

*FIGEAC AERO*

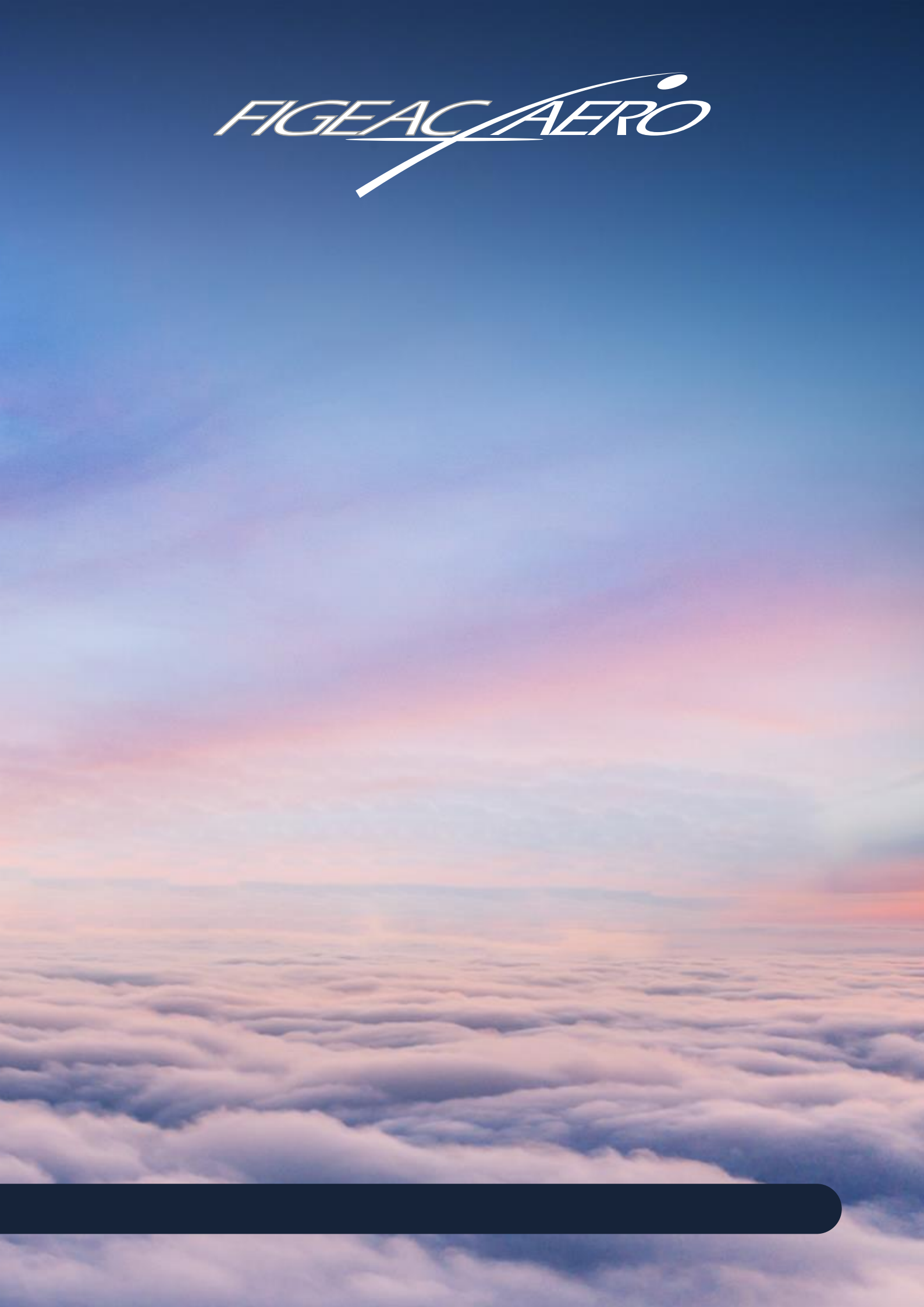
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**2022/23 ANNUAL FINANCIAL REPORT**

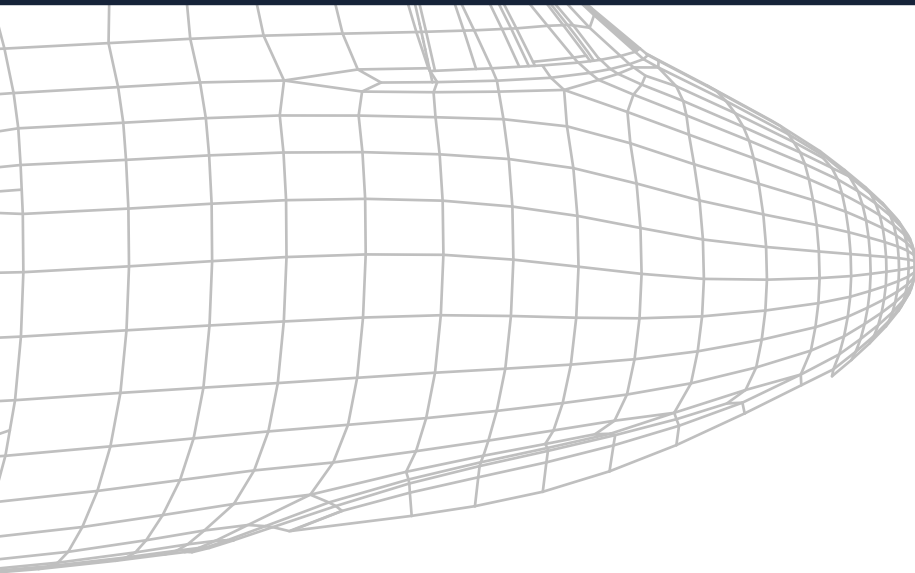
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*FIGEAC AERO*



# 3

## Consolidated financial statements for the financial year ended 31st March 2023



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### 3.1 STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS (€k)	Notes	31.03.2022	31.03.2023
Goodwill	5	-	-
Intangible assets <sup>22</sup>	5	101,810	100,997
Property, plant and equipment	6	118,481	123,760
Rights of use	7	51,618	41,124
Non-current financial assets	8	4,305	4,688
Equity-accounted investments	9	1,316	(732)
Non-current derivative assets	15	763	-
Deferred tax assets	27	11,195	1,559
<b>Non-current assets</b>		<b>289,488</b>	<b>271,396</b>
Inventory and work in progress	11	182,223	196,167
Contract assets	10	25,289	24,400
Trade and other receivables	12	61,083	59,896
Current tax assets	27	7,688	7,912
Other current assets	12	21,711	26,683
Cash and cash equivalents	13	49,303	115,500
<b>Current assets</b>		<b>347,297</b>	<b>430,558</b>
<b>TOTAL ASSETS</b>		<b>636,785</b>	<b>701,954</b>
<b>LIABILITIES (€k)</b>	<b>Notes</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
Share capital	16	3,821	4,967
Reserves <sup>22</sup>	16	76,550	83,059
Income (loss) for the year <sup>22</sup>		(43,089)	(18,068)
Capital issued and reserves attributable to owners of the parent company		37,282	69,958
Non-controlling interests		21	(5)
<b>Total consolidated shareholders' equity</b>		<b>37,303</b>	<b>69,953</b>
Provisions	17, 18	7,291	10,387
Non-current interest-bearing financial liabilities	19	217,930	355,516
Non-current derivative instruments	15	40	10,554
Non-current derivative liabilities	15	5,315	4,694
Deferred tax liabilities	27	10,904	921
Other non-current liabilities	19	6,596	4,192
<b>Non-current liabilities</b>		<b>248,076</b>	<b>386,265</b>
Current interest-bearing financial liabilities	19	176,730	54,406
Trade and other payables	21	87,943	83,242
Contract liabilities	20	13,497	14,297
Current tax liabilities	27	12,127	18,232
Other current liabilities	21	61,108	75,559
<b>Current liabilities</b>		<b>351,405</b>	<b>245,735</b>
<b>TOTAL LIABILITIES</b>		<b>636,785</b>	<b>701,954</b>

<sup>22</sup> N-1 adjustments described in the accounting principles section of the notes to the Group's consolidated financial statements



## 3.2 CONSOLIDATED STATEMENT OF INCOME

(€k)	Notes	31.03.2022	31.03.2023
Revenue	23	281,948	341,552
Other income	25	1,785	2,260
Change in inventories of finished goods and WIP		14,891	12,423
Cost of bought-in goods and services over the year and external expenses	25	(191,726)	(224,937)
Personnel expenses	25	(73,161)	(88,574)
Income tax and other taxes		(3,480)	(3,663)
Net depreciation, amortisation and provisions <sup>23</sup>	25	(51,641)	(41,703)
<b>Current operating income (loss)</b>		<b>(21,384)</b>	<b>(2,641)</b>
Other non-recurring operating income and expenses	25	(12,230)	4,622
Share of net income (loss) of joint ventures	9	(1,250)	(2,625)
<b>Operating income (loss)</b>		<b>(34,864)</b>	<b>(644)</b>
Cost of net debt	26	(6,195)	(13,199)
Currency gains and losses		2,818	(8,902)
Unrealised gains and losses on derivative instruments		(3,774)	6,935
Other financial income and expenses		(60)	(997)
<b>Financial income (loss)</b>		<b>(7,211)</b>	<b>(16,163)</b>
<b>Profit (loss) before tax</b>		<b>(42,075)</b>	<b>(16,807)</b>
Tax income (expense)	27	(1,053)	(1,288)
<b>Income (loss) for the year</b>		<b>(43,128)</b>	<b>(18,094)</b>
<b>Attributable:</b>			
to owners of the parent company		(43,089)	(18,068)
to non-controlling interests		(39)	(26)
<b>Net income (loss) per share attributable to owners of the parent company (€)</b>	28	<b>(1.32)</b>	<b>(0.46)</b>
Basic earnings per share: profit / (loss)		(1.32)	(0.46)
Diluted earnings per share: profit / (loss)		(1.32)	(0.46)

<sup>23</sup> N-1 adjustments described in the accounting principles section of the notes to the Group's consolidated financial statements



### 3.3 STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€K)	Notes	31.03.2022	31.03.2023
<b>Net income (loss for the year)</b>		(43,128)	(18,094)
<b>Items reclassifiable as income (loss)</b>		(1,670)	(2,983)
Translation adjustments		(587)	(633)
Remeasurement of hedging instruments		(1,474)	(3,133)
Tax on other reclassifiable items of comprehensive income (loss)		391	783
Reclassifiable share of other items of comprehensive income (loss) of equity affiliates (net of tax)	9	-	-
<b>Items not reclassifiable as income (loss)</b>		228	29
Remeasurement of net liabilities (assets) of defined benefit plans	18	310	38
Tax on other non-reclassifiable items of comprehensive income (loss)		(82)	(10)
Non-reclassifiable share of other items of comprehensive income (loss) of equity affiliates (net of tax)		-	-
<b>Total other items of comprehensive income (loss)</b>		(1,442)	(2,954)
<b>Total comprehensive income (loss) for the year</b>		(44,531)	(21,049)
<b>Attributable:</b>			
to owners of the parent company		(44,531)	(21,022)
to non-controlling interests		(39)	(26)



### 3.4 STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€K)	Share capital	Share premiums	Treasury shares	Translation adjustment	Reserves - hedging instruments and defined	Other reserves	Net income (loss)	Other	Capital issued and reserves attrib. to owners of the parent	Non-controlling interests	Total
<b>01.04.2021</b>	<b>3,821</b>	<b>118,455</b>	<b>(5,290)</b>	<b>(1,801)</b>	<b>438</b>	<b>27,324</b>	<b>(57,145)</b>	<b>(850)</b>	<b>84,952</b>	<b>62</b>	<b>85,014</b>
Income (loss) for the year <sup>24</sup>							(43,089)		(43,089)	(39)	(43,128)
Other items of comprehensive income (loss)				(587)	(856)				(1,442)		(1,442)
Acquisitions / disposals of treasury shares			(77)						(77)		(77)
Dividends									-		-
Net movements in treasury shares									-		-
Allocation to income (loss)						(57,145)	57,145		-		-
Change in scope of consolidation						(113)			(113)		(113)
Correction of prior period errors <sup>25</sup>						(2,952)		1	(2,951)	(2)	(2,953)
<b>31.03.2022</b>	<b>3,821</b>	<b>118,455</b>	<b>(5,367)</b>	<b>(2,388)</b>	<b>(418)</b>	<b>(32,886)</b>	<b>(43,089)</b>	<b>(849)</b>	<b>37,282</b>	<b>21</b>	<b>37,303</b>
Change in accounting policy - IFRIC IAS 19											
<b>01.04.2022</b>	<b>3,821</b>	<b>118,455</b>	<b>(5,367)</b>	<b>(2,388)</b>	<b>(418)</b>	<b>(32,886)</b>	<b>(43,089)</b>	<b>(849)</b>	<b>37,282</b>	<b>21</b>	<b>37,303</b>
Income (loss) for the year							(18,068)		(18,068)	(26)	(18,094)
Other items of comprehensive income (loss)				(633)	29	(2,350)			(2,954)		(2,954)
Acquisitions / disposals of treasury shares			(133)						(133)		(133)
Dividends									-		-
Net movements in treasury shares									-		-
Allocation to income (loss)						(43,089)	43,089		-		-
Change in scope of consolidation									-		-
Capital increase	1,146	52,354							53,500		53,500
Other				(1)		332			331		331
<b>31.03.2023</b>	<b>4,967</b>	<b>170,809</b>	<b>(5,499)</b>	<b>(3,022)</b>	<b>(389)</b>	<b>(77,990)</b>	<b>(18,068)</b>	<b>(849)</b>	<b>69,958</b>	<b>(5)</b>	<b>69,953</b>

<sup>24</sup> N-1 adjustments described in the accounting principles section of the notes to the Group's consolidated financial statements

<sup>25</sup> Amortisation charge erroneously recorded as an amortisation of start-up costs and then restated as shareholders' equity



### 3.5 STATEMENT OF CONSOLIDATED CASH FLOWS

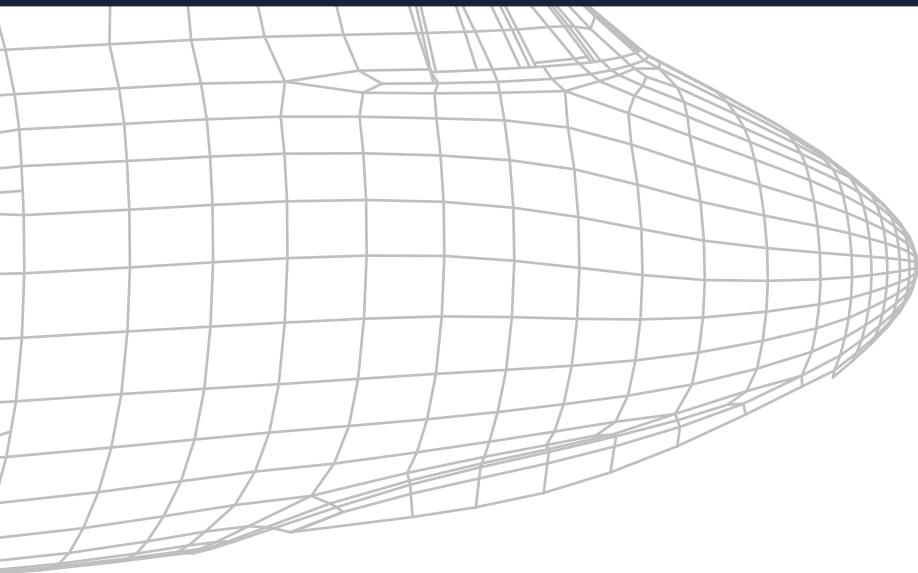
(€k)	Notes	31.03.2022	31.03.2023
Net income (loss) for the year <sup>26</sup>		(43,128)	(18,094)
Depreciation, amortisation and provisions <sup>22</sup>		53,480	45,742
Capital (gains) / losses on asset disposals		736	(15,893)
Other non-cash items		2,006	(3,081)
Eliminations of adjustment gains / losses (fair value)		(1,238)	5,086
<b>Cash flow after cost of debt and taxes</b>		<b>11,895</b>	<b>13,760</b>
Tax expense		1,563	899
Cost of debt		4,803	8,112
<b>Cash flow before cost of debt and taxes</b>		<b>18,261</b>	<b>22,772</b>
<b>Change in working capital requirement</b>			
Change in inventories		(2,368)	(12,335)
Change in trade and other receivables		(28,990)	867
Change in trade and other payables		47,551	19,792
<b>Net cash flow from operating activities</b>		<b>34,453</b>	<b>31,096</b>
Acquisitions of fixed assets		(35,452)	(49,700)
Disposals, reductions in fixed assets		6,109	24,753
Change in receivables and payables on fixed assets		772	(759)
Impact of scope changes on the cash position		(481)	-
<b>Net cash flow from investing activities</b>		<b>(29,052)</b>	<b>(25,706)</b>
Loan issues		7,903	101,186
Loan repayments		(23,141)	(63,982)
Debt restructuring fees		-	(5,739)
Repayment of lease liabilities		(17,539)	(15,989)
Acquisitions or disposals of treasury shares		(78)	(131)
Advances received on orders - Aerotrade		3,693	(4,521)
Capital increase		-	53,501
Interest paid		(4,803)	(8,112)
<b>Net cash flow from financing activities</b>		<b>(33,965)</b>	<b>56,212</b>
<b>Increase (decrease) in cash</b>		<b>(28,564)</b>	<b>61,603</b>
Cash position – opening date		61,540	33,025
Change in translation adjustment		49	(230)
Other		-	-
Cash position – closing date	13	33,025	94,399

<sup>26</sup> N-1 adjustments described in the accounting principles section of the notes to the Group's consolidated financial statements



# 4

## Notes to the Group's consolidated financial statements



FIGEAC AÉRO (Zone Industrielle de l'Aiguille, 46100 Figeac, France) is a public limited company registered in France and traded continually on compartment C of the Euronext Paris exchange.

The consolidated financial statements reflect the accounts of the FIGEAC company and its subsidiaries, whether they are controlled directly or indirectly, exclusively or jointly, and over which it has significant influence (hereinafter referred to as the "Group"). The Group's main business activities are the production of aerostructure and aeroengine parts for the aerospace industry and diversification activities.

The financial statements are shown in thousands of euros, and all values are rounded up or down to the nearest thousand unless otherwise stated.

The consolidated financial statements at 31<sup>st</sup> March 2023 were approved by the Board of Directors' meeting held on 27<sup>th</sup> July 2023 and will be submitted for approval at the Shareholders' Meeting of 29<sup>th</sup> September 2023.

## ACCOUNTING PRINCIPLES AND ACCOUNTING POLICIES

The consolidated financial statements of FIGEAC AÉRO and its subsidiaries are prepared in accordance with the IFRS (International Financial Reporting Standards), as published by the IASB (International Accounting Standards Board) and adopted by the European Union, as at the date on which the consolidated financial statements are approved by the Board of Directors. They include the standards approved by the IASB, i.e. the IFRS, the International Accounting Standards (ISAB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or its predecessor the Standing Interpretations Committee (SIC).

### 1. Changes to accounting principles and policies

#### **New mandatory standards, interpretations and amendments to IFRS standards applied since 1st April 2022:**

- Amendments to IAS 16: Property, plant and equipment - Proceeds before intended use;
- Amendments to IAS 37: Provisions, contingent liabilities and contingent assets - Onerous contracts - cost of fulfilling a contract;
- Improvements to IFRS standards published in May 2020 (2018-2020 cycle);
- Amendments to IFRS 3: Business combinations - Reference to the conceptual framework.

None of these amendments had a material impact on the Company's financial statements.

#### **New standards, interpretations and amendments to IFRS standards published and adopted early by the Group from 1st April:**

None.



**New standards, interpretations and amendments to IFRS standards published but not yet applicable and not adopted early by the Group:**

- Amendments to IAS 1: Presentation of financial statements - Disclosure of accounting policies;
- Amendments to IAS 8: Definition of accounting estimates;
- Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 7 and IFRS 7: Supplier finance arrangements (published by the IASB on 25<sup>th</sup> May 2023);
- Amendments to IAS 12: International tax reform - Pillar Two Model Rules (published by the IASB on 23<sup>rd</sup> May 2023).

**These new standards and amendments adopted by the European Union in 2022 have not yet taken effect and were not adopted early by the group:**

- Amendments to IAS 1: Presentation of financial statements - Classification of liabilities as current or non-current;
- Amendments to IFRS 16: Leases - Lease liability in a sale and leaseback;
- Amendments to IAS 7 and IFRS 7: Supplier finance arrangements (published by the IASB on 25<sup>th</sup> May 2023);
- Amendments to IAS 12: International tax reform - Pillar Two Model Rules (published by the IASB on 23<sup>rd</sup> May 2023).

These new standards and amendments have not yet been adopted by the European Union and therefore cannot be applied early, even if this were authorised by the standard.

**Accounting principles**

A) Historical cost accounting convention

The Group's consolidated financial statements are prepared according to the historical cost accounting principle, except for certain categories of assets and liabilities in accordance with the rules established by the IFRS. The categories concerned are described in the following chapters.

B) Consolidation accounting rules

The companies over which FIGEAC AÉRO has exclusive and permanent control, whether directly or indirectly, by law or by fact, are consolidated by applying the full consolidation method.

The notion of control defined by IFRS 10 is based on the following three criteria:

- power over the entity, i.e. the ability to direct the relevant activities that most significantly affect its returns;
- exposure to the entity's variable returns, which may be positive (in the form of dividends or any other economic benefit) or negative; and
- the link between power and these returns, i.e. the ability to use power over the entity to affect the returns generated.

The full consolidation method consists in incorporating all assets, liabilities, income and expenses. The portion of equity and net income (loss) attributable to minority shareholders, meanwhile, is presented separately under minority interests (non-controlling interests) in the balance sheet and consolidated income statement.



The companies controlled jointly by FIGEAC AÉRO and other groups, or partnerships, are those for which decisions on key activities (approving budgets, appointing directors, etc.) require the unanimous consent of all partners. There are two types of partnership:

- Joint arrangements: entities in which partners have rights to the assets and obligations for the liabilities covered by the arrangement owing to the legal form of the entity, the terms agreed in the contractual arrangement or other facts and circumstances. Each partner recognises the assets, liabilities, income and expenses relating to its interest in a joint arrangement unless a different sharing agreement has been reached;
- Joint ventures: entities in which partners only have rights to net assets. Each partner recognises its portion of net assets using the equity method.

Companies over which FIGEAC AÉRO has significant influence, or associates, are recognised using the equity method.

Significant influence is assumed to exist if the Group's interest is equal to or over 20%.

The equity method consists in recognising an amount in the balance sheet that reflects the Group's portion of the associate's net assets plus, where applicable, the goodwill generated on acquisition.

The addition of a company to the consolidation scope takes effect on the date on which exclusive or joint control, or significant influence, is acquired.

The withdrawal of a company from the consolidation scope takes effect on the date on which exclusive or joint control, or significant influence, ceases.

IFRS 10 states that any change in the ownership interest of a fully-consolidated entity that does not result in a loss or gain of control must be recognised in equity attributable to the owners of the Group's parent company. This also applies to additional investments in shares, even if exclusive control was acquired as a result of a previous investment, or divestments of shares without loss of exclusive control.

A divestment of shares resulting in a loss of exclusive control, meanwhile, will be recognised in income (loss), and the proceeds will be calculated for the entire interest on the transaction date. Furthermore, certain "other items of comprehensive income (loss)" attributed to majority shareholders will be transferred to income (loss). Any remaining interest retained will be revalued at its fair value through profit or loss at the moment exclusive control is lost.

#### C) Elimination of intragroup transactions

All significant transactions between fully-consolidated entities are eliminated, along with all related intragroup income (dividends, proceeds from disposals).

#### D) Business combinations

The business combinations arranged since 1<sup>st</sup> January 2010 are recognised in accordance with the provisions set out in IFRS 3 (amended).

The Group applies the acquisition method to recognise business combinations. The acquisition price corresponds to the sum of the fair values, on the acquisition date, of:

- the assets transferred by the Group;
- the liabilities assumed by the Group from the previous owners of the acquired entity;
- the equity interests issued by the Group in exchange for control of the acquired entity; and



- any contingent consideration.

Direct acquisition costs (transaction fees) are recognised separately from the business combination, which means that they are expensed during the period in which they are incurred.

For a takeover made via a series of acquisitions, the shareholding previously held by the Group is reassessed at its fair value on the date control is taken, and any resulting gain or loss is recorded in the income statement.

### Measurement of goodwill

Goodwill is measured at the acquisition date as the difference between:

- the acquisition price plus the amount of non-controlling interests in the acquired entity; and
- the net amount of assets and liabilities acquired at their fair value at the acquisition date.

Goodwill may be adjusted within twelve months after the acquisition date to factor in the final estimate of the fair value of the assets and liabilities acquired. After these twelve months, any adjustments will be recognised in income (loss).

Goodwill is not amortised but subject to impairment tests conducted at least once a year and each time events or circumstances indicate that it may be impaired, in accordance with the procedure described in Note 5. If goodwill is impaired, the impairment loss is recognised in income (loss) and cannot be reversed.

#### E) Translation of financial statements of subsidiaries denominated in foreign currencies

The financial statements of entities whose functional currencies differ to the Group's are converted to euros using the following method:

- items in the balance sheet other than equity are converted at the exchange rates prevailing on the closing date of the financial period under review;
- items in the income statement and cash-flow statement are converted at the average exchange rates over the period;
- exchange differences are recognised as translation adjustments in the statement of comprehensive income among other items of comprehensive income (loss).

#### F) Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are converted to the functional currency of each company at the exchange rate prevailing on the date of the transaction.

Payables and receivables denominated in foreign currencies are converted at the exchange rate prevailing on 31<sup>st</sup> March. Unrealised exchange differences arising on that date are recognised in the income statement.

As per IAS 21 and IFRIC 16, exchange differences relating to a permanent financing arrangement reached as part of a net investment in a consolidated subsidiary are recognised as other items of comprehensive income (loss) in the foreign currency translation reserve. When these investments are later disposed of, the cumulative currency gains/losses recorded in shareholders' equity will be recognised in income (loss).



### G) Closing dates

All entities ended their financial years on 31<sup>st</sup> March 2023, except for MTI, SCI REMSI, EGIMA, TES and SCI Mexique, whose financial years ended on 31<sup>st</sup> December 2022. The individual financial statements of these companies were restated to reflect significant transactions or transactions having an impact on their consolidated financial statements occurring between 1<sup>st</sup> January 2023 and 31<sup>st</sup> March 2023.

### H) Revenue recognition principles

The Group's revenue is mainly generated by three activities:

- pre-production;
- development other than series production;
- series production of parts and sub-assemblies.

For each source of revenue, the revenue recognition principles applicable under IFRS 15 are presented below.

#### Pre-production activity

Following its analysis, the Group concluded that pre-production activities carried out prior to series production do not represent a distinct performance obligation within a contract as control over these activities is not transferred to the end customer. Consequently:

- advance considerations received for these pre-production activities, or "non-recurring costs", are recognised in the balance sheet as "contract liabilities";
- development costs, previously presented as "inventory and work in progress", appear on the "contract assets" line as they are considered under IFRS 15 as the costs of executing the production contract.

These contract assets and liabilities are amortised:

- either over the duration of the contract;
- or based on the number of aircraft stipulated in the contract;
- or based on projected build rates for programme lifecycle contracts.

#### Development activities other than series production

Revenue from development activities not relating to series production is recognised on the date of transfer of control to the end customer.

#### Series production of parts and sub-assemblies

This activity constitutes a distinct performance obligation. Revenue is recognised on the date of transfer of control corresponding generally to the delivery of parts and sub-assemblies to end customers.



## l) Intangible assets

### Separately acquired intangible assets

Separately acquired intangible assets are measured at their acquisition cost, i.e. at their fair value on the date they were acquired in a business combination.

Subsequent to the acquisition date, they are measured at cost less accumulated amortisation and impairment losses.

Intangible assets with a finite life are amortised over their useful life. Software, concessions, patents and licences are estimated to have a useful life of one to three years.

The Group's new information system (ERP) came on stream in April 2023; because of the nature of this fixed asset, it has a life of 15 years.

Intangible assets with an indefinite life are not amortised. No intangible assets within the Group are considered to have indefinite useful lives.

### Internally generated intangible assets

The Group finances development projects primarily to improve its manufacturing processes and enhance its technical expertise, with a clear distinction made between the research phase and development phase. The costs incurred from these developments may be capitalised if all the following criteria are met:

- technical feasibility of completing the intangible asset with a view to operating or selling it;
- intention to complete the intangible asset and to operate or sell it;
- ability to operate or sell the intangible asset;
- manner in which the intangible asset will generate likely future economic benefits;
- availability of the relevant resources to complete the development and operate or sell the intangible asset; and
- ability to reliably measure the expenses that can be attributed to the intangible asset during its development.

The initially recognised amount of an internally generated intangible asset is equal to the sum of all expenses incurred starting from the date on which the intangible asset meets the criteria listed above for the first time.

With respect to the Group's business activities, all the criteria for capitalising development costs are met when the activation criteria are fulfilled.

When no internally generated intangible asset can be recognised, development costs are recognised in income (loss) for the period in which they are incurred.

Once recognised, internally generated intangible assets are measured at cost less accumulated amortisation and impairment losses.

The amortisation of development costs reflects the rate at which the economic benefits expected from the asset are used. The method used is straight-line amortisation. Useful life depends on the asset concerned. It is of 5 years.

Impairment tests are carried out on intangible assets according to the procedures described in Note 5.



## J) Property, plant and equipment

Property, plant and equipment are recognised at their historical cost of acquisition or cost of production, less accumulated amortisation and impairment losses.

When significant items of property, plant and equipment can be determined and have different useful lives and depreciation methods, they are recognised as separate items of property, plant and equipment.

When recognising the carrying amount of an item of property, plant and equipment, the Group includes the cost of replacing this item of property, plant and equipment at the time this cost is incurred, if it is likely that the associated future economic benefits of this asset will go to the Group and its cost can be measured reliably. All current repair and maintenance costs are recognised in expenses at the time they are incurred.

The depreciation periods used are as follows:

- for buildings and fixtures: from 5 to 30 years depending on the type of building and fixture;
- for industrial equipment: from 3 to 10 years depending on the type and use made of this equipment;
- for furnishings and IT equipment: from 3 to 6 years depending on the use made of this equipment;
- for transport equipment: from 2 to 5 years depending on the use made of these vehicles.

Interest expense directly attributable to the acquisition or production of property, plant and equipment is incorporated into the cost of this fixed asset, as long as it is not yet available for its intended use or for sale, only after a substantial period of time (generally over twelve months). There are no assets in the Group's balance sheet incorporating interest expense.

Impairment tests are carried out on property, plant and equipment according to the procedures described in Note 5.

## K) Leases

Leases, as defined by IFRS 16, are recognised in the statement of consolidated financial position, which involves recognising:

- assets, corresponding to the right to use the leased asset during the duration of the lease; and
- liabilities, corresponding to the obligation to make lease payments.

The Group's leases consist mainly of property leases and its main fleet leases (vehicles, materials handling equipment, etc.).

Recognition exemptions authorised under the standard for short-term leases (of twelve months or less) and leases for low-value assets (with a unit value, when new, of less than US\$5,000) were applied.

### Measurement of right-of-use assets

A right-of-use asset is measured at cost on the lease commencement date, including:

- the initial amount of lease liabilities plus any advance payments made to the lessee, net of any incentives received from the lessor; and



- where applicable, initial direct costs incurred by the lessee to obtain the lease and the estimated cost of restoring or dismantling the leased asset.

A right-of-use asset is amortised on a straight-line basis over the duration of the lease. An impairment loss on the right-of-use asset can be recognised where applicable.

### Measurement of lease liabilities

Lease liabilities are recognised on the lease commencement date for an amount equal to the present value of lease payments over the duration of the lease. The measurement of liabilities on lease payments includes:

- fixed lease payments;
- variable lease payments based on a rate or index using the rate or index as at the lease commencement date;
- amounts to be paid by the lessee under residual value guarantees;
- the exercise price of a purchase or renewal option if it is reasonably certain that this option will be exercised; and
- penalties to pay if the lease is terminated or not renewed.

Lease liabilities are measured at amortised cost using the effective interest method.

A deferred tax asset is recognised based on the amount of the lease liability, and a deferred tax liability is recognised based on the carrying amount of the right-of-use asset.

### L) Impairment of fixed assets

Annual impairment tests are carried out on goodwill and intangible assets in progress as soon as there is an indication of impairment and irrespective of the asset concerned.

This test is carried out for a given asset or cash generating unit (CGU). A CGU is the smallest identifiable group of assets that generates cash flow which is largely independent of the cash flow generated by other assets or groups of assets.

The impairment test serves to compare the carrying amount of the asset or CGU group with its recoverable value. The recoverable value corresponds to the higher of the following two values:

- fair value less the cost of sale; and
- value in use, which is the present value of future cash flows that the asset or CGU is likely to generate. Future cash flows are determined based on four or five-year forecasts for the CGU or CGU group concerned, approved by Group Management; these cash flows are discounted at the reference discount rate. The value in use of the assets is the sum of the present value of these cash flows and the present value of the terminal value calculated based on normative cash flows representative of long-term activity. The growth rates used for subsequent periods are stable. Discount rates are determined using a risk-free rate for the region concerned, plus a risk premium specific to the assets concerned.

In the event of impairment, any impairment loss recognised on goodwill is irreversible. For all other assets, an impairment charge recognised is reversed if there is a change in the estimates used to determine its recoverable value. The carrying amount of an asset that has been increased due to the reversal of an impairment loss can be no higher than the carrying amount that would have been determined, net of amortisation charges, if no impairment loss had been recognised.



An impairment charge is systematically recognised whenever an asset or CGU is impaired.

M) Equity instruments, loans and receivables

Equity instruments in non-consolidated entities are classified in the “fair value through profit or loss” category for the following reasons:

- Because of the type of assets involved, they do not generate cash flows consisting only of payments of principal and interest on specified dates; and
- FIGEAC AÉRO has not opted to classify these assets in the “fair value through other comprehensive income” category.

Loans to non-consolidated entities are classified in the “amortised cost” category. They are impaired using the general approach under IFRS 9, which consists in initially measuring them by considering expected credit losses for the next 12 months and then, if the credit risk increases significantly, measuring the impairment based on expected credit losses over the remaining life of the asset.

Trade receivables and related accounts, and contract assets, are impaired using the simplified approach under IFRS 9, as these are generally short-term assets. This approach consists in calculating an impairment loss that is equal, at any given time, to the expected loss over the life of the asset.

N) Inventory and work in progress

Raw materials and other supplies

The gross value of raw materials and supplies includes the purchase price and related expenses (supply coefficient). Impairment losses are recognised on raw materials according to the following scale:

- no movement in more than 18 months but less than 24 months 50%
- no movement in more than 24 months 75%

Work in progress (excluding construction contracts)

Work in progress is measured using the full cost method, excluding expenses not related to production and potential under-utilisation. An impairment loss on work in progress is recognised when the expected cost price of the finished good it is incorporated into is above the expected selling price less distribution costs.

Finished goods

Finished goods are measured using the full cost method, with the exception of expenses not related to production and any potential under-utilisation.

Impairment losses are recognised for finished goods classified as obsolete with very low sales prospects, and are split into two categories according to the following scale:

- item classified as obsolete/maybe (might be sold): 25%
- item classified as obsolete/never (unlikely to be sold): 90%



Inventory is recognised at the lower of the following two figures: cost or net realisable value (estimated sale price in the ordinary course of business less estimated costs of completion and estimated costs of making the sale).

#### O) Cash and cash equivalents

Cash is made up of available funds in bank accounts on the closing date. Bank overdrafts repayable on demand make up a portion of the cash and cash equivalents required in the cash flow statement.

Because of the type of assets involved, they are measured at their market value (fair value) or amortised cost. Those measured at amortised cost are impaired using the general approach under IFRS 9.

Cash equivalents are highly liquid short-term investments made up of marketable securities that can easily be converted into a known amount of cash and face little risk of a change in value. They are recognised at their net asset value on the closing date, with the investment bonus recognised in the income statement.

#### P) Taxes

Income tax includes tax due and deferred tax.

##### Tax due

Tax due is the estimated amount of tax due for taxable profit over the period, using applicable tax rates, and any adjustment of tax due from previous periods.

##### Deferred tax

Deferred tax results mainly from:

- tax losses carried forward;
- temporary differences that may exist between the consolidated value and tax base of certain assets and liabilities.

Using the balance sheet liability method, deferred tax is measured accounting for tax rates (and tax regulations) that have been adopted or are close to being adopted at the closing date.

A company's liability position may, in certain circumstances, be reduced by the amount of tax loss carryforwards that can reasonably be offset against profit and the amount of deferred taxes on deductible timing differences.

Deferred tax assets are recognised when their recovery is likely. Tax losses or timing differences must be offset against future taxable profits, up to any upper limits imposed under applicable tax laws. Deferred tax assets are reduced when it is no longer likely that sufficient taxable profit will become available.

Pursuant to application of IAS 12, deferred tax assets and liabilities are not subject to discounting. They are presented in the balance sheet, accordingly, as non-current assets or liabilities.



### Company value-added contribution (CVAE)

The Group decided not to qualify the company value-added contribution (*cotisation sur la valeur ajoutée des entreprises*, CVAE) as income tax, and recognises the CVAE in operating expenses. The Group effectively considered that value added arises at an intermediate level of income for which the amount is significantly different to that subject to corporate income tax.

### Q) Treasury shares

Treasury shares held by FIGEAC AÉRO Group are deducted from shareholders' equity. No profit or loss is recognised in the income statement when treasury shares are purchased, sold or cancelled. The consideration paid or received when these transactions occur is recognised directly in shareholders' equity.

### R) Share-based payments

Currently, FIGEAC AÉRO Group has no group savings plan or international group savings plan.

### S) Derivative instruments and hedge accounting

The Group uses derivative instruments to hedge its exposures resulting from its operating and financial activities. The purpose of these derivative instruments is to hedge its exposure to exchange rate risk and interest rate risk.

Its exposure to exchange rate risk mainly concerns fluctuations in the euro/US dollar exchange rate. A significant share of the Group's revenue and payments to its suppliers is in US dollars, which is the benchmark currency used in the commercial aerospace industry.

Different types of hedging instruments are used:

- vanilla currency futures;
- vanilla forex options and/or tunnels (combinations of call options and put options for an identical nominal amount);
- barrier currency options;
- accumulators, which are currency derivative instruments making it possible to accumulate currency holdings on each observation (settlement) date depending on the exchange rate relative to the guaranteed rate.

In the financial year ended 31<sup>st</sup> March 2023, FIGEAC AÉRO mostly used structured products based on uncertain options (accumulators); for a given maturity, these enable it to obtain a more favourable price compared to the market price at time t. These instruments do not qualify for hedge accounting, so income and expenses in foreign currencies are recorded at their counter-value in euros on the transaction date at the transaction rate and not at the projected hedge rate.

At 31<sup>st</sup> March 2023, most of the stock of currency hedging instruments consisted of derivative instruments qualifying for hedge accounting.

The fair value of derivative instruments is measured by an independent company and includes the value of the derivative instrument on the closing date (mark to market).



Exposure to the risk of interest rate variations concerns trade receivables financing and the financing of a portion of term debt. Interest is indexed to the Euribor rate. Some of these positions (34% of outstandings) are hedged against a significant rise in this index through interest rate hedging products (collars and caps/floors).

For a hedging instrument, whether a derivative or not, to qualify for hedge accounting, it is necessary to describe and document a hedge relationship between the instrument and the hedged item, and to conduct documented effectiveness tests to demonstrate its effectiveness at origination and throughout the life of the instrument.

At inception of the hedge, and then at each reporting date, FIGEAC AÉRO will carry out prospective hedge effectiveness tests (Critical Terms Match method) and retrospective tests (Dollar Offset method) to ensure that the relationship is highly effective in offsetting changes in the fair value or cash flows of the hedged risk, in accordance with the currency risk management strategy described above.

With a view to guaranteeing retrospective effectiveness tests with 100% effectiveness, the “time value” component is separated from the fair value adjustments of the currency options and is thus considered ineffective.

#### Accounting principles for foreign exchange derivative instruments

The first two types of financial instruments (currency futures and net long forex positions) qualify for hedge accounting. The other types of derivatives do not qualify for hedge accounting as they concern net short option positions in accordance with IFRS 9.

For financial instruments classified as “cash flow hedges”, hedging instruments are measured at their fair value in the balance sheet offset against:

- shareholders’ equity for the effective portion of the hedge until the hedged cash flows affect profit or loss;
- the financial income statement for the ineffective portion.

The cumulative amounts in shareholders’ equity relating to the effective portion of the hedging instrument’s fair value adjustment are retained within equity until the underlying transaction occurs. They are then reclassified to the income statement on the same line item as the underlying transaction (revenue or purchases used in production).

For financial instruments classified as “held for trading”, the fair value adjustment is recognised in financial profit (loss).

#### T) Provisions

A provision is recognised:

- when there is a legal or implicit obligation that has arisen from past events;
- when it is likely that there will be an outflow of resources to extinguish the obligation; and
- when its amount can be reliably estimated.

The provisioned amount corresponds to the best estimate of the expense.

The estimated amount of provisions is analysed by Group Management with the assistance of its advisers (e.g. legal advisers) on each closing date. If the impact is material, the amount is



discounted using a pre-tax rate that reflects the time value of money and the risks specific to the liability.

#### U) Pension liabilities and other employee benefits

In accordance with the laws and practices in each of the countries in which it operates, the Group provides its employees with post-employment benefits (retirement plans, retirement benefits, etc.) as well as other long-term benefits.

##### Defined contribution plans

The Group's obligations are limited to regular payments of contributions to external organisations. The expense is recognised during the period in "Personnel expenses".

##### Defined benefit plans

Provisions are calculated using the projected unit credit method, taking into consideration demographic factors (staff turnover rates, mortality table, projected salaries at the end of each employee's career, etc.) and financial factors (discount rate, wage increase rate). The discount rate used is the bond yield on investment grade bonds (rated "AA"). If there is no active market, the rate used is the government bond yield.

In accordance with the amended version of IAS 19, actuarial gains or losses on defined-benefit post-employment benefits are recognised in "other items of comprehensive income (loss)" under equity and are not subsequently reclassified to income (loss).

##### Other long-term benefits

These benefits are provisioned as and when they are acquired by the employees concerned. The amount of the obligation is calculated using the Projected Unit Credit (PUC) method. Restatements of the obligation relating to other long-term benefits are recognised in income (loss) for the period in which they occur.

##### Short-term benefits

Short-term benefits are recognised in income (loss) for the period under "Personnel expenses".

#### V) Tax credits, grants and other public aid

FIGEAC AÉRO Group has benefited from public aid in the form of "repayable advances". These advances are recognised as financial liabilities. When originated, they are measured in consideration of the cash and cash equivalents received. At each closing date, they are measured using the amortised cost method calculated based on the effective interest rate. The discount effect is recognised in financial profit (loss).

The Group's research and development policy means that it receives a research tax credit granted to companies based in France. This research tax credit is considered a grant under IAS 20. It is allocated to a specific item in the income statement and has an impact on operating income (loss);



however, the share of the research tax credit that can be allocated to capitalised projects is recognised as deferred income and transferred to income over the useful lives of the assets for which the credit was granted.

The Group receives grants for development projects; grants received and attributable to capitalised projects undergo the same accounting treatment.

#### W) Earnings per share

Basic earnings per share correspond to the net income (loss) for the period attributable to the Group divided by the weighted average number of shares outstanding during the financial year restated for treasury shares.

Diluted earnings per share correspond to net income (loss) for the period attributable to the Group divided by the weighted average number of outstanding shares, taking into consideration the maximum impact in the event that all dilutive instruments are converted, i.e. all contracts that may give their holder the right to purchase ordinary shares (referred to as potential dilutive ordinary shares).

#### X) Business segments

In accordance with IFRS 8, the information provided by business segment is based on the approach taken by Group Management, meaning the manner in which Group Management allocates resources depending on how well the different segments perform. The Group presents information on two segments which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies. The operations performed in each of the segments presented are summarised as follows:

- the Aerostructures & Aeroengines segment: manufacturing of structural parts and engine parts for the aerospace industry;
- the Diversification Activities segment: consisting mostly of activities operating in the defence, energy and oil sectors.

#### Y) Other non-recurring operating income and expenses

These headings are not filled in unless a major event occurs during the accounting period that is liable to distort the reading of the Group's performance. They therefore refer to a very small number of income and expense entries that are unusual in nature, abnormal and infrequent, which the Group presents separately in its income statement.

## 2. Correction of accounting error

The Group identified a technical misstatement in the first half of 2022/23, i.e. the erroneous allocation of intangible asset amortisation charges for three entities (Figeac Tunisie Process, Figeac Aero Maroc, Casablanca Aéronautique) to the start-up cost amortisation item line eliminated in the consolidated financial statements.

Correcting the erroneous allocation of these intangible asset amortisation charges resulted in a negative impact of (€2,939) thousand on equity at 1<sup>st</sup> April 2021 and of (€1,041) thousand on the



income (loss) for the financial year ended 31<sup>st</sup> March 2022. The total amount of (€3,990) thousand corresponds to the difference accumulated since 2017.

The Group has restated all the financial statement item lines affected to factor in this error correction and has thus been able to present restated comparative information.

The balances affected in the opening balance sheet at 31<sup>st</sup> March 2022 are as follows:

- Intangible assets: €101,812 thousand versus €105,802 thousand
- Reserves: €76,550 thousand versus €79,501 thousand
- Income (loss): (€43,089) thousand versus (€42,048) thousand

The balances affected in the comparative statement of income (12 months) at 31<sup>st</sup> March 2022 are as follows:

- Net depreciation, amortisation and provisions: (€26,461) thousand versus (€25,940) thousand
- Net income (loss) for the year: (€22,468) thousand versus (€21,947) thousand

## NOTE 1 ESTIMATES

The preparation of financial statements in accordance with IFRS requires Group Management to exercise its judgement and make estimates and assumptions that affect the application of accounting policies and recognised amounts of assets and liabilities, income and expenses. The underlying estimates and assumptions are based on past experience and other factors considered reasonable given the circumstances.

Underlying estimates and assumptions are re-examined on an ongoing basis. The impact of changes in accounting estimates is recognised during the period in which the change is made when only that period is affected, or during the period in which the change is made as well as any subsequent periods if they are also affected by the change.

Estimates are made primarily for the following items:

- Capitalised development costs: Note 4
- Contract assets: Note 9
- Fair value of derivative instruments: Note 14
- Deferred tax assets: Note 25
- Employee benefits: Note 17

## NOTE 2 HIGHLIGHTS

### 2.1. Situation in light of events in 2022/23

#### **Russia-Ukraine crisis**

The FIGEAC AÉRO Group has no direct exposure to Russia, with no assets, production facilities, representative offices or business delegations in the country.



The Group may, however, be affected through its sourcing of raw materials that are produced in Russia.

### **Inflation and higher energy prices**

Inflation surged in 2022 and the supply chain came under strain. Inflationary pressure affected the following costs in particular: energy, raw materials, transportation and wages. This inflationary pressure was partly offset by measures taken to streamline production facilities under the Transformation 21 plan and to pass higher costs partially on to clients.

## **2.2. Financial restructuring**

On 20<sup>th</sup> June 2022, FIGEAC AÉRO announced that it had completed the Group's financial restructuring. The main objectives were to establish a new debt profile for the Company taking into account the consequences of the pandemic on its activity, to arrange new financing and new currency hedges enabling it to meet its future repayment deadlines, and to rebalance its financial structure.

The main features of the agreements reached are as follows:

### **Refinancing of bank loans:**

- The maturities of all the bank loans of FIGEAC AÉRO and its subsidiaries expiring earliest have been postponed until September 2028. The amortisation schedule for these loans has been modified to factor in this new maturity profile and the specific type of funding concerned. The interest rate on these loans, with the exception of the PGEs (state-guaranteed loans), has been raised by 62.5bp.
- The bank loans due to mature latest, such as mortgages, maintain their initial maturity. Their amortisation schedule remains unchanged.

### **New funding and currency hedges:**

- A €66 million "PGE Aéro" facility has been opened. These PGEs (state-guaranteed loans) have a maturity of 6 years and their amortisation schedule has been established for a period of 4 years following a 2-year repayment-free moratorium. The interest rates on these loans are in line with current regulations.
- Asset-based financing has been granted in the amount of around €30 million, broken down into (i) a facility backed by inventory, amounting to around €20 million and (ii) a facility backed by industrial equipment, amounting to around €10 million. These facilities can be repaid in instalments over periods ranging from 5.5 years to 8 years.
- Currency hedging transactions: in order to hedge against the current currency risk on the US dollar, which is the main currency used by FIGEAC AÉRO for its sales, currency hedging transactions could be arranged for a cumulative amount of €227 million out to March 2025.



### **Partial redemption of ORNANEs:**

The Company redeemed 777,605 ORNANEs at a price of €23.92<sup>27</sup> per ORNANE (i.e. 93% of their nominal value). These ORNANEs were then cancelled. The Company allocated a cash budget of €18.6 million for this purpose.

Several changes were made to the remaining ORNANEs, as follows:

- Their maturity was extended by an additional 6 years (i.e. to 18<sup>th</sup> October 2028);
- Their coupon was increased by 62.5bp. Their new coupon will thus be 1.75%, payable twice annually, it being specified that a reversible mechanism for adjusting the coupon has been included taking effect as from 18<sup>th</sup> October 2024 depending on whether or not the leverage ratio exceeds 4.5x (with tests to be carried out every half-year), which could push the coupon up to 2.25%;
- The conversion ratio for the ORNANEs was increased to 3.4 shares per ORNANE.

This financial restructuring affects FIGEAC AÉRO's borrowings (except its mortgages), so the Company carried out various tests to assess how much the restructuring would impact on its liabilities.

#### 2.2.1. Substantial modification (IFRS 9)

Under IFRS 9, a modification is deemed substantial if validated by one of the following two tests:

- The quantitative test (the "10% test" referred to in paragraph IFRS 9.B3.3.6): this test consists in comparing the future cash flows of a financial liability under the new terms discounted at the financial liability's original EIR (Effective Interest Rate) with the pre-renegotiation cash flows of the financial liability discounted at this same rate. If the difference between the two discounted cash flows is greater than 10%, then the modification can be deemed substantial.
- The qualitative test: if the difference is less than 10%, the company may carry out an additional analysis of any substantial modifications made to contractual terms. The most common criteria examined are as follows:
  - Modification to the currency of the financial liability;
  - Modification to the conversion date or conversion ratio;
  - The type of interest rate (fixed/floating);
  - Any significant extension of the financial liability's maturity date.

The company may opt to perform only the quantitative test or both tests, but its choice must apply to all the financial liabilities tested. FIGEAC AÉRO subjected all the financial liabilities involved in its financial restructuring to both tests.

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<sup>27</sup> Price including accrued interest

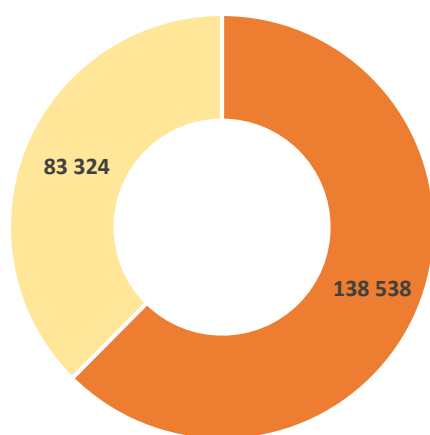


## 2.2.2. Test results

The key factors subjected to the 10% tests carried out by FIGEAC AÉRO were the staggering of repayments (from 2022 up to 2028) and the costs directly attributable to its debt restructuring. These costs include all expenses that the company has committed to pay or has already paid to its financial creditors. As part of its financial restructuring, the Company was able to allocate €1.4 million directly to the renegotiation of its ORNANEs and €3.7 million to its various borrowings. These costs were incurred as part of its overall financial restructuring, so the Company decided to allocate its expenses according to the principal amount outstanding.

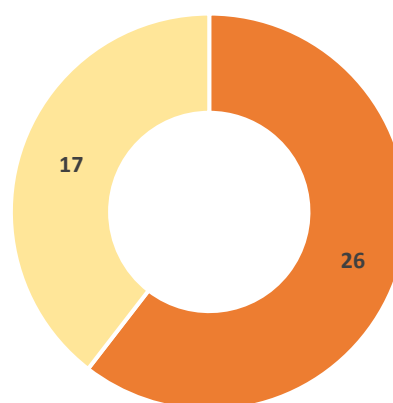
The Company initially carried out tests on its loans:

Result of the 10% test in amount (€k)



■ Non-substantial ■ Substantial

Result of the 10% test in number of loans



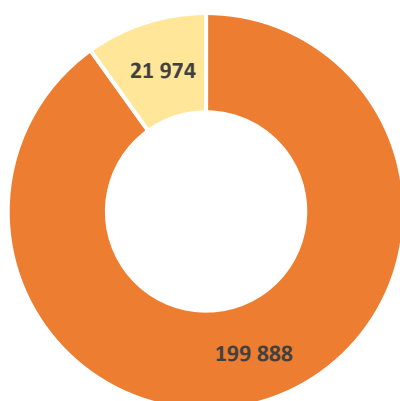
■ Non-substantial ■ Substantial

Note: based on the amount of restructured debt, i.e. the principal amount outstanding on the restructuring date, excluding the effects of fair value adjustments

This test was supplemented with a qualitative test:

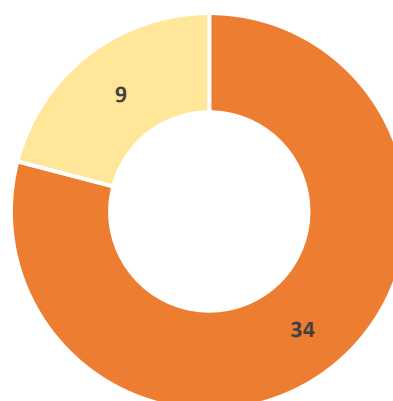


Result of the qualitative test in amount (€k)



■ Non-substantial ■ Substantial

Result of the qualitative test in number of loans



■ Non-substantial ■ Substantial

Note: based on the amount of restructured debt, i.e. the principal amount outstanding on the restructuring date, excluding the effects of fair value adjustments

The qualitative test determined that only the borrowings relating to property loans - for which payment was delayed but the maturity schedule not extended - had not undergone a substantial modification. The result of the qualitative test is consistent with the agreement reached with the banks.

The purpose of this test is to determine the appropriate restatement to apply to liabilities.

### 2.2.3. Impact of restatement

If the test is validated, the original liability is extinguished and a new liability is recognised from which a value in the amount of directly attributable costs is deducted.

The impact of its restatement will correspond to the decrease in the fair value of FIGEAC AÉRO's borrowings in the amount of €3.7 million and the decrease in the fair value of the borrowings of its subsidiaries in the amount of €0.49 million.

The only exception to the restatement was the ORNANEs. Following extinguishment of the original liability, it became necessary to recalculate allocation between the value of the ORNANE liability and the value of the ORNANE derivative.

As assessment carried out externally established that the derivative carried a value of €14 million at 30<sup>th</sup> June 2022, which reduced the value of the ORNANE liability by a total of €15.4 million.



### 2.3. Changes to the Group's governance structure

On 20<sup>th</sup> June 2022, the Group announced that it had carried out a capital increase without preferential subscription rights reserved to Ace Aéro Partenaires, a Tikehau Ace Capital affiliate, totalling €53,499,997.60 share premium included, by issuing 9,553,571 new shares at a unit price of €5.60.

The capital increase reserved to Ace Aéro Partenaires was completed along with a shareholders' agreement reached between Ace Aéro Partenaires, Jean-Claude Maillard and the company SC Maillard et Fils (in the Company's presence). This shareholders' agreement constitutes a concerted action seeking to apply a common policy adopted by Ace Aéro Partenaires, Jean-Claude Maillard and the company SC Maillard et Fils (the latter two remaining predominant within this newly established concerted party). The Company points out that completion of the transactions agreed with Tikehau Ace Capital, or with any entity affiliated with Tikehau Ace Capital, involving the Company's share capital was subject to the *Autorité des Marchés Financiers* (the "AMF") determining no reason to submit a mandatory buyout offer for the Company's shares based on article 234-7, 1° of the AMF General Regulation, a determination that was confirmed by the AMF on 10<sup>th</sup> May 2022 (see AMF opinion n° 222C1055 and the press release issued on 10<sup>th</sup> May 2022).

Furthermore, alongside its investment in the Company's shares, Ace Aéro Partenaires also subscribed to bonds issued by the Company in the amount of €10 million in accordance with the terms of the bond issuance contract signed. These bonds carry interest at an annual rate of 12% capitalised annually and have a maturity of 6 years and 6 months.

The capital increase reserved to Ace Aéro Partenaires was completed along with changes made to the composition of the Board of Directors (in accordance with Middlednext recommendations), enabling it to add new and independent expertise and to reflect the Group's new ownership structure. As per the resolutions adopted by the Company's General Meeting of Shareholders held on 20<sup>th</sup> May 2022, the Board of Directors now consists of 8 members effective as of that date:

- Jean-Claude Maillard;
- Rémi Maillard;
- Simon Maillard;
- Eliane Rouchon;
- Marie-Line Malaterre, independent director;
- Éric Raynaud, independent director;
- Franck Crépin, appointed on the proposal of Tikehau Ace Capital; and
- Anne Tauby, appointed on the proposal of Tikehau Ace Capital.

Last of all, Ace Aéro Partenaires' entry into the Company's ownership structure led to the creation of a Strategy Committee and an Appointments and Compensation Committee, as well as changes to the composition of the Audit Committee, which are now made up of the following members:

- The Strategy Committee consists of Franck Crépin, Jean-Claude Maillard and Eric Raynaud. It is chaired by Eric Raynaud;
- The Appointments and Compensation Committee consists of Anne Tauby, Eliane Rouchon and Eric Raynaud. It is chaired by Eric Raynaud;
- The Audit Committee previously consisting of Marie-Line Malaterre and Simon Maillard is now made up of Franck Crépin, Eliane Rouchon and Marie-Line Malaterre. It is chaired by Marie-Line Malaterre. The Rules of Procedure of the Board of Directors have been amended accordingly.



## 2.4. Disposal of the Group's Mexican assets and acquisition of other assets in Mexico

On 30<sup>th</sup> September 2022, the Group finalised an agreement with Latécoère on the sale of the industrial and real estate assets of its Hermosillo subsidiary in Mexico. This production site was initially scaled for Latécoère's purposes under a contract signed in 2015 to supply light alloy and hard metal detail parts as well as small sub-assemblies to be used in the doors of Boeing 787 aircraft. This contract still currently accounts for over half of the site's revenue, despite its ongoing diversification efforts.

This agreement was subject to the following conditions:

- A services contract signed for FIGEAC AÉRO to provide assistance during the 18-month transition period;
- An outsourcing contract of no more than 3 years signed with Latécoère for the production activities relating to FIGEAC AÉRO's other contracts. This will secure the production work in progress for the Group's other clients, pending transfer to the new site.

In the meantime, the Group reached an agreement with US company Kaman Aerospace Group Inc. to purchase its industrial assets in the Mexican state of Chihuahua. These assets specialise in manufacturing complex sheet metal parts for the civil and military aviation segments, machining profiled parts, and assembling aerospace sub-assemblies. This new production facility will gradually replace the one at Hermosillo and enable FIGEAC AÉRO to redeploy its industrial assets in Mexico in an agile and controlled manner, in accordance with its development objectives for the North America region. This acquisition not only enables the Group to secure production for the contracts it kept on as part of the disposal of the Hermosillo plant assets, but also to double its complex sheet metal manufacturing capacity in North America.

## 2.5. Implementation of the Group's new ERP

The Group completed deployment of its new ERP - IFS - in four of its companies: Figeac Aéro, FGA Tunisie, FGA Picardie and FGA Saint Nazaire, corresponding to 74% of the Group's revenue base.

This project is part of the Group's drive to improve its management systems in order to standardise the organisational and operational aspects of its plants.



## NOTE 3 SCOPE OF CONSOLIDATION

The list of consolidated entities is as follows:

	Activity	% interest	Country
<b>FULLY-CONSOLIDATED ENTITIES</b>			
<b>Europe</b>			
Figeac Aéro SA	Manufacturing of structural parts	100.00%	France
M.T.I. SAS	General engineering and heavy sheet metal manufacturing	95.64%	France
Mecabrive Industries SAS	Precision machining and surface treatment	100.00%	France
FGA Picardie SAS	On-site and workshop assembly of aerospace sub-assemblies	100.00%	France
SCI Remsi	Real estate activity	100.00%	France
Figeac Aéro Saint Nazaire	On-site and workshop assembly of aerospace sub-assemblies	100.00%	France
SN Auvergne Aéronautique	Manufacturing of structural parts	100.00%	France
FGA Group Services	Services company	100.00%	France
Ateliers Tofer	General engineering and heavy sheet metal manufacturing	100.00%	France
Tofer Holding	Services company	100.00%	France
Tofer Service Industries	Services company	100.00%	France
Tofer Europe Service	General engineering and heavy sheet metal manufacturing	100.00%	Romania
Tofer Immobilier	Real estate activity	100.00%	France
Mat Formation	Services company	100.00%	France
SPV	Inventory holding company	100.00%	France
<b>North America</b>			
FGA North America Inc	Precision machining and surface treatment	100.00%	USA
SCI Mexique	Real estate activity	100.00%	Mexico
<b>Africa</b>			
SARL FGA Tunisie	Manufacturing of structural parts	100.00%	Tunisia
Figeac Aéro Maroc	Manufacturing of structural parts	100.00%	Morocco
Casablanca Aéronautique	Manufacturing of structural parts	100.00%	Morocco
Figeac Tunisia Process	Services company	100.00%	Tunisia
Egima	Real estate activity	100.00%	Morocco
<b>JOINT VENTURES</b>			
<b>Asia</b>			
Nanshan Figeac Aero Industry	Manufacturing of structural parts	50.00%	China
<b>Middle East</b>			
Sami Figeac Aéro Manufacturing	Manufacturing of structural parts	40.00%	Saudi Arabia

SCI Remsi, owned by Jean-Claude Maillard, Chairman and Chief Executive Officer of FIGEAC AÉRO Group, is consolidated because it is considered a special purpose entity. This company owns a specific asset (an industrial building) that is rented by the parent company FIGEAC AÉRO. The SCI (real estate partnership) was created as part of a Group investment initiative.



Nanshan Figeac Aero Industry is a company that was created in October 2018 and must be capitalised in the amount of \$20 million, of which 50% from FIGEAC AÉRO.

Some 30% of the capital, i.e. \$6 million, has been freed up (of which \$3 million by FIGEAC AÉRO).

The timeline for freeing up the capital is as follows: an additional 30% 24 months after registration, 20% 48 months after registration, and the remainder 60 months after registration. However, delays in certifying certain processes mean that the company's capital calls have been postponed. No calls for funds are scheduled over the coming 12 months.

Sami Figeac Aero Manufacturing LLC (SFAM), a company based in Jeddah, was set up on 27<sup>th</sup> April 2021, and Figeac Aero owns a 40% interest in it. This project is consistent with Saudi Arabia's economic diversification strategy "Vision 2030". It is centred around a production plant built to make light alloy and hard metal parts for the commercial and military aircraft manufactured by the world's main prime contractors (Airbus, Boeing, Lockheed Martin, Safran, etc.). A capital increase was carried out in late June 2022 in the amount of SAR25 million. On completion of this capital increase, FIGEAC AÉRO's interest in the company remained at 40%.

## NOTE 4 INTANGIBLE ASSETS

Intangible assets break down as follows:

(€k)	31.03.2022			31.03.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Development costs <sup>28</sup>	144,560	(98,177)	46,383	158,304	(111,067)	47,237
Concessions, patents and licences	3,577	(2,296)	1,281	2,680	(2,334)	346
Software	13,431	(10,007)	3,423	53,641	(12,816)	40,825
Goodwill	459	(459)		459	(459)	
Other intangible assets	3	(1)	2	1	(1)	
Intangible assets in progress	50,720		50,720	12,590		12,590
<b>Total</b>	<b>212,749</b>	<b>(110,939)</b>	<b>101,810</b>	<b>227,674</b>	<b>(126,677)</b>	<b>100,997</b>

<sup>28</sup> After correcting the accounting errors described in the accounting principles section of the notes to the Group's consolidated financial statements



The change in the value of intangible fixed assets breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
<b>At 31.03.2022</b>	<b>212,749</b>	<b>(110,939)</b>	<b>101,810</b>
Capitalisation of development costs <sup>29</sup>	5,462		5,462
Acquisitions	9,411		9,411
Disposals/write-offs	(633)	537	(95)
Depreciation and amortisation		(20,087)	(20,087)
Net provisions		7,738	7,738
Transfers	862	(4,098)	(3,236)
Translation adjustments	(177)	169	(8)
Changes in consolidation scope			
<b>At 31.03.2023</b>	<b>227,674</b>	<b>(126,677)</b>	<b>100,997</b>

Net provisions made over the financial year amounted to €7.7 million, corresponding mainly to:

- a provision reversal of €9.2 million on research and development projects after the assumptions used (primarily build rates) were revised upwards in order to factor in a strong upturn in activity and brighter growth prospects;
- an additional allocation to provisions on certain projects in the amount of €1.4 million.

The Group is in the process of upgrading its IT system; the costs of this project are capitalised. At 31<sup>st</sup> March 2023, net capitalised development costs for the ERP project amounted to €46.0 million (versus €43.8 million at 31<sup>st</sup> March 2022).

At 31<sup>st</sup> March 2023, the continued instalment of the new ERP had incurred total costs of €2.2 million.

The Group brought this new ERP on stream in April 2022.

### **Overview of net values by type:**

Type	Net amount
R&D projects	57,780
ERP project	39,743
Licences and software	3,474
<b>Total</b>	<b>100,997</b>

The Group's Research & Development investment policy focuses on new machining systems (aerostructures and aeroengines).

FIGEAC AÉRO Group must prepare for the arrival of new products on the market, make use of the most cutting-edge technologies and develop its industrial expertise. FIGEAC AÉRO must also work closely with its export clients and find new markets overseas.

<sup>29</sup> Of which €0k of interest accrued on development costs at 31st March 2023 (€0k at 31st March 2022)



FIGEAC AÉRO Group's R&D expenditure is substantial. Its pro-active R&D policy in France entitled it to a research tax credit and significant grants (research tax credit of €1.3 million in 2023 versus €0.88 million in 2022) recognised as "other income" in the statement of financial position.

In 2023, its total R&D expenditure represented 2.76% of its revenue versus 3.25% in 2022. This expenditure is testament to the Group's determination to develop its operational processes.

### **Asset impairments**

At the end of each financial year, the Group assesses whether there is any indication that an asset may be impaired. An impairment test is conducted if there is an indication of impairment: the net carrying amount of the asset is compared with its recoverable value. If its present value falls below its carrying amount, the latter is reduced to the present value.

This impairment loss is calculated by comparing the project's value in use (based on build rates indicated in the data provided by aircraft manufacturers positioned in time and discounted at an annual rate of 10%) with the net carrying amount of these projects at 31st March 2023 (based on the impairment schedule established initially).

These intangible assets are then incorporated into the asset base tested for impairment during tests carried out on each CGU (cf. Note 5).

## **NOTE 5 PLANT, PROPERTY AND EQUIPMENT**

Property, plant and equipment break down as follows:

(€k)	31.03.2022			31.03.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Land	5,856	(793)	5,063	4,524	(802)	3,722
Buildings	80,631	(29,161)	51,470	78,447	(32,118)	46,329
Plant machinery, equipment and tools	160,816	(122,246)	38,570	179,818	(131,631)	48,188
Improvement and preparation of land	22,247	(14,395)	7,852	23,868	(16,552)	7,316
Transportation equipment	421	(340)	81	396	(328)	69
Office and IT equipment	7,534	(5,421)	2,113	8,414	(5,861)	2,553
Other property, plant and equipment	874	(758)	116	587	(587)	
Plant, property and equipment in progress	12,282		12,282	14,077		14,077
Advances and down-payments on property, plant and equipment	934		934	1,506		1,506
<b>Total</b>	<b>291,595</b>	<b>(173,114)</b>	<b>118,481</b>	<b>311,638</b>	<b>(187,878)</b>	<b>123,760</b>



The change in the value of property, plant and equipment breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
<b>At 31.03.2022</b>	<b>291,595</b>	<b>(173,114)</b>	<b>118,481</b>
Acquisitions	34,828		34,828
Disposals/write-offs	(13,869)	5,024	(8,844)
Depreciation and amortisation		(21,353)	(21,353)
Net impairment		775	775
Transfers	(290)	72	(218)
Translation adjustments	(628)	718	91
Changes in consolidation scope			
<b>At 31.03.2023</b>	<b>311,638</b>	<b>(187,878)</b>	<b>123,760</b>

Property, plant and equipment pledged as guarantees are described in detail in Note 30.

Acquisitions consisted of investments in maintaining the Group's production resources and the purchase of machines for which firm orders had been placed pre-Covid.

The main transfers involved the assets in Mexico that were transferred during the sale of the Hermosillo site.

All new property, plant and equipment were acquired from external suppliers.

The Group is also committed to honouring the firm orders it has placed for machines according to the following schedule:

Firm orders for machines	31.03.2024
Number of machines	1
Amount (€k)	1,549

### **Asset impairment tests:**

The Group carried out annual impairment tests on its Cash Generating Units (CGUs) by comparing their values in use with their net carrying amounts.

The main CGUs identified and tested were the following:

- Figeac Aéro CGU, consisting of the Group's entities that generate more than 50% of their revenue through Figeac Aéro (FGA Tunisie, FGA Maroc, FGA Picardie, FGA Saint Nazaire);
- Figeac Aero North America CGU;
- CGU manufacturing structural parts from metal sheets (SN Auvergne Aero, Casa Aero).

The main assumptions used to measure the values in use of CGUs can be summarised as follows:

- projected cash flows are calculated based on forecasts for the CGU for the next five years;
- operating forecasts used to calculate projected cash flows incorporate general economic data, specific rates of inflation for each region, US dollar exchange rates depending on available market information, and macroeconomic assumptions for the medium term and long term. These forecasts and assumptions are those used by the Group in its medium-



term business plan for the next four years; going further forward, they are based on Group Management's best estimates for its activities over the longer term;

- the value in use of each CGU is equal to the sum of these discounted projected cash flows plus a terminal value calculated by applying the growth rate expected for the activities concerned to a normative level of cash flow representative of activity in the long term, often corresponding to the last year of the long-term business plan;
- the growth rate used to determine the terminal value was set at 2% for all CGUs;
- the reference discount rate used is 10% (versus 9.3% at 31<sup>st</sup> March 2022) applied to cash flows after tax. The discount rate does not include an inflation parameter as the business plan established already factors in inflationary assumptions for the items concerned.

The operating forecasts used to calculate projected cash flows have been updated to factor in the new aircraft delivery schedules and the expected revision to the margin owing to the updated operational action plan approved by Group Management.

Activity levels are expected to return to normal in the financial year ending March 2026.

At 31<sup>st</sup> March 2022, the test had prompted the Group to maintain the following impairment losses:

- €7.68 million for the FIGEAC AÉRO CGU;
- €7.25 million for the Figeac Aero North America CGU.

The asset impairment test performed on 31<sup>st</sup> March 2023 resulted in an additional impairment loss of €0.9 million on the Figeac Aero North America CGU and an impairment reversal of €7.1 million on the FIGEAC AÉRO CGU.

At 31<sup>st</sup> March 2023, the impairment losses recognised on the CGUs break down as follows:

- €0.5 million for the FIGEAC AÉRO CGU;
- €8.2 million for the Figeac Aero North America CGU.

These impairment losses were recognised on the CGU assets, allocated first of all to the value of goodwill and then, on a *pro rata* basis, to the value of the CGU assets.

A value-in-use sensitivity analysis was carried out on the CGUs by adjusting the main assumptions used for the discount rate and perpetual growth rate.

The table below shows the impacts of the impairment losses recognised.

WACC / Growth rate	Sensitivity		
	1.50%	2.00%	2.50%
9.70%	(4,427)	14,164	35,337
10.00%	(17,122)		19,405
10.30%	(28,950)	(13,139)	4,699

The impact of changes in CGU value in use on impairment losses recognised at 31<sup>st</sup> March 2023 is estimated as follows:

- Downward change: impacting only on the Figeac Aero North America CGU and limited to €1.7 million,
- Upward change: impairment reversals are estimated to be limited to €8.2 million, which is the amount of the provision recognised.



## NOTE 6 LEASES

Right-of-use assets break down as follows:

(€k)	31.03.2022			31.03.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Right-of-use property assets	11,055	(7,812)	3,244	11,644	(9,243)	2,401
Right-of-use production equipment assets	115,389	(75,537)	39,852	110,218	(80,334)	29,885
Right-of-use transportation equipment assets	640	(562)	78	941	(695)	246
Other right-of-use assets	10,224	(1,780)	8,445	11,721	(3,128)	8,593
<b>Total</b>	<b>137,309</b>	<b>(85,690)</b>	<b>51,619</b>	<b>134,524</b>	<b>(93,400)</b>	<b>41,124</b>

The change in the value of right-of-use assets breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
<b>At 31.03.2022</b>	<b>137,309</b>	<b>(85,690)</b>	<b>51,619</b>
Increase in right-of-use assets	3,188		3,188
Terminations and transfers	(7,005)	4,472	(2,532)
Depreciation and amortisation		(12,114)	(12,114)
Net impairment			
Transfers	1,092	(91)	1,001
Translation adjustments	(60)	23	(37)
Changes in consolidation scope			
<b>At 31.03.2023</b>	<b>134,524</b>	<b>(93,400)</b>	<b>41,124</b>

The main transfers involved the assets leased in Mexico which were transferred during the sale of the Hermosillo site.



## NOTE 7 FINANCIAL ASSETS

Financial assets include the following:

(€k)	31.03.2022			31.03.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Non-consolidated investments	575	(497)	78	620	(496)	124
Loans	1,922		1,922	2,053		2,053
Other financial assets	7,601	(5,296)	2,305	7,807	(5,296)	2,511
<b>Total</b>	<b>10,098</b>	<b>(5,793)</b>	<b>4,305</b>	<b>10,479</b>	<b>(5,792)</b>	<b>4,688</b>

The change in other financial assets breaks down as follows:

(€k)	Gross	Amortisation / depreciation	Net
<b>At 31.03.2022</b>	<b>10,098</b>	<b>(5,793)</b>	<b>4,305</b>
Acquisitions	732		732
Disposals/write-offs	(1)		(1)
Depreciation and amortisation			-
Net impairment		1	1
Transfers	247	-	247
Translation adjustments	(594)	0	(594)
Changes in consolidation scope	(3)	-	(3)
<b>At 31.03.2023</b>	<b>10,479</b>	<b>(5,792)</b>	<b>4,687</b>



## NOTE 8 EQUITY-ACCOUNTED INVESTMENTS

The Group owns interests in the Nanshan Figeac Aero Industry joint venture, which it recognises according to the equity-accounted method, as well as in Sami Figeac Aero Manufacturing (SFAM).

The financial information on equity-accounted companies is summarised below:

(€k)	31.03.2022	31.03.2023		Total
	Total	Nanshan Figeac Aero Industry	Sami Figeac Aero Manufacturing	
Non-current assets	8	2,357	8,064	10,420
Current assets other than cash and cash equivalents	6,717	46	9,475	9,521
Cash and cash equivalents	8,701	2,718	4,735	7,453
Subscribed share capital uncalled	1,693			
Other non-current liabilities				
Non-current financial liabilities				
Other current liabilities	(1,689)	(138)	(9,558)	(9,696)
Current financial liabilities	(10,151)		(15,214)	(15,214)
<b>Net assets</b>	<b>5,279</b>	<b>4,983</b>	<b>(2,498)</b>	<b>7,116</b>
Group share		50%	40%	
<b>Gross value of equity-accounted investments</b>	<b>2,648</b>	<b>2,492</b>	<b>(999)</b>	<b>1,492</b>
Intercompany margin elimination	(1,333)			(2,223)
<b>Net value of equity-accounted investments</b>	<b>1,316</b>			<b>(731)</b>

(€k)	31.03.2022	31.03.2023		Total
	Total	Nanshan Figeac Aero Industry	Sami Figeac Aero Manufacturing	
Revenue				
Operating income (loss)	(2,885)	(77)	(5,544)	(5,622)
Cost of debt			(1,072)	(1,072)
Tax	(188)		(151)	(151)
Net income (loss)	(3,073)	(77)	(6,465)	(6,542)
Other items of comprehensive income (loss)				
<b>Total comprehensive income (loss)</b>	<b>(3,073)</b>	<b>(77)</b>	<b>(6,465)</b>	<b>(13,386)</b>
Group share		50%	40%	
<b>Share of net income (loss) of equity-accounted companies</b>	<b>(1,250)</b>	<b>(39)</b>	<b>(2,586)</b>	<b>(2,625)</b>



## NOTE 9 CONTRACT ASSETS

The change in assets recognised on costs incurred to obtain or execute contracts signed with customers breaks down as follows:

(€k)	31.03.2022			31.03.2023		
	Gross	Amort. / deprec.	Net	Gross	Amort. / deprec.	Net
Cost of obtaining contracts	-	-	-	-	-	-
Cost of executing contracts	30,127	(4,838)	25,289	29,393	(4,993)	24,400
<b>Total</b>	<b>30,127</b>	<b>(4,838)</b>	<b>25,289</b>	<b>29,393</b>	<b>(4,993)</b>	<b>24,400</b>

After revising certain assumptions regarding aircraft manufacturer build rates, the recoverable value of certain contracts was adjusted by €0.1 thousand.

The change in the value of contract assets and liabilities breaks down as follows:

(€k)	Contract assets				Contract liabilities			
	Retained amount	Additions	Reversals	Balance	Retained amount	Additions	Reversals	Balance
<b>TOTAL</b>	<b>30,126</b>	<b>3,974</b>	<b>(4,708)</b>	<b>29,393</b>	<b>13,497</b>	<b>3,998</b>	<b>(3,199)</b>	<b>14,297</b>



## NOTE 10 INVENTORY AND WORK IN PROGRESS

Inventory and work in progress break down as follows:

(€k)	31.03.2022			31.03.2023		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Inventories of raw materials	46,322	(1,802)	44,520	43,655	(1,653)	42,001
Inventories of other supplies	42,549	(51)	42,498	43,890	(51)	43,839
Production and services in progress	60,094	(6,478)	53,616	64,548	(4,119)	60,429
Inventories of finished goods	46,150	(4,562)	41,588	53,311	(3,414)	49,897
<b>Total</b>	<b>195,116</b>	<b>(12,894)</b>	<b>182,222</b>	<b>205,404</b>	<b>(9,237)</b>	<b>196,167</b>

The raw materials inventory includes inventory carried by Aerotrade.

Inventories of raw materials decreased by €2.7 million as supplies were scaled more appropriately.

Inventories of other supplies were stable against an increase in activity.

Inventories of production in progress increased by €4.5 million mostly due to longer surface treatment production cycles.

Inventories of finished goods increased by €7.2 million as certain programmes were rescheduled.

The change in inventory and work in progress breaks down as follows:

(€k)	Gross	Depreciation	Net
<b>At 31.03.2022</b>	<b>195,116</b>	<b>(12,894)</b>	<b>182,222</b>
Change over the period	10,868		15,448
Net impairment		1,467	1,467
Transfers		2,171	2,171
Translation adjustments	(579)	19	(561)
Changes in consolidation scope			
<b>At 31.03.2023</b>	<b>205,404</b>	<b>(9,237)</b>	<b>196,167</b>

In days of sales, net inventory represented 210 days at 31<sup>st</sup> March 2023 versus 236 days at 31<sup>st</sup> March 2022.



## NOTE 11 TRADE RECEIVABLES AND OTHER ASSETS

(€k)	31.03.2022			31.03.2023		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade receivables and related accounts	66,142	(5,058)	61,083	65,000	(5,104)	59,896
Tax receivables	7,688		7,688	7,912		7,912
<b>Other current assets</b>						
Advances and down-payments made on orders	1,330		1,330	1,742		1,742
Other receivables	17,272	(567)	16,705	20,813	(388)	20,425
Prepaid expenses	3,676		3,676	4,515		4,515
<b>Total other current assets</b>	<b>22,278</b>	<b>(567)</b>	<b>21,711</b>	<b>27,070</b>	<b>(388)</b>	<b>26,683</b>
<b>Total</b>	<b>96,108</b>	<b>(5,625)</b>	<b>90,482</b>	<b>99,982</b>	<b>(5,492)</b>	<b>94,491</b>

The change in trade and other receivables breaks down as follows:

(€k)	Gross	Depreciation	Net
<b>At 31.03.2022</b>	<b>96,108</b>	<b>(5,625)</b>	<b>90,482</b>
Change over the period	3,437		3,437
Net impairment		130	130
Translation adjustments	395	3	399
Changes in consolidation scope	41		41
<b>At 31.03.2023</b>	<b>99,982</b>	<b>(5,492)</b>	<b>94,491</b>

The Group transfers trade receivables to a factoring company.

At 31<sup>st</sup> March 2023, trade receivables transferred to the non-deconsolidating factoring company amounted to €20.8 million versus €15.2 million at 31<sup>st</sup> March 2022.

Under the factoring agreement, transfers involving the transfer of rights to future cash flows from receivables and the transfer of the risks and benefits associated with ownership of receivables (payment default, risk of late payment and other reasons) resulted in the derecognition of these receivables from the balance sheet in the amount of €20.9 million (€16.5 million in March 2022).

The payment schedule for trade receivables and related accounts is as follows:

(€k)	31/03/23	Not yet due	<30 days	31 to 90 days	90 to 180 days	181 days to 1 year	>1 year
Trade receivables and related accounts	<b>61,529</b>	33,468	8,970	3,944	1,630	4,794	8,723
Non-performing trade receivables	<b>3,471</b>	31	-	-	-	2	3,438
Provisions	<b>(5,104)</b>		-	-	(139)	(100)	(4,865)
<b>Net amount</b>	<b>59,896</b>	<b>33,499</b>	<b>8,970</b>	<b>3,944</b>	<b>1,491</b>	<b>4,696</b>	<b>7,296<sup>30</sup></b>

<sup>30</sup> The balance is made up of receivables the recoverability of which is in no doubt



## NOTE 12 CASH AND CASH EQUIVALENTS

(€k)	31.03.2022	31.03.2023
Marketable securities	170	147
Sight deposits	49,132	115,353
<b>Total</b>	<b>49,303</b>	<b>115,500</b>
Short-term bank overdrafts & advances and similar	(1,028)	(282)
Factoring	(15,250)	(20,820)
<b>Net cash in the statement of consolidated cash flows</b>	<b>33,025</b>	<b>94,399</b>

The change in cash and cash equivalents breaks down as follows:

(€k)	
<b>At 31.03.2022</b>	<b>49,303</b>
Changes over the period	66,435
Translation adjustments	(237)
Changes in consolidation scope	
<b>At 31.03.2023</b>	<b>115,500</b>



## NOTE 13 FAIR VALUE OF FINANCIAL ASSETS

The table below shows the net carrying amount of the Group's financial assets at 31<sup>st</sup> March 2023 and at 31<sup>st</sup> March 2022:

At 31.03.2023		Balance sheet value		
(€k)	Amortised cost	Fair value through profit or loss	Fair value through other items of comprehensive income	Total
Non-current financial assets	4,688			4,688
Non-current derivative assets				
Other current assets	26,683			26,683
Trade and other receivables	59,896			59,896
Cash and cash equivalents	115,353	147		115,500
<b>Total financial assets</b>	<b>206,620</b>	<b>147</b>	<b>-</b>	<b>206,767</b>

At 31.03.2022		Balance sheet value		
(€k)	Amortised cost	Fair value through profit or loss	Fair value through other items of comprehensive income	Total
Non-current financial assets	4,305			4,305
Non-current derivative assets		763		763
Other current assets	21,711			21,711
Trade and other receivables	61,083			61,083
Cash and cash equivalents	49,132	170		49,302
<b>Total financial assets</b>	<b>136,231</b>	<b>170</b>	<b></b>	<b>137,164</b>

At 31<sup>st</sup> March 2023 and at 31<sup>st</sup> March 2022, the fair value of the Group's financial assets was identical to their net carrying amount.

### Fair value of financial assets

The Group used the fair value hierarchy established by IFRS 13 to determine the levels at which financial assets recognised at their fair value should be classified:

- Level 1 "market price": financial instruments that are listed on an active market;
- Level 2 "model with observable inputs": financial instruments measured using valuation techniques based on observable inputs; and
- Level 3 "model with unobservable inputs": financial instruments measured using valuation techniques based for all or part on unobservable inputs; an unobservable input being defined as an input whose value is the result of assumptions or correlations that are based neither on transaction prices observable in markets for the same instrument on the valuation date, nor on observable market data available on the same date.



At 31<sup>st</sup> March 2023, the Group held the following financial assets recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative assets				
Current derivative assets				
Cash and cash equivalents	147			147
<b>Total at 31.03.2023</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>147</b>

At 31<sup>st</sup> March 2022, the Group held the following financial assets recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative assets		763		763
Current derivative assets				
Cash and cash equivalents	170			170
<b>Total at 31.03.2022</b>	<b>170</b>	<b>763</b>	<b>-</b>	<b>933</b>



## NOTE 14 DERIVATIVE INSTRUMENTS

### 14.1. Mark-to-Market (MtM)

The Group faces currency risks as it operates in an international environment and some of its French clients pay their bills in US dollars (USD). US dollar risk is hedged using futures and option tunnels.

Invoices issued by the Group's French companies in US dollars correspond to 57% of consolidated full-year revenues.

The Group has developed a natural hedging policy by making some of its purchases in US dollars, mainly its purchases of raw materials, supplies and sub-contracting.

The Group also holds some of its debt in US dollars.

This year, the Group's natural USD dollar hedge covered around 50% of its exposure.

The Group uses currency hedging and interest rate hedging instruments to hedge its remaining net exposure.

#### Information on the value of derivative instruments

(€k)	Balance sheet value			Maturity		
	Assets	Liabilities	Notional amount	<1 year	1 year to 5 years	>5 years
EUR cap		626	20,224		20,224	
EUR collar		147	7,636		7,636	
<b>Total interest rate derivative instruments</b>		<b>773</b>	<b>27,861</b>		<b>27,861</b>	

#### Interest rate derivative instruments

(€k)	31.03.2022	31.03.2023
<b>Fair value at beginning of period</b>	(193)	(4)
Pre-tax impact on income (loss)	189	147
Balance sheet impact		630
<b>Fair value at end of period</b>	(4)	773



## Foreign exchange derivative instruments

(€k)	Balance sheet value			Maturity		
	Assets	Liabilities	Notional amount	<1 year	1 year to 5 years	>5 years
<b>Instruments that do not qualify for hedge accounting:</b>						
EUR/USD accumulators	-	(2,111)	42,475	30,205	12,270	-
EUR/USD currency options	-	-	-	-	-	-
<b>Cash-flow hedges:</b>						
EUR/USD currency futures	-	(465)	177,280	57,180	120,100	-
EUR/USD currency options	-	(2,415)	67,500	45,000	22,500	-
<b>Total foreign exchange derivative instruments</b>	<b>-</b>	<b>(4,991)</b>	<b>287,255</b>	<b>132,385</b>	<b>154,870</b>	<b>-</b>
Instruments that do not qualify for hedge accounting	-	(2,111)	42,475	30,205	12,270	-
Instruments that qualify for hedge accounting	-	(2,880)	244,780	102,180	142,600	-

## Impact of derivative instruments not eligible for hedge accounting:

(€k)	31.03.2022	31.03.2023
<b>Fair value at beginning of period</b>	<b>(1,633)</b>	<b>(4,687)</b>
Pre-tax impact on income (loss)	(3,054)	2,254
<b>Fair value at end of period</b>	<b>(4,687)</b>	<b>(2,432)</b>

## Impact of future cash flow hedges:

(€k)	31.03.2022	31.03.2023
<b>Shareholders' equity - hedging instruments (net of tax) at start of period</b>	<b>2,473</b>	<b>1,410</b>
Effective portion of the fair value adjustment	(1,709)	(3,133)
Reclassification to income (loss)	235	-
Tax effect on changes during the period	412	783
<b>Fair value at end of period</b>	<b>1,410</b>	<b>(940)</b>

## Breakdown of unrealised gains / losses on derivative instruments:

(€k)	31.03.2022	31.03.2023
<b>Unrealised gains and losses on derivative instruments</b>	<b>(3,775)</b>	<b>6,932</b>
Income (loss) from forex hedging	(3,054)	2,254
Income (loss) from interest rate hedging	-	147
Income (loss) from the ORNANE derivative	53	3,571
Restatement of treasury shares	(774)	959



## 14.2. Derivative component of the bond redeemable into cash and/or new and/or existing shares (ORNANE)

Under IFRS 9, the ORNANE is a bond liability made up of two components:

- A bond component recognised as debt at amortised cost;
- A derivative component recognised as debt at mark-to-market value.

The allocation of value between the bond component and the derivative component was determined by an external expert. The change in the value of this component is recognised in the statement of income.

As the ORNANE was included in the debt restructuring arrangement as at 30<sup>th</sup> June 2022 and the modification of this liability was deemed substantial, the change in the value of the derivative component was divided into two stages.

At 30<sup>th</sup> June 2022, the ORNANE was considered to be extinguished and a new liability was recognised. The previous value of the bond component and derivative component was restored and a new allocation between the two was recognised.

This resulted in the bond component being allocated a value of €52.5 million and the derivative component a value of €14.3 million.

The change between 30<sup>th</sup> June 2022 and 31<sup>st</sup> March 2023 was recognised in the statement of income.

(€k)

<b>Value of the derivative component at 1<sup>st</sup> April 2022</b>	<b>€0.04m</b>
Change recognised as a deduction from the value of the bond component	€14.3m
<b>Value of the derivative component at 30<sup>th</sup> June 2022</b>	<b>€14.3m</b>
Change recognised in the statement of income	€3.7m
<b>Value of the derivative component at 31<sup>st</sup> March 2023</b>	<b>€10.6m</b>



## NOTE 15 SHAREHOLDERS' EQUITY

The Group's primary objective in terms of capital management is to maintain a balance between its shareholders' equity and its debt in order to support its business activity and increase shareholder value.

To maintain or adjust the structure of its shareholders' equity, the Group may propose to pay dividends to its shareholders or carry out further capital increases.

The main ratio monitored by the Group to manage its shareholders' equity is the debt/equity ratio.

The objectives, policies and procedures for managing share capital remain unchanged.

On 20<sup>th</sup> June 2022, the Group announced that it had carried out a capital increase without preferential subscription rights reserved to Ace Aéro Partenaires, a Tikehau Ace Capital affiliate, totalling €53,499,997.60 share premium included, by issuing 9,553,571 new shares at a unit price of €5.60.

(€k)	Unit value (€)	Number of shares issued	Value
Share capital	0.12	9,553,571	1,146
Share premium	5.48	9,553,571	52,354
<b>Total</b>	<b>5.60</b>	<b>9,553,571</b>	<b>53,500</b>

At 31<sup>st</sup> March 2023, the Share Capital consisted of 41,393,044 shares, of which 22,403,585 had double voting rights.

The par value of one share stood at €0.12.

### **Liquidity contract – Treasury shares – Share price**

Since 13<sup>th</sup> January 2014, the Company has entrusted TP ICAP (formerly Louis Capital Markets) with implementing a liquidity contract for its shares as part of an agreement that complies with the Code of Ethics of the AMAFI (French association of financial markets). This contract aims to support trading liquidity and the regular trading of shares as well as to avoid share price timing differences that are not justified by market trends.

An amount of €2,000,000 is allocated to this liquidity contract.

At 31<sup>st</sup> March 2023, the Company held 134,205 treasury shares acquired solely under this contract.

Under the share buyback agreement which expired last year, the Company held 333,423 shares at 31<sup>st</sup> March 2023.

The share price at 31<sup>st</sup> March 2023 stood at €4.895.



## NOTE 16 PROVISIONS

Provisions break down as follows:

(€k)	31.03.2022	Increases in provisions	Decreases in provisions		Changes in consolidation scope	Other	31.03.2023
			Used	Unused			
Provisions for risks and litigation	2,694	3,948	(371)				6,271
Provisions for restructuring	533		(404)				129
Provisions for loss-making contracts	1,943			-	-	-	1,943
Other provisions							
<b>Total provisions</b>	<b>5,170</b>	<b>3,948</b>	<b>(775)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,344</b>

Non-current provisions mainly consist of:

- Provisions for risks and labour litigation: €1,438k
- Provisions for customer litigation: €4,831k
- Provisions for FIGEAC AÉRO's restructuring: €129k
- Provisions for loss-making contracts: €1,943k

The Group is currently involved in labour disputes with some of its employees.

With no specific guidelines set out in IFRS 15, provisions are set aside for loss-making customer contracts in accordance with IAS 37 applicable to onerous contracts. The amount to be provisioned corresponds to the surplus of unavoidable costs over and above the economic benefits expected from the contract.



## NOTE 17 EMPLOYEE BENEFITS

### Pension liabilities

Pursuant to IAS 19 “Employee benefits”, the purpose of the provision for pensions recognised as liabilities in the balance sheet is to record the pension benefits of employees vesting at the end of the period. Pension liabilities are fully provisioned and not covered by dedicated plan assets.

The assumptions used in the calculations for French companies are as follows:

- a retirement age of 67 years;
- reference to the INSEE 2022 mortality table;
- an average salary increase rate of 1.5%;
- a staff turnover rate depending on the company and employee status (manager or non-manager);
- a discount rate of 3.6%.

A sensitivity analysis of changes in the discount rate shows that:

- a +0.5% variation in the discount rate would have a negative impact of €(151) thousand on consolidated income (loss);
- a -0.5% variation in the discount rate would have a positive impact of €168 thousand on consolidated income (loss).

The change in gross liabilities is as follows:

(€k)	31.03.2022	31.03.2023
<b>Liabilities at beginning of period</b>	<b>2,595</b>	<b>2,008</b>
Change in accounting policy - IAS 19	(443)	
Cost of services rendered	140	53
Interest expense	16	36
Actuarial gains or losses	(301)	(139)
<b>Liabilities at end of period</b>	<b>2,008</b>	<b>1,957</b>



## Long-service awards

The assumptions used in the calculations for French companies are as follows:

- a retirement age of 67 years;
- reference to the INSEE 2022 mortality table;
- an average salary increase rate of 1.5%;
- a staff turnover rate depending on the company and employee status (manager or non-manager);
- a discount rate of 3.6%.

The change in gross liabilities is as follows:

(€k)	31.03.2022	31.03.2023
<b>Liabilities at beginning of period</b>	<b>109</b>	<b>113</b>
Change in accounting policy - IAS 19	2	
Cost of services rendered	9	9
Interest expense	1	2
Actuarial gains or losses	(9)	(29)
<b>Liabilities at end of period</b>	<b>113</b>	<b>94</b>



## NOTE 18 INTEREST-BEARING AND NON-INTEREST-BEARING FINANCIAL LIABILITIES

Interest-bearing and non-interest-bearing financial liabilities include the following:

(€k)	31.03.2022	31.03.2023
Bond issues (ORNANE)		55,873
Other bond issues	178,162	22,775
Loans from credit institutions	91,217	244,867
Lease liabilities	27,847	17,573
Repayable advances	9,190	11,609
Other financial liabilities	1,320	1,265
Accrued interest not yet due	1,411	1,555
<b>Total non-current interest-bearing financial liabilities</b>	<b>217,930</b>	<b>355,516</b>
Bond issues (ORNANE)	86,945	
Other bond issues		
Loans from credit institutions	55,124	20,711
Lease liabilities	13,329	10,727
Repayable advances	5,165	1,862
Other financial liabilities	3	3
Short-term bank overdrafts & advances and similar	914	286
Factoring	15,250	20,816
<b>Total current interest-bearing financial liabilities</b>	<b>176,730</b>	<b>54,406</b>
<b>Total interest-bearing financial liabilities</b>	<b>394,660</b>	<b>409,922</b>

On 18<sup>th</sup> October 2017, FIGEAC AÉRO issued 3,888,025 bonds redeemable into cash and/or convertible into new and/or existing shares (ORNANE) for a nominal amount of €25.72 each, i.e. a total nominal amount of €100 million. The ORNANE was issued with a maturity date of 18<sup>th</sup> October 2022 and yielding interest at a rate of 1.125%.

ORNANEs are considered to be instruments containing an equity component and a debt component.

The Group redeemed 454,310 ORNANEs in order to cancel them prior to its financial restructuring.

Some 777,305 bonds were redeemed over the course of 2022, while the remaining bonds formed part of the debt restructuring arrangements. The new maturity date will be 18<sup>th</sup> October 2028.

During the restructuring process, FIGEAC AÉRO also issued bonds that were subscribed by ACE Capital.

Bonds were issued in the amount of €12.7 million over the course of 2023; they are held by an SPV. The "other bond issues" item consists of bonds held by ACE and bonds held by the SPV.

The outstanding amount of the transaction with Aerotrade (€7.8 million) is not included in interest-bearing financial liabilities.



The change in this item breaks down as follows:

(€k)

<b>At 31.03.2022</b>	<b>394,660</b>
Increase in long-term borrowings	101,186
Decrease in long-term borrowings	(63,982)
Change in short-term financing	(321)
<b>Total changes resulting from cash flows</b>	<b>36,884</b>
Net change in lease liabilities	(12,839)
Accrued interest	145
Change in short-term financing	5,266
Change in scope of consolidation	
Translation adjustments	(262)
Fair value adjustment of liabilities hedged using interest rate instruments	(13,930)
Transfers	
<b>Total non-cash changes</b>	<b>(21,621)</b>
<b>At 31.03.2023</b>	<b>409,922</b>

The table below presents the net carrying amount of the Group's financial liabilities at 31st March 2023 and at 31st March 2022:

(€k)	31.03.2022	Cash flows	Fair value adjustment	Change in scope of consolidation	Currency effects	Other changes	Non-cash total	31.03.2023
Bond issues (ORNANE)	86,945	(20,092)	(10,980)				(10,980)	55,873
Other bond issues	-	23,000	(225)				(225)	22,775
Loans from credit institutions	233,285	35,195	(2,725)		(218)	55	(2,888)	265,593
Lease liabilities	41,176				(36)	(12,839)	(12,876)	28,300
Repayable advances	14,355	(884)						13,471
Other financial liabilities	1,320					(52)	(52)	1,268
Accrued interest not yet due	1,411					145	145	1,555
Interest paid	-	(15)						(15)
Acquisitions or disposals of treasury shares	-							-
Short-term bank overdrafts & advances and similar	914	(321)			(8)	-299	(307)	286
Factoring	15,250					5,565	5,565	20,816
Available cash and cash equivalents	16,164	(321)			(8)	5,266	5,259	21,102
<b>Total non-current interest-bearing financial liabilities</b>	<b>394,656</b>	<b>36,884</b>	<b>(13,930)</b>	<b>-</b>	<b>(262)</b>	<b>(7,425)</b>	<b>(21,618)</b>	<b>409,922</b>



**Analysis of interest-bearing and non-interest-bearing financial liabilities by maturity (local currencies converted into euros):**

(€k)	31.03.2022	31.03.2023
<1 year	176,730	54,406
>1 year and <5 years	211,174	174,378
5 years and more	6,756	181,138
<b>Total</b>	<b>394,660</b>	<b>409,922</b>

**Breakdown of liabilities by currency (local currencies converted into euros):**

(€k)	31.03.2022	31.03.2023
EUR	394,660	393,534
TND		227
MAD		2,542
USD		13,619
<b>Total</b>	<b>394,660</b>	<b>409,922</b>

**Analysis of interest-bearing financial liabilities by interest rate (local currencies converted into euros):**

(€k)	31.03.2022	%	31.03.2023	%
Fixed rate	287,078	73%	250,882	63%
Floating rate	107,582	27%	148,249 <sup>31</sup>	37%
<b>Total</b>	<b>394,660</b>	<b>100%</b>	<b>399,131<sup>32</sup></b>	<b>100%</b>

<sup>31</sup> Of which €66 million in new PGEs (state-guaranteed loans) for which the interest rate was set in June 2023; at 31<sup>st</sup> March 2023, these loans were considered to be floating-rate liabilities

<sup>32</sup> Excluding financial liabilities not bearing interest



## NOTE 19 CONTRACT LIABILITIES

Contract liabilities break down as follows:

(€k)	31.03.2022	31.03.2023
Advances and down-payments received	13,497	14,297
Deferred income		
Other contract liabilities		
<b>Total</b>	<b>13,497</b>	<b>14,297</b>

## NOTE 20 TRADE AND OTHER PAYABLES

Trade and other payables break down as follows:

(€k)	31.03.2022	Changes over the period	Changes in consolidation scope	Translation adjustments	Transfers	31.03.2023
Trade payables	85,632	(3,639)		(304)		81,688
Payables on fixed assets and related accounts	2,312	(759)		1		1,554
<b>Total trade and other payables</b>	<b>87,943</b>	<b>(4,398)</b>	-	<b>(303)</b>	-	<b>83,242</b>
Tax liabilities	12,127	6,064		41		18,232
<b>Other current liabilities:</b>						
Advances and down-payments received on orders	17,828	13,755		(107)		31,476
Social security liabilities	28,910	(2,255)		(36)		26,619
Other payables	4,139	6,319		(4)	10	10,464
Deferred income	10,232	(3,295)		63		7,000
<b>Total other current liabilities</b>	<b>61,108</b>	<b>14,524</b>	-	<b>(83)</b>	-	<b>75,559</b>
<b>Total</b>	<b>161,178</b>	<b>16,190</b>	-	<b>(346)</b>	-	<b>177,033</b>



## NOTE 21 OVERVIEW OF FINANCIAL LIABILITIES

The table below presents the net carrying amount of the Group's financial liabilities at 31<sup>st</sup> March 2023 and at 31<sup>st</sup> March 2022:

At 31.03.2023		Balance sheet value		
(€k)	Amortised cost	Fair value through profit or loss	Fair value through other items of comprehensive income	Total
Non-current interest-bearing financial liabilities	355,516			355,516
Current interest-bearing financial liabilities	54,406			54,406
Non-current derivative liabilities		15,249		15,249
Current derivative liabilities				
Other liabilities				
Trade and other payables	158,801			158,801
<b>Total financial liabilities</b>	<b>568,723</b>	<b>15,249</b>		<b>583,972</b>

At 31.03.2022		Balance sheet value		
(€k)	Amortised cost	Fair value through profit or loss	Fair value through other items of comprehensive income	Total
Non-current interest-bearing financial liabilities	217,930			217,930
Current interest-bearing financial liabilities	176,730			176,730
Non-current derivative liabilities		5,355		5,355
Current derivative liabilities				
Other liabilities				
Trade and other payables	149,051			149,051
<b>Total financial liabilities</b>	<b>543,711</b>	<b>5,355</b>		<b>549,066</b>

At 31<sup>st</sup> March 2023 and at 31<sup>st</sup> March 2022, the fair value of the Group's financial assets was identical to their net carrying amount.

The Group used the fair value hierarchy described in Note 13 "Overview of financial assets" to determine the levels at which financial liabilities recognised at their fair value should be classified.



At 31<sup>st</sup> March 2023, the Group had the following financial liabilities recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative liabilities		15,249		15,249
Current derivative liabilities				
<b>Total</b>		<b>15,249</b>		<b>15,249</b>

At 31<sup>st</sup> March 2022, the Group had the following financial liabilities recognised at their fair value:

(€k)	Level 1	Level 2	Level 3	Total
Non-current derivative liabilities		5,355		5,355
Current derivative liabilities				
<b>Total</b>		<b>5,355</b>		<b>5,355</b>

## NOTE 22 REVENUE

### Breakdown of revenue by business segment

(€k)	31.03.2022	31.03.2023
Aerostructures & Aeroengines	254,006	311,654
Diversification Activities	27,942	29,898
<b>Total</b>	<b>281,948</b>	<b>341,552</b>

### Breakdown of revenue by region

(€k)	31.03.2022	31.03.2023
France	202,704	210,030
Export	79,244	131,522
<b>Total</b>	<b>281,948</b>	<b>341,552</b>



## NOTE 23 SEGMENT INFORMATION

In accordance with IFRS 8, the information provided by business segment is based on the approach taken by Group Management, meaning the manner in which Group Management allocates resources depending on how well the different segments perform. The Group presents information on two segments which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies.

### **Breakdown of Group companies by business segment**

<b>Aerostructures &amp; Aeroengines</b>			
Figeac Aéro SA	Manufacturing of structural parts	Europe	France
SCI Remsi	Real estate activity	Europe	France
SN Auvergne Aéronautique	Manufacturing of structural parts	Europe	France
FGA Group Services	Services company	Europe	France
SPV	Inventory holding company	Europe	France
SARL FGA Tunisie	Manufacturing of structural parts	Africa	Tunisia
Figeac Aéro Maroc	Manufacturing of structural parts	Africa	Morocco
Casablanca Aéronautique	Manufacturing of structural parts	Africa	Morocco
Figeac Tunisia Process	Services company	Africa	Tunisia
Egima	Real estate activity	Africa	Morocco
FGA North America Inc	Precision machining and surface treatment	North America	USA
<b>Diversification Activities</b>			
M.T.I. SAS	General engineering and heavy sheet metal manufacturing	Europe	France
Ateliers Tofer	General engineering and heavy sheet metal manufacturing	Europe	France
Tofer Holding	Services company	Europe	France
Tofer Service Industries	Services company	Europe	France
Tofer Europe Service	General engineering and heavy sheet metal manufacturing	Europe	Romania
Tofer Immobilier	Real estate activity	Europe	France
Mecabrive Industries SAS	Precision machining and surface treatment	Europe	France
Mat Formation	Services company	Europe	France
SCI Mexique	Real estate activity	North America	Mexico
FGA Picardie SAS	On-site and workshop assembly of aerospace sub-assemblies	Europe	France
Figeac Aéro Saint Nazaire	On-site and workshop assembly of aerospace sub-assemblies	Europe	France



## 23.1. Consolidated operating income (loss) by activity

(€k)	Aerostructures & Aeroengines		Diversification Activities	
	31.03.2022	31.03.2023	31.03.2022	31.03.2023
Revenue	254,006	311,654	27,942	29,898
Other income	1,695	1,655	90	605
Change in inventories of finished goods and WIP	13,960	9,072	931	3,352
Cost of bought-in goods and services over the year and external expenses	(176,761)	(208,849)	(14,965)	(16,088)
Personnel expenses	(55,712)	(70,274)	(17,449)	(18,300)
Income tax and other taxes	(2,889)	(3,046)	(591)	(617)
Net depreciation, amortisation and provisions	(45,780)	(39,368)	(5,861)	(2,335)
<b>Current operating income (loss)</b>	<b>(11,481)</b>	<b>844</b>	<b>(9,903)</b>	<b>(3,485)</b>
Other non-recurring operating income and expenses	(9,164)	4,819	(3,066)	(197)
Share of net income (loss) of joint ventures	(1,250)	(2,625)	-	-
<b>Operating income (loss)</b>	<b>(21,895)</b>	<b>3,038</b>	<b>(12,970)</b>	<b>(3,682)</b>

### **Aerostructures & Aeroengines:**

The rapid revenue growth was attributable to higher build rates on the flagship programmes run by aircraft manufacturers (A320, B737 and A350) and the Group's ability to pass its inflationary impact on to clients.

### **Diversification Activities:**

Revenue in the Diversification Activities segment was driven by the energy business, where sales of hydropower turbines increased sharply, and by the oil & gas business, which is experiencing a period of stability in the backlog. The turnaround plan launched in this business is beginning to pay off as its EBITDA margin is now improving rapidly and should move into positive territory as of next year. In association with rising energy prices, prices in the precision machining and surface treatment segments also increased, hence the revenue growth achieved in these businesses. Profitability improved thanks to higher machine utilisation rates, higher build rates in the aerospace industry and saturated workloads in surface treatment.



## 23.2. Statement of consolidated financial position by activity

ASSETS (€k)	Aerostructures & Aeroengines		Diversification Activities	
	31.03.2022	31.03.2023	31.03.2022	31.03.2023
Intangible assets	98,297	97,914	3,513	3,083
Plant, property and equipment	113,363	116,859	5,118	6,901
Other fixed assets	62,805	40,642	6,392	5,997
<b>Fixed assets</b>	<b>274,465</b>	<b>255,416</b>	<b>15,023</b>	<b>15,980</b>
Inventory and work in progress	169,876	180,122	12,346	16,045
Trade and other receivables	52,993	50,039	8,091	9,857
Other assets	102,229	170,913	1,762	3,582
<b>Current assets</b>	<b>325,098</b>	<b>401,075</b>	<b>22,199</b>	<b>29,483</b>
<b>TOTAL ASSETS</b>	<b>599,563</b>	<b>656,490</b>	<b>37,222</b>	<b>45,463</b>

LIABILITIES (€k)	Aerostructures & Aeroengines		Diversification Activities	
	31.03.2022	31.03.2023	31.03.2022	31.03.2023
Provisions	6,592	9,665	698	722
Non-current interest-bearing financial liabilities	207,669	344,955	10,261	10,561
Other non-current liabilities	21,345	18,943	1,511	1,420
<b>Non-current liabilities</b>	<b>235,606</b>	<b>373,563</b>	<b>12,470</b>	<b>12,703</b>
Current interest-bearing financial liabilities	172,294	50,152	4,436	4,254
Trade and other payables	81,068	74,798	6,875	8,445
Other liabilities	77,065	98,756	9,667	9,331
<b>Current liabilities</b>	<b>330,427</b>	<b>223,705</b>	<b>20,977</b>	<b>22,030</b>
<b>TOTAL LIABILITIES</b>	<b>566,033</b>	<b>597,268</b>	<b>33,448</b>	<b>34,733</b>



## NOTE 24 BREAKDOWN OF OTHER COMPONENTS OF OPERATING INCOME (LOSS)

### Other income

(€k)	31.03.2022	31.03.2023
Research tax credit	1,319	1,354
Operating grants	132	510
Other operating income	333	396
<b>Total</b>	<b>1,785</b>	<b>2,260</b>

### Cost of bought-in goods and services over the financial year and external expenses

(€k)	31.03.2022	31.03.2023
Supplies, raw materials and other	(116,191)	(135,107)
Goods for resale	(6)	
Change in inventory	2,227	(1,052)
Contract assets	128	(496)
Sub-contracting	(41,221)	(32,894)
Purchases not held in inventory	(9,577)	(13,597)
External services	(27,087)	(41,790)
<b>Total</b>	<b>(191,726)</b>	<b>(224,937)</b>

### Personnel expenses

(€k)	31.03.2022	31.03.2023
Wages and salaries	(52,244)	(61,154)
Payroll taxes	(17,774)	(21,616)
Temping staff expenses	(2,579)	(5,323)
Other payroll expenses	(2,397)	(2,361)
Operating expenses transferred (presented as a reduction in personnel expenses) <sup>33</sup>	1,834	1,881
<b>Total</b>	<b>(73,161)</b>	<b>(88,574)</b>

<sup>33</sup> Compensation for partial employment



## **Net depreciation, amortisation and provisions**

(€k)	31.03.2022	31.03.2023
<b>Net depreciation and amortisation charges</b>		
on intangible assets <sup>34</sup>	(15,488)	(24,026)
on property, plant and equipment	(22,134)	(21,353)
on finance leases	(11,577)	(10,163)
on right-of-use assets	(2,068)	(1,911)
Share of grants transferred to the statement of income	955	2,713
<b>Total net depreciation and amortisation charges</b>	<b>(50,313)</b>	<b>(54,740)</b>
<b>Total net provisions</b>	<b>(1,328)</b>	<b>13,037</b>
<b>Net depreciation, amortisation and provisions</b>	<b>(51,641)</b>	<b>(41,703)</b>

## **Other non-recurring operating income and expenses**

(€k)	31.03.2022	31.03.2023
Reversals of non-current provisions	18,362	2,767
Other non-recurring income	4,947	821
Capital gains / losses from asset disposals	(736)	15,893
Allocations to non-current provisions	(13,855)	(6,807)
Other non-recurring expenses	(20,948)	(8,053)
<b>Total</b>	<b>(18,121)</b>	<b>4,622</b>

At 31<sup>st</sup> March 2023, non-current provision reversals consisted of the following:

- €0.4 million of restructuring costs reversed (employment protection plan),
- €2.4 million of reversals for one-off client requests.

At 31<sup>st</sup> March 2023, allocations to non-current provisions mainly consisted of the following:

- €5.7 million of provisions for one-off client requests.

At 31<sup>st</sup> March 2023, other non-recurring expenses consisted of:

- €5.4 million of costs arising from the sale of the operations in Mexico,
- €0.8 million of labour litigation fees,
- €0.05 million of expenses to create the SPV,
- €0.4 million of expenses arising from the discontinuation of a development project,
- €1.4 million of other non-recurring expenses.

At 31<sup>st</sup> March 2023, capital gains from asset disposals essentially concerned the sale of the Hermosillo assets to Latécoère.

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<sup>34</sup> After correcting the accounting errors described in the accounting principles section of the notes to the Group's consolidated financial statements



## NOTE 25 COST OF NET DEBT

(€k)	31.03.2022	31.03.2023
<b>Financial income</b>	<b>1,603</b>	<b>1,663</b>
Financial expenses - borrowings	(4,803)	(7,623)
Financial expenses - factoring	(1,375)	(1,254)
Interest expense on lease liabilities	(643)	(621)
Additional financial expenses under IFRS 9	(800)	(5,086)
Other financial expenses	(177)	(277)
<b>Financial expenses</b>	<b>(7,798)</b>	<b>(14,861)</b>
<b>Cost of net debt</b>	<b>(6,195)</b>	<b>(13,199)</b>

The average debt rate for the financial year ended 31<sup>st</sup> March 2023 was 3.80% versus 1.90% for the financial year ended 31<sup>st</sup> March 2022.



## NOTE 26 TAX

### Reconciliation between theoretical tax and effective tax

(€k)	31.03.2022	31.03.2023
Income (loss) for the year	(43,128)	(18,094)
Current tax income (expense)	(1,564)	(899)
Provisions for tax		
Deferred tax income (expense)	511	(387)
<b>Total tax income (expense)</b>	<b>(1,053)</b>	<b>(1,287)</b>
<b>Profit (loss) before tax</b>	<b>(42,075)</b>	<b>(16,808)</b>
Legal tax rate of the parent company	25%	25%
Theoretical tax	11,150	4,202
Impact of permanent differences		
Impact of tax loss carryforwards	(10,834)	(6,513)
Impact of changes in tax rates		
Impact of overseas tax rates	306	244
Impact of tax credits	216	308
Other impacts	(1,891)	472
<b>Total tax income (expense)</b>	<b>(1,053)</b>	<b>(1,287)</b>
Effective tax rate	n/a	n/a

### Deferred tax assets and liabilities

Deferred taxes are recognised using the balance sheet liability method.

The change in deferred taxes was as follows:

(€k)	31.03.2022	31.03.2023
Deferred tax assets	7,013	11,195
Deferred tax liabilities	(7,435)	(10,904)
<b>Opening deferred taxes</b>	<b>(422)</b>	<b>291</b>
Deferred taxes recognised in the statement of income	511	(387)
Deferred taxes recognised directly in shareholders' equity	192	728
Transfers		
Translation adjustments	(16)	6
Changes in consolidation scope	26	
<b>Closing deferred taxes</b>	<b>291</b>	<b>637</b>
of which deferred tax assets	11,195	2,467
of which deferred tax liabilities	(10,904)	(1,830)



The main types of deferred taxes were as follows:

(€k)	31.03.2022	31.03.2023
Property, plant and equipment and intangible assets	(4,495)	(4,506)
Financial instruments	1,845	3,231
Employee benefits	1,079	1,062
Regulatory provisions	(387)	(387)
Capitalisation of tax losses	6,969	6,962
Construction contracts IAS 11 / IFRS 15	(2,415)	(2,341)
Other	(2,306)	(3,385)
<b>Net deferred tax assets / (deferred tax liabilities)</b>	<b>291</b>	<b>637</b>

### Tax loss carryforwards

Deferred tax assets not recognised as tax loss carryforwards amounted to €0.2 million at 31<sup>st</sup> March 2023.

## NOTE 27 EARNINGS PER SHARE

(€k)	31.03.2022	31.03.2023
Average number of outstanding shares	31,839,473	39,004,651
Treasury shares	441,721	467,628
<b>Weighted average number of shares</b>	<b>31,397,752</b>	<b>38,537,023</b>
Stock option plan		
<b>Earnings (group share) in euros<sup>35</sup></b>	<b>(43,089,554)</b>	<b>(18,068,096)</b>
Earnings per share	(1.37)	(0.46)
Diluted earnings per share	(1.37)	(0.46)

### Treasury shares

(€k)	31.03.2022	31.03.2023
Liquidity agreement	108,298	134,205
Share buyback plan	333,423	333,423
<b>Total</b>	<b>441,721</b>	<b>467,628</b>

<sup>35</sup> After correcting the accounting errors described in the accounting principles section of the notes to the Group's consolidated financial statements



## NOTE 28 RELATED PARTIES

Related parties of the FIGEAC AÉRO Group are defined in accordance with IAS 24 and presented below with details of the transactions carried out at 31<sup>st</sup> March 2023.

Related parties are defined as such due to the equity investments made by Jean Claude Maillard in MP USICAP and Avantis Engineering.

### Related-party transactions

Permanent services cover the following areas:

- legal, accounting and administrative assistance;
- programming services for production equipment; and
- sub-assembly study services.

(€k)	Income	Expenses	Receivables	Payables
MP USICAP	152	1,158	16	24
AVANTIS ENGINEERING	199			
AVANTIS MANUFACTURING		78		
AVANTIS PROJECT		77	59	
AVANTIS Concept				
<b>Total</b>	<b>351</b>	<b>1,312</b>	<b>75</b>	<b>24</b>

### Executive pay

Executive pay refers to compensation paid to the corporate officers of FIGEAC AÉRO S.A.:

(€k)	31.03.2022	31.03.2023
Fixed compensation	208	170
Variable compensation		
Benefits in kind	2	2
Directors' fees	30	15
<b>Total</b>	<b>240</b>	<b>187</b>

To date, there are no stock option or share buyback plans underway at FIGEAC AÉRO S.A. or at any of the Group's other entities.



## NOTE 29 HEADCOUNT

(€k)	31.03.2022	31.03.2023
Headcount - France	1,370	1,474
Headcount - outside France	1,225	1,114
<b>Total<sup>36</sup></b>	<b>2,595</b>	<b>2,588</b>

Headcount breaks down by business segment at 31<sup>st</sup> March 2023 as follows:

(In number of employees)	Managerial staff	Non-managerial staff	Total
Aerostructures & Aeroengines	266	1,900	2,166
Diversification Activities	57	365	422
<b>Total<sup>9</sup></b>	<b>323</b>	<b>2,265</b>	<b>2,588</b>

## NOTE 30 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

Commitments received by the Group at the end of its financial year were as follows:

(€k)	31.03.2023			Total	31.03.2022
	<1 year	1 to 5 years	>5 years		Total
Pledges, mortgages and collateral securities	9,697	88,061	61,040	158,798	109,555
<b>Total</b>	<b>9,697</b>	<b>88,061</b>	<b>61,040</b>	<b>158,798</b>	<b>109,555</b>

Guarantees received consisted of:

- Guarantees on PGE loans corresponding to 90% of the outstanding amount;
- Guarantees on BPI export pre-financing credit contracts corresponding to 50% of the outstanding amount.

Commitments given by the Group at the end of its financial year were as follows:

(€k)	31.03.2023			Total	31.03.2022
	<1 year	1 to 5 years	>5 years		Total
Pledges, mortgages and collateral securities	3,322	20,299	20,665	44,285	38,501
<b>Total</b>	<b>3,322</b>	<b>20,299</b>	<b>20,665</b>	<b>44,285</b>	<b>38,501</b>

<sup>36</sup> Data excluding temping staff and persons working in Mexico who are associated with FIGEAC AÉRO via a shelter programme. Economically, the Group employs a workforce of more than 3,000 people.



## NOTE 31 EVENTS AFTER THE CLOSING DATE

FIGEAC AÉRO S.A., the sole partner of Figeac Aero Saint Nazaire, decided on 3<sup>rd</sup> April 2023 to dissolve the company early by way of a universal transfer of assets in order to streamline its running costs and simplify its legal structure.

On 14<sup>th</sup> April 2023, France's Constitutional Council approved the vast majority of the amending social security finance bill for 2023 relating to the pension reform. The bill is scheduled to come into force on 1<sup>st</sup> September 2023 and will have an impact on FIGEAC AÉRO'S financial statements, in particular on the assumptions it uses to calculate retirement benefits. An impact analysis is underway and will be taken into consideration in the Group's upcoming period-end financial statements.

## NOTE 32 FEES PAID TO STATUTORY AUDITORS

(€k)	KPMG				Mazars			
	Amount		%		Amount		%	
	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023
<b>A – Fees relating to the certification of accounts</b>								
A.1 - FIGEAC AÉRO (issuer) <sup>37</sup>	261	170	77%	41%	251	179	89%	100%
A.2 - Subsidiaries	65	26	20%	6%	3		1%	
<b>Sub-total</b>	<b>316</b>	<b>196</b>	<b>97%</b>	<b>47%</b>	<b>244</b>	<b>179</b>	<b>90%</b>	<b>100%</b>
<b>B – Fees relating to other services</b>								
B.1 - FIGEAC AÉRO (issuer)	11	220	3%	53%	26		10%	
B.2 - Subsidiaries								
<b>Sub-total</b>	<b>11</b>	<b>220</b>	<b>3%</b>	<b>53%</b>	<b>26</b>		<b>10%</b>	
<b>Total</b>	<b>327</b>	<b>416</b>	<b>100%</b>	<b>100%</b>	<b>270</b>	<b>179</b>	<b>100%</b>	<b>100%</b>

<sup>37</sup> Of which €60k relating to the due diligence carried out as part of the financial restructuring transactions



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