16 | TAXES

16.1. TAX RECEIVABLES

The amount recognised as tax receivables at 30 June 2026, totalling 9.5 million euros, relates primarily to tax credits.

16.2. DEFERRED TAXES

<i>In thousands of euros</i>	June 30, 2026	Dec. 31, 2025
Deferred tax assets	0	1,755
Deferred tax liabilities	-9,525	-6,798
DEFERRED TAXES AT THE START OF THE PERIOD	-9,525	-9,525
Deferred tax income (expense) for the period 419 -2,510	419	-2,510
Change in deferred tax recognised in equity	5,355	-1,972
DEFERRED TAXES AT YEAR-END	-3,751	-3,751
Of which deferred tax assets	1,015	0
Of which deferred tax liabilities	-4,767	-9,525

The analysis of net deferred tax assets by nature is as follows:

<i>In thousands of euros</i>	June 30, 2026	Dec. 31, 2025
Intangible assets and property, plant and equipment	-3,653	-3,012
Lease	-80	194
S&LB	1,545	1,506
Financial instruments	1,421	-3,909
Commitments to employees	2,469	2,352
Other provisions (regulated provisions)	-2,607	-2,846
Tax loss carry forwards	12,820	12,820
Avcorp PPA impact (excluding capitalized losses)	-11,974	-12,614
Other	-3,692	-4,016
NET DEFERRED TAX ASSETS (LIABILITIES)	-3,751	-9,525

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NOTE 17 | CONTRACT LIABILITIES

Pre-financed development costs reclassified from the 'Contract liabilities' line item to revenue amounted to €4.6 million for the 2026 financial year and €6.6 million for the 2025 financial year. Contract liabilities comprise deferred revenue relating to development costs, deferred income relating to repricing, and liabilities arising from customer claims regarding delivery times.

<i>In thousands of euros</i>	Dec. 31, 2025	Reclassification	New contract liabilities	Sales recognized over the period	June 30, 2026
Contract liabilities	39,746	-	-	-2,373	37,374
Other current liabilities	38,910	-	-	-2,252	36,658

NOTE 18 | DETAILS OF OTHER COMPONENTS OF CURRENT OPERATING INCOME

PURCHASES AND EXTERNAL CHARGES

<i>In thousands of euros</i>	June 30, 2026	June 30, 2025
Purchases consumed	-123,307	-104,675
Goods consumed	-8	-1
Subcontracting	-85,877	-66,632
External expenses	-66,559	-56,289
PURCHASES AND EXTERNAL CHARGES	-275,751	-227,597

PERSONNEL EXPENSES

<i>In thousands of euros</i>	June 30, 2026	June 30, 2025
Salaries and wages	-102,275	-89,142
Social security contributions	-26,033	-22,983
External staff	-17,522	-9,802
Profit-sharing and incentive schemes	-1,749	-702
Employee benefits	-516	37
Other social costs	-8,075	-5,571
STAFF COSTS	-156,170	-128,163

NOTE 19 | OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

<i>In thousands of euros</i>	June 30, 2026	June 30, 2025
Impairment of assets		
Restructuring costs	-2,643	-2,514
Other non-recurring items	2,635	-4,064
OTHER NON-RECURRING OPERATING INCOME AND EXPENSES FROM CONTINUING OPERATIONS	-8	-6,578
• Of which expenses	-6,513	-12,251
• Of which income	6,504	5,673
• Of which allocations	-189	-4,498
• Of which reversals	5,937	1,227

As at 30 June 2026, restructuring costs of -€2.7 million relate to transformation and adaptation costs to streamline the industrial footprint, primarily in France, India and Mexico. Other non-recurring items include a provision of -€0.9 million for the rationalisation of costs and our logistics organisations, and various non-recurring items.

Furthermore, the sale of the Labège site generated exceptional net proceeds of +€3.5 million over the half-year.

As at 30 June 2025, restructuring costs amounted to -€2.5 million, driven in particular by the Focus project (-€1.6 million) and the rationalisation of our costs at various sites.

NOTE 20 | BREAKDOWN OF NET FINANCIAL INCOME

<i>In thousands of euros</i>	June 30, 2026	June 30, 2025
Net cost of debt	-6,460	-6,530
• Of which interest expense on interest-bearing liabilities	-6,710	-6,881
• Of which financial income from cash and cash equivalents	249	352
Foreign exchange gains and losses	318	-7,065
Change in fair value of financial instruments	99	-305
Other financial expenses	-1,794	-2,429
Other financial income	-21	39
FINANCIAL RESULT	-7,858	-16,289
• Of which financial expenses	-24,152	-37,723
• Of which financial income	16,294	21,434

The cost of net debt for the first half of 2026 include, in particular, €3.2 million in interest expenses on borrowings, compared with €3.5 million in the first half of 2025.

NOTE 21 | INCOME TAX EXPENSE

21.1. TAX CONSOLIDATION AGREEMENT

In France, since the 2009 tax year, Latecoere has been the sole entity liable for corporation tax, additional levies based on corporation tax and the annual flat-rate tax payable in respect of the tax group comprising Latecoere, LATElec, Latfi1 and Latecoere Development. Under the tax consolidation agreement, the subsidiaries included in the tax consolidation bear their own tax liability, as they would in the absence of tax consolidation, and pay the corresponding amounts to Latecoere as a contribution towards the payment of the Tax Group's taxes.

21.2. INCOME TAX EXPENSE

<i>In thousands of euros</i>	June 30, 2026	June 30, 2025
Income tax	-1,574	-4,011
Deferred tax	419	16,534
TOTAL	-1,155	12,523

NOTE 22 | RISK MANAGEMENT

22.1. COUNTERPARTY RISK

The Group is mainly exposed to credit and counterparty risk in respect of customers, derivative financial instruments and temporary financial investments.

The risk of counterparty default linked to customers is very limited due to the credit quality of the Aerostructures and Interconnect Systems divisions' main customers (1^{er} tier aircraft manufacturers).

At year-end, the Group had not identified any significant credit risk on these past-due assets for which no provision had been made.

The Group uses derivative financial instruments to reduce its exposure to currency and interest-rate risks. These transactions are contracted over-the-counter with 1^{er} senior banks.

Cash and cash equivalents are invested in risk-free money-market instruments with leading 1^{er} banks.

Bank covenants

As part of the agreement signed with the banks, the stipulations of the PGEs Maintained Agreements have been amended to include the following financial commitments for the Company:

Liquidity threshold: A minimum level of consolidated cash of €20 M, tested on a quarterly basis from December 2023;

Positive EBITDA: Positive EBITDA in 2025 calculated on the basis of the last twelve rolling months and tested at December 31, 2024 on the basis of the Consolidated Financial Statements;

Leverage ratio: Two levels of leverage ratio Consolidated Net Financial Debt/Consolidated EBITDA, it being specified that, for each ratio, the test will be carried out on a half-yearly based with a first test date of June 30, 2025.

Test date	First level of leverage ratio (Ratio 1)	Second level of leverage ratio (Ratio 2)
June 30, 2025	6	7
December 31, 2025	4	5
June 30, 2026	3.5	4.5
December 31, 2026	3	3.75
June 30, 2027	3	3

A breach of Ratio 1 shall not constitute an event of acceleration, an event of default or a potential event of default, provided, in particular, that it does not simultaneously constitute a breach of Ratio 2. However, this will give rise to new obligations for the Group in terms of communication with the Lenders, monthly reporting, and the preparation and communication of action plans and/or capital remediation plans.

Failure to comply with any one of these three points shall constitute an event of default and trigger early repayment. Furthermore, if the lapse, termination, termination, expiry or cancellation of the Conciliation Protocol is established or declared, for example pursuant to Article L. 611-10-3 of the Commercial Code (termination for non-performance) or Article L. 611-12 of the Commercial Code (the commencement of insolvency proceedings automatically terminating the Protocol), it should be noted (i) that such lapse, rescission, termination, expiry or annulment shall have no retroactive effect; (ii) that all sums waived, received or capitalised previously by any of the Parties pursuant to the Protocol, on whatever grounds, shall be retained and deemed acquired; and (iii) that such lapse, rescission, termination, expiry or cancellation shall not affect (a) any subsequent acts entered into in performance of the Protocol, which shall remain in force and applicable in accordance with their terms, as well as (b) the security, guarantees and charges created or granted in performance of the Protocol, any waivers and reimbursements that have taken place and/or any payments and/or reductions already made, all of which shall remain definitively vested.

As at 30 June 2026, the Group is in compliance with the liquidity threshold.

EBITDA is positive on a rolling 12-month basis and has been tested as at 30 June 2026 on the basis of the consolidated accounts. However, the consolidated net financial debt to EBITDA ratio stands at 5.98, exceeding the second threshold set out in the covenant.

An agreement was reached in July with the banks, under which they confirm that they will waive their rights in the event of a breach of the covenants. As this waiver was formalised after the 30 June balance sheet date, the debt has been reclassified as current debt in the accounts.

22.2. LIQUIDITY RISK

The Group manages its cash flow centrally. Surpluses or financing requirements of its subsidiaries are invested or financed by the parent company at market conditions.

The Group's treasury department manages the Group's current and forecast financing and ensures its ability to meet its financial commitments.

In addition, the group participates in reverse factoring financing programs for its main customers, which allows for the early payment of trade receivables.

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

The Group's financing is detailed in notes 14.1 and 14.2 to the consolidated financial statements.

Continuity of operation :

The Group continues to operate in a complex business environment.

However, certain risks that could affect production levels (and, consequently, cash flows) remain, including insufficient ramp-up of production, delivery interruptions imposed by customers, supply chain disruptions and production quality issues.

The Company has incorporated adverse assumptions relating to these factors into its forecasts; nevertheless, these risks inherently involve a degree of uncertainty that cannot be entirely eliminated.

Based on the forecasts drawn up, and the measures implemented to date, the Company expects to maintain sufficient cash flow to

finance its operational requirements and meet its obligations, whilst maintaining a satisfactory margin above the minimum liquidity threshold of €20 million stipulated in its financing agreements and tested on a quarterly basis.

The Company also expects to comply with the ratio leverage ratio applicable as at 31 December 2026, in accordance with the new thresholds set out in the agreement in principle reached with its lenders. This forecast is based, in particular, on the expected improvement in operational performance and on the successful implementation of certain commercial and contractual initiatives currently underway. Furthermore, the Company has reached an agreement in principle with its main lenders concerning the renegotiation of its state guaranteed loans (PGE). This agreement

provides, in particular, for the extension of the loans' maturity to 31 December 2029, the adjustment of financial covenant thresholds, and other arrangements designed to strengthen the Group's liquidity profile.

The finalisation of this agreement remains subject to the signing of the definitive legal documentation, which is currently being finalised.

In this context, whilst continuing to closely monitor its liquidity, the implementation of its business plan, compliance with its financial covenants and the finalisation of its debt refinancing, management has adopted the going concern principle for the preparation of its financial statements.

22.3. CURRENCY RISK

Due to its international exposure and the fact that its customers are invoiced in dollars, the Group is exposed to foreign exchange risks. The Group has therefore developed a natural hedging policy by making part of its purchases in USD.

Consequently, the Group's entities exposed to this foreign exchange risk invoice approximately 76 per cent of their sales in US dollars and purchase approximately 72 per cent of their supplies or subcontracting services in US dollars. The Group's natural hedge against the US dollar represents approximately 42 per cent.

22.4. INTEREST RATE RISK

As at 30 June 2026, the Group's had not put in place any interest rate hedging instruments, as the majority of its borrowings are at fixed rates.

NOTE 23 | ASSETS AND LIABILITIES HELD FOR SALE

At the balance sheet date, there were no assets held for sale.

NOTE 24 | FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

24.1. FINANCIAL COMMITMENT

COMMITMENTS GIVEN BY THE GROUP AT YEAR-END WERE AS FOLLOWS:

In thousands of euros	June 30, 2026				Dec. 31, 2025
	< 1 year	1 to 5 years	> 5 years	Total	Total
Customer receivables pledged as collateral	-	-	-	-	-
Pledges, mortgages and security interests (*)	-	23,060	-	23,060	22,748
TOTAL	-	23,060	-	23,060	22,748

(*) These pledges relate in particular to the pledging of inventories and work in progress in the Czech Republic and Bulgaria, as well as €1,000 worth of LATF11 securities held in trust. The value of the inventories held by LATF11 and LATF12 amounts to €64.7 million at the end of June 2026, compared with €63.2 million at the end of 2025.

24.2. OTHER COMMITMENTS

As part of its day-to-day operations, the Group has production-related purchasing commitments. These commitments are primarily based on the production rate forecasts of the ordering parties and are made under normal market conditions.

The Group has also made commitments to customs as part of its current activities for a total amount of €0.4 million.

24.3. OTHER CONTINGENT LIABILITIES

IFRIC 23 requires companies to consider the probability of an unfavourable tax position and to recognize this position as a liability on the balance sheet when it is considered probable. No provision has been recognized in the accounts as of June 30, 2026.

24.4. NON-CONSOLIDATED ENTITIES

Latécoere holds a 2.09% stake in Caeli Nova. This investment is recognised under the 'other financial assets' heading on the balance sheet at €0.9 million.

Latécoere holds a 24.81 per cent stake in CORSE COMPOSITES AERONAUTIQUE (CCA). This stake is recognised under the 'other financial assets' on the balance sheet at €2.7 million.

It enables the Group, alongside the other shareholders—Airbus, Dassault and Safran—to strengthen its expertise in the field of composite materials.

The Group has not exercised significant influence over Corse Composites Aéronautique since 1 April 2013, as the criteria set out in IAS 28 regarding the definition of significant influence are not met (low volume of non-significant transactions, no involvement in

policymaking processes, no exchange of management personnel or essential technical information, and representation on the board of directors without decision-making power). This company is presented under 'other financial assets'.

The figures below summarise the key financial indicators for CORSE COMPOSITES AERONAUTIQUE (figures on a 100 per cent basis):

- Turnover for 2025: €68.8 million
- Net profit for 2025: €0.7 million
- Equity 2025: €10.77 million

The Group has not provided any financial support to CORSE COMPOSITES AERONAUTIQUE

NOTE 25 | RELATED PARTIES

25.1. MAIN CASH FLOWS WITH RELATED PARTIES

Transactions with related parties are based on market prices. No material transactions with related parties have been entered into and are not reflected in the interim consolidated financial statements at June 30, 2026.

25.2. MAIN RELATIONS BETWEEN LATECOERE AND ITS SUBSIDIARIES

The main intra-group flows relate to economic flows associated with the production of subassemblies. At the end of June 2026, the Group was organised around four business segments: Aerostructures, Interconnection Systems, Latecoere Services (Special Products Services - SPS), and Space. Given the Group's overall organisation, the various companies within the scope of consolidation may have industrial and commercial dealings with one another in order to meet the production needs of each entity. As intra-Group transactions vary, it is not possible to determine their annual amounts in advance. The payment terms applicable between the Group's various

companies are in line with those applicable to other suppliers and take into account, where appropriate, any ad hoc requirements relating to centralised cash management. Latecoere, the Group's parent company, centralises certain aspects of the overall management of its subsidiaries (general management, insurance and risk management, financial management, etc.). Consequently, it charges its subsidiaries 'head office costs' that include the costs associated with these areas. Furthermore, as part of its centralised cash management, Latecoere may grant its subsidiaries (held directly) current account advances (short-term liquidity) or loans (medium or long-term) to

enable the financing of property and industrial investments. Short-term financing is subject to regulated agreements and bears interest. Loans are governed by specific contracts setting out the purpose of the financing, the term and the applicable interest rate. In certain cases, this method of internal Group financing may be arranged between a subsidiary of Latecoere and its sub-subsidiary(ies), with the procedures and conditions remaining identical to those described above. Except Group companies and dealings with the 'Key Managers' mentioned above, there are no significant transactions with related parties outside the Group. In France, since the 2009

tax year, Latecoere has been the sole entity liable for corporation tax, additional levies based on corporation tax and the annual flat-rate tax payable in respect of the tax group comprising Latecoere, LATElec, Latecoere Development, LFR4 and Latfi1. Under the tax consolidation agreement, the subsidiaries included in the tax consolidation bear their own tax liability, as they would in the absence of tax consolidation, and pay the corresponding amounts to Latecoere as a contribution towards the tax liabilities of the tax group.

NOTE 26 | SUBSEQUENT EVENTS

Certain events occurring after the balance sheet date are worth noting: An agreement in principle has been reached with the lenders under the State-Guaranteed Loan (PGE) scheme regarding a renegotiation of the terms and conditions of the PGE debt. This

agreement In particular, the proposal provides for: an extension of the eligibility period for this debt until 31 December 2029; a revision of the ratios included in the financial covenants for the period ranging from December 2026 to December 2026 as well as a modification of the

debt amortisation mechanism. The agreement is expected to be finalised by mid-October 2026. Furthermore, an agreement aimed at increasing the Group's borrowing capacity with BZ Private Credit Limited was finalised in July. The purpose of this agreement is to expand the

financing arrangements for the inventories held by LATFI1. These inventories serve as collateral for the bond issue.

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DECLARATION BY THE PERSON RESPONSIBLE FOR THE REPORT

"I certify that, to the best of my knowledge, the condensed consolidated accounts of LATECOERE for the first half of the 2026 financial year have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company, as well as of all the companies included in the consolidation, and that the half-yearly management report on pages 6 to 12 presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the half-yearly financial statements, the main related party transactions, and a description of the main risks and uncertainties for the remaining six months of the financial year."

The statutory auditors' report on the limited review of the aforementioned condensed consolidated financial statements is set out on page 63 of this half-yearly financial report.

Toulouse, September 22, 2026

André-Hubert ROUSSEL
Group Chief Executive Officer

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STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION FOR 2026

Latécoère S.A.

Registered office: 135, rue de Périole - 31500 Toulouse Auditors' report on the 2026 half-yearly financial information Period from 1 January 2026 to 30 June 2026

To the shareholders of **Latécoère S.A.**,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on :

- The review of the accompanying condensed half-year consolidated financial statements of LATECOERE S.A., for the period from January 1^{er}, 2026 to June 30, 2026;
- Verification of the information given in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our limited review

FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France.

A limited review of interim financial information consists principally of making inquiries of persons responsible for financial and accounting matters, and applying analytical and

other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material

misstatement obtained in the context of a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year

consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, the standard of the IFRS as adopted by the European Union applicable to interim financial information.

SPECIFIC VERIFICATION

We have also verified the information given in the half-year management report commenting the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine et Labège, September 22, 2026

Statutory Auditors

PricewaterhouseCoopers Audit

Sébastien LASOU

Partner

FORVIS MAZARS

Delphine Gardinal

Partner

Hervé Kerneis

Partner

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