



LE PARTENAIRE  
**DES GRANDS INDUSTRIELS  
DE L'AÉRONAUTIQUE**



HALF-YEAR FINANCIAL REPORT  
at 30th September 2020

[WWW.FIGEAC-AERO.COM](http://WWW.FIGEAC-AERO.COM)



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## Impact of the COVID-19 crisis

The 1st half of financial year 2020/21 was severely affected by the global Covid-19 pandemic. The crisis took a heavy toll on all sectors of the global economy, particularly the aerospace industry as contractors suddenly ceased or pushed back deliveries.

Global air traffic plummeted during the period, prompting contractors across the board to slash their delivery schedules and focus on drawing down their stocks in the short term.

In these unprecedented circumstances, FIGEAC AÉRO's revenue reached €94.4 million in the 1st half of financial year 2020/21 (1st April to 30th September 2020), which is 57.94% lower year-on-year. At constant scope and exchange rates, the Group's revenue fell by 57.56% quarter-on-quarter.

The table below shows the impacts for each of the main aircraft programmes in which the Group is involved:

| Programme   | Annual production rates |                | Current production rates (2) | Variation vs pre-Covid production rates |
|-------------|-------------------------|----------------|------------------------------|---|
|             | Pre-Covid               | Post-Covid (1) |                              |   |
| A350        | 108                     | 60             | 51                           | -52.78%                                 |
| A320        | 720                     | 480            | 394                          | -45.28%                                 |
| A220        | 80                      | 38             | 30                           | -62.50%                                 |
| B787        | 120                     | 63             | 48                           | -60.00%                                 |
| B777/777X   | 60                      | 24             | 20                           | -66.67%                                 |
| B737        | 0                       | 0              | 0                            |   |
| Global 7500 | 34                      | 21             | 20                           | -41.18%                                 |

(1) Post-Covid production rates announced by aircraft manufacturers

(2) Production rates currently reported by the Group

With all the resilience initiatives that were rolled out so rapidly, the Group was able to lower its operating expenses in the 1st half of 2020/21, including:

- a reduction in personnel expenses thanks to adjustments made to the payroll (of which a targeted plan to reduce the headcount) and economic support measures granted by the public authorities (of which furlough arrangements) (see Note 22),
- savings generated on production costs and overheads (See Note 22).

The Group made use of the following measures in particular to protect its cash position:

- state-guaranteed loans obtained amounting to €79.3m. The repayment schedule for these state-guaranteed loans will be decided during the 1st half of 2021.
- a furlough scheme covering 542,684 hours and corresponding to €5,603k compensation. This furlough scheme has been extended to March 2021.
- a scheme to postpone payroll tax payments amounting to €7,912k. These amounts will be settled within timeframes ranging from 24 to 36 months depending on the organisations concerned.
- a scheme to postpone lease payments amounting to €8,147k. These amounts will be paid after the initial repayment schedule.
- a scheme to postpone bank loan repayments amounting to €4,018k. These amounts will be paid after the initial repayment schedule, i.e. 6 months after they were initially due.

Furthermore, the Group's long-standing banking partners agreed to ease the terms and conditions of its financial covenants for the entire financial year ending March 2021.

FIGEAC AÉRO took on board these unprecedented circumstances by immediately introducing an operational optimisation plan focused on two top priorities:



- It rapidly rolled out a series of measures to achieve structural fixed cost cuts and optimise its production facilities, the aim being to mitigate the impact of sharply lower business volumes on the Group's margins. These measures included:
  - a reduction in personnel expenses and general and administrative expenses,
  - a drive to streamline the Group's production sites, for instance by merging its Moroccan units,
  - selective insourcing of some of the purchases that were previously outsourced,
  - optimised use of raw materials,
  - streamlined general purchases.
- It secured long-term financial resources to ensure the Group's business continuity.

The Group had a solid cash position of €104.3m at 30th September 2020; it has since been reinforced by the €14.58m ATOUT loan obtained and received after 30th September 2020. The Group establishes cashflow projections for the medium term (18 months) that do not factor in any risks to the business as a going concern.

The Group announced two employment protection plans during the half-year in an effort to adapt its cost base:

- 320 positions at Figeac Aero
- 21 positions at FGA Picardie.

Following negotiations with the unions, the number of positions involved in the employment protection plan at Figeac Aero has been reduced to 220, and the company will apply long-term short-time working (APLD) arrangements.

Based on the latest information available on the account closing date, the Group has thus set aside a net restructuring provision of €11.8 million.

All the measures taken under the operational optimisation plan should help the Group to achieve structural fixed cost cuts of approximately €30 million, and almost the full effects will be visible in the 2nd half of financial year 2021/22.

The Group is also keen to maintain its competitive standing and to prepare for the economic difficulties lying ahead as well as their repercussions on jobs; it has therefore launched safeguard proceedings for its FIGEAC AÉRO Auxerre subsidiary (in the 2nd half of the year). The administrator appointed by the Trade Tribunal presented their conclusions on 14th December 2020, on which date the Auxerre trade tribunal confirmed that a 6-month observation period had begun on 12th October for the purpose of finding a buyer.

Furthermore, the plan is expected to incur one-off costs estimated at between €20 million and €23 million (including industrial optimisation capex), most of which will be recognised this financial year (ending 31/03/2021).

All the cost savings generated by the plan will make the Group more competitive and create significant operating leverage when volumes pick up again, which will allow for cash-flow generation over the long term.

The Group updated its asset impairment tests on 30th September to factor in the latest production rates at aircraft manufacturers and the effects of the action plans put in place.

After updating the production rates applied in its model, it therefore recognised an additional provision of €3.45 million against certain development projects. No further asset impairment losses were recognised after updating the assumptions for recoverable amounts with respect to CGUs.



## Statement of consolidated financial position

| ASSETS<br>(€k)  | Notes  | 31.03.2020     | 30.09.2020     |
|---|--------|----------------|----------------|
| Goodwill  | 4      | -              | -              |
| Intangible assets   | 4      | 107,155        | 104,811        |
| Property, plant and equipment   | 5      | 216,526        | 205,682        |
| Non-current financial assets  | 6      | 3,696          | 7,815          |
| Equity-accounted investments  | 7      | 2,598          | 2,505          |
| Non-current derivative assets   | 13     |                | 3,939          |
| Deferred tax assets   | 24     | 20,372         | 23,143         |
| Other non-current financial assets  |        |                |                |
| <b>Non-current assets</b>   |        | <b>350,347</b> | <b>347,895</b> |
| Inventory and work in progress  | 9      | 183,591        | 177,526        |
| Contract assets (1)   | 8      | 29,406         | 29,261         |
| Trade and other receivables   | 10     | 50,937         | 34,804         |
| Current tax assets  | 10     | 7,917          | 8,474          |
| Other current assets  | 10     | 23,302         | 22,339         |
| Cash and cash equivalents   | 11     | 106,811        | 104,329        |
| <b>Current assets</b>   |        | <b>401,964</b> | <b>376,733</b> |
| <b>Total assets</b>   |        | <b>752,311</b> | <b>724,628</b> |
| <b>LIABILITIES</b><br>(€k)  |        |                |                |
| Capital   | 14     | 3,821          | 3,821          |
| Reserves  | 14     | 190,103        | 136,857        |
| Net income (loss) for the period  |        | (55,465)       | (51,079)       |
| <b>Capital issued and reserves attributable to owners of the parent company</b> |        | <b>138,459</b> | <b>89,599</b>  |
| <b>Non-controlling interests</b>  |        | <b>94</b>      | <b>76</b>      |
| <b>Total consolidated shareholders' equity</b>                                  |        | <b>138,553</b> | <b>89,675</b>  |
| Provisions  | 15, 16 | 6,597          | 20,585         |
| Non-current interest-bearing financial liabilities                              | 17     | 285,050        | 372,936        |
| Non-current derivative liabilities  | 13     | 17,458         | 3,877          |
| Deferred tax liabilities  | 24     | 22,083         | 30,620         |
| Other non-current liabilities   | 19     | 8,232          | 7,646          |
| <b>Non-current liabilities</b>  |        | <b>339,420</b> | <b>435,664</b> |
| Current interest-bearing financial liabilities                                  | 17     | 121,127        | 75,099         |
| Trade and other payables  | 19     | 92,764         | 56,641         |
| Contract liabilities  | 18     | 16,846         | 15,806         |
| Current tax liabilities   | 19     | 7,816          | 8,601          |
| Other current liabilities   | 19     | 35,785         | 43,142         |
| <b>Current liabilities</b>  |        | <b>274,338</b> | <b>199,289</b> |
| <b>Total liabilities</b>  |        | <b>752,311</b> | <b>724,628</b> |

(1) contract assets were reclassified as current assets for 2019 and 2020.



## Consolidated income statement

| (€k)  | Notes | 30.09.2019      | 30.09.2020      |
|---|-------|-----------------|-----------------|
| Revenue   | 21    | 224,483         | 94,412          |
| Other income  | 22    | 2,062           | 1,588           |
| Change in inventories of finished products and WIP                                  |       | 2,570           | (16,973)        |
| Cost of bought-in goods and services over the financial year and external expenses  | 22    | (138,272)       | (49,467)        |
| Personnel expenses  | 22    | (52,074)        | (35,396)        |
| Taxes and duties  |       | (2,748)         | (1,611)         |
| Net depreciation, amortisation and provisions                                       | 22    | (22,372)        | (23,771)        |
| <b>Current operating income</b>   |       | <b>13,649</b>   | <b>(31,218)</b> |
| Other non-recurring operating income and expenses                                   | 22    | (1,144)         | (19,565)        |
| Share of net income (loss) of joint ventures  | 7     | 48              | (21)            |
| <b>Operating income</b>   |       | <b>12,553</b>   | <b>(50,804)</b> |
| Cost of net debt  | 23    | (4,828)         | (4,112)         |
| Foreign exchange gains and losses   |       | (5,681)         | (2,945)         |
| Unrealised gains and losses on derivative instruments                               |       | (4,208)         | 11,822          |
| Other financial income and expenses   |       | 43              | (25)            |
| <b>Financial result</b>   |       | <b>(14,674)</b> | <b>4,740</b>    |
| <b>Profit before tax</b>  |       | <b>(2,121)</b>  | <b>(46,064)</b> |
| Tax income (expense)  | 24    | 1,541           | (5,029)         |
| <b>Net profit (loss) for the period</b>   |       | <b>(580)</b>    | <b>(51,093)</b> |
| <b>Attributable:</b>  |       |                 |                 |
| to owners of the parent company   |       | (588)           | (51,079)        |
| to non-controlling interests  |       | 8               | (14)            |
| <b>Net income (loss) per share attributable to owners of the parent company (€)</b> | 25    | <b>(0.02)</b>   | <b>(1.60)</b>   |
| Basic earnings per share: earnings / (loss)   |       | (0.02)          | (1.60)          |
| Diluted earnings per share: earnings / (loss)                                       |       | (0.02)          | (1.60)          |



## Statement of consolidated comprehensive income

| (€k)   | Notes | 30.09.2019     | 30.09.2020      |
|--|-------|----------------|-----------------|
| <b>Net income (loss) for the year</b>  |       | <b>(580)</b>   | <b>(51,093)</b> |
| <b>Items reclassifiable as income (loss)</b>   |       | <b>(1,326)</b> | <b>3,791</b>    |
| Translation adjustments  |       | 980            | (141)           |
| Revaluation of hedging instruments   |       | (3,342)        | 5,698           |
| Tax on other items reclassifiable as comprehensive income (loss)   |       | 1,036          | (1,766)         |
| Reclassifiable share of other items of comprehensive income (loss) of equity affiliates (net of tax)     | 7     |                |                 |
| <b>Items not reclassifiable as income (loss)</b>   |       | <b>88</b>      | <b>(1,448)</b>  |
| Actuarial gains or losses on pension liabilities and similar   | 16    | 88             | (2,098)         |
| Tax on other items not reclassifiable as comprehensive income (loss)                                     |       | -              | 650             |
| Non-reclassifiable share of other items of comprehensive income (loss) of equity affiliates (net of tax) |       |                |                 |
| <b>Total other items of comprehensive income</b>   |       | <b>(1,238)</b> | <b>2,343</b>    |
| <b>Total comprehensive income (loss) over the period</b>   |       | <b>(1,818)</b> | <b>(48,750)</b> |
| <b>Attributable:</b>   |       |                |                 |
| to owners of the parent company  |       | (1,826)        | (48,736)        |
| to non-controlling interests   |       | 8              | (14)            |



## Statement of change in consolidated shareholders' equity

| (€k)  | Capital      | Additional paid-in capital | Treasury shares | Translation adjustment | Reserves of hedging instruments and defined benefit plans | Other reserves | Net income (loss) | Other        | Capital issued and reserves attributable to owners of the parent company | Non-controlling interests | Total          |
|---|--------------|----------------------------|-----------------|------------------------|---|----------------|-------------------|--------------|--|---------------------------|----------------|
| <b>31.03.2019</b>                           | <b>3,821</b> | <b>118,455</b>             | <b>(3,254)</b>  | <b>(2,370)</b>         | <b>(3,001)</b>  | <b>73,819</b>  | <b>11,058</b>     |              | <b>198,526</b>   | <b>(203)</b>              | <b>198,323</b> |
| Net profit (loss) for the period            |              |                            |                 |                        |   |                | (588)             |              | (588)  | 7                         | (581)          |
| Other items of comprehensive income         |              |                            |                 | 980                    | (2,218)   | 266            |                   |              | (971)  |                           | (971)          |
| Acquisitions / disposals of treasury shares |              |                            | (1,717)         |                        |   |                |                   |              | (1,717)  |                           | (1,717)        |
| Dividends                                   |              |                            |                 |                        |   |                |                   |              | -  |                           |                |
| Net movements in treasury shares            |              |                            |                 |                        |   |                |                   |              | -  |                           |                |
| Allocation to income (loss)                 |              |                            |                 |                        |   | 11,058         | (11,058)          |              |  |                           |                |
| Other                                       |              |                            |                 |                        |   | (213)          |                   |              | (213)  | 213                       |                |
| <b>30.09.2019</b>                           | <b>3,821</b> | <b>118,455</b>             | <b>(4,971)</b>  | <b>(1,390)</b>         | <b>(5,219)</b>  | <b>84,927</b>  | <b>(588)</b>      |              | <b>195,035</b>   | <b>17</b>                 | <b>195,052</b> |
| <b>31.03.2020</b>                           | <b>3,821</b> | <b>118,455</b>             | <b>(5,406)</b>  | <b>(1,579)</b>         | <b>(3,292)</b>  | <b>82,789</b>  | <b>(55,465)</b>   | <b>(864)</b> | <b>138,459</b>   | <b>94</b>                 | <b>138,553</b> |
| Net profit (loss) for the period            |              |                            |                 |                        |   |                | (51,079)          |              | (51,079)   | (14)                      | (51,093)       |
| Other items of comprehensive income         |              |                            |                 | (141)                  | 2,484   |                |                   |              | 2,343  |                           | 2,343          |
| Acquisitions / disposals of treasury shares |              |                            | (103)           |                        |   |                |                   |              | (103)  |                           | (103)          |
| Dividends                                   |              |                            |                 |                        |   |                |                   |              |  |                           |                |
| Net movements in treasury shares            |              |                            |                 |                        |   |                |                   |              |  |                           |                |
| Allocation to income (loss)                 |              |                            |                 |                        |   | (55,465)       | 55,465            |              |  |                           |                |
| Other                                       |              |                            |                 |                        |   |                |                   | (21)         | (21)   | (4)                       | (25)           |
| <b>30.09.2020</b>                           | <b>3,821</b> | <b>118,455</b>             | <b>(5,509)</b>  | <b>(1,720)</b>         | <b>(808)</b>  | <b>27,324</b>  | <b>(51,079)</b>   | <b>(885)</b> | <b>89,599</b>  | <b>76</b>                 | <b>89,675</b>  |





## Consolidated cash-flow statement

| (€k)   | Notes | 30.09.2019      | 30.09.2020      |
|--|-------|-----------------|-----------------|
| Income (loss) attributable to owners of the parent company |       | (588)           | (51,093)        |
| Share of income (loss) of equity affiliates                |       | (48)            | (21)            |
| Depreciation, amortisation and provisions                  |       | 24,799          | 41,069          |
| Capital (gains)/losses on asset disposals                  |       | 315             | 1,611           |
| Other non-cash items                                       |       |                 |                 |
| Elimination of adjustment gains / losses (fair value)      |       | 6,185           | (11,171)        |
| <b>Cash flow after cost of net debt and taxes</b>          |       | <b>30,663</b>   | <b>(19,605)</b> |
| Tax expense  |       | (1,833)         | 4,669           |
| Cost of debt   |       | 3,282           | 2,502           |
| <b>Cash flow before cost of debt and taxes</b>             |       | <b>32,112</b>   | <b>(12,434)</b> |
| <b>Change in working capital requirement</b>               |       |                 |                 |
| Change in inventories                                      |       | (7,550)         | 6,664           |
| Change in trade and other receivables                      |       | 12,309          | 16,538          |
| Change in trade and other payables                         |       | (9,788)         | (28,843)        |
| <b>Net cash flow from operating activities</b>             |       | <b>27,083</b>   | <b>(18,075)</b> |
| <b>Cash flow from investing activities</b>                 |       |                 |                 |
| Acquisition of fixed assets                                |       | (37,880)        | (18,753)        |
| Disposals, reductions in fixed assets                      |       | 4,679           | 1,877           |
| Change in receivables and payables on fixed assets         |       | (515)           | (427)           |
| Impact of scope changes on the cash position               |       | -               | -               |
| <b>Net cash flow from investing activities</b>             |       | <b>(33,716)</b> | <b>(17,303)</b> |
| <b>Cash flow from financing activities</b>                 |       |                 |                 |
| Loan issues  |       | 35,630          | 80,470          |
| Loan repayments  |       | (19,810)        | (24,754)        |
| Repayment of lease liabilities (*)                         |       | -               | (2,112)         |
| Acquisitions or disposals of treasury shares               |       | (1,717)         | 682             |
| Other financial liabilities                                |       | -               | -               |
| Interest paid  |       | (3,282)         | (2,502)         |
| <b>Net cash flow from financing activities</b>             |       | <b>10,821</b>   | <b>51,784</b>   |
| <b>Increase (decrease) in cash</b>                         |       | <b>4,188</b>    | <b>16,406</b>   |
| Cash position - opening date                               |       | 72,951          | 66,792          |
| Change in translation adjustment                           |       | 380             | (204)           |
| Other  |       | -               | -               |
| Cash position - closing date                               |       | 77,519          | 82,994          |
| <b>Change in cash accounts</b>                             |       | <b>4,188</b>    | <b>16,406</b>   |

(\*) Application of IFRS 16 since 1st January 2019



## Notes to the Group's consolidated financial statements

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

The consolidated financial statements reflect the accounts of Figeac 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 structural parts for the aerospace industry, the assembly of sub-assemblies, general engineering and sheet metal manufacturing, and surface treatment.

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 30th September 2020 were approved by the Board of Directors on 8th January 2021.

### Note 1 Accounting principles

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, 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).

The accounting rules and methods applied to the consolidated financial statements at 30th September 2020 are identical to those applied to the consolidated financial statements at 31st March 2020, except for the following mandatory standards, amendments and interpretations applicable since 1st January 2020.

#### Changes to accounting principles and methods

##### **New mandatory standards, interpretations and amendments to IFRS standards applied since 1st April 2020:**

- Amendments to IFRS 3 "Business Combinations";
- Amendments to references to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform.
- Amendments to IAS 1 "Presentation of Financial Statements";
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

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 2020:**

None.

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

- IFRS 17 "Insurance Contracts", including amendments to IFRS 17;
- Amendments to IFRS 4 "Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9";
- Amendments to IFRS 16 "Leases – Covid-19-Related Rent Concessions" (no material impact expected).



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

In addition, the amendment to IFRS 16 “Leases – Covid-19-Related Rent Concessions” is applicable as from 1st June 2020 and has now been approved by the European Union, without any material impact on the condensed interim consolidated financial statements.

## Note 2 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 5
- Contract assets: Note 9
- Fair value of derivative instruments: Note 14
- Deferred tax assets: Note 25
- Employee benefits: Note 17

## Note 3 Scope of consolidation

No acquisitions were made during the half-year.

The list of consolidated entities is as follows:

|                                    | Activities  | % 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  |
| Figeac Aéro Auxerre                | Manufacturing of structural parts                         | 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  |
|                              | General engineering and heavy sheet metal manufacturing |         |         |
| Tofer Europe Service         |   | 100.00% | Romania |
| Tofer Immobilier             | Real estate activity                                    | 100.00% | France  |
| Mat Formation                | Services company  | 100.00% | France  |
| <b>North America</b>         |   |         |         |
| Figeac Aéro USA Inc          | Sales office  | 100.00% | USA     |
| 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   |

SCI REMSI, owned by Jean Claude Maillard, Chairman and CEO 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. This 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; it is to receive a capital injection of \$20 million, of which 50% from Figeac Aero.

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

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.

## Note 4 Intangible assets

Intangible assets break down as follows:

| (€k)  | 31.03.2020     |                     |                | 30.09.2020     |                     |                |
|---|----------------|---------------------|----------------|----------------|---------------------|----------------|
|   | Gross          | Amort. /<br>deprec. | Net            | Gross          | Amort. /<br>deprec. | Net            |
| Development costs   | 104,080        | (68,757)            | 35,322         | 110,929        | (77,247)            | 33,682         |
| Concessions, patents & licences                           | 3,448          | (1,934)             | 1,514          | 3,667          | (1,880)             | 1,787          |
| Software  | 10,323         | (7,788)             | 2,535          | 10,559         | (8,386)             | 2,173          |
| Goodwill  | 509            | (509)               | -              | 509            | (509)               | -              |
| Other intangible assets                                   | 1              | (1)                 | -              | 1              | (1)                 | -              |
| Intangible assets in progress                             | 61,476         | (306)               | 61,170         | 60,861         | (306)               | 60,555         |
| Intangible assets in progress - right-of-use lease assets | 6,614          | -                   | 6,614          | 6,614          | -                   | 6,614          |
| <b>Total</b>  | <b>186,451</b> | <b>(79,295)</b>     | <b>107,155</b> | <b>193,140</b> | <b>(88,329)</b>     | <b>104,811</b> |



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

| (€k)                                    | Gross            | Depreciation / amortisation | Net            |
|---|------------------|-----------------------------|----------------|
| <b>At 31.03.2020</b>                    | <b>186,451</b>   | <b>(79,295)</b>             | <b>107,155</b> |
| Capitalisation of development costs (1) | 5,141            |                             | 5,141          |
| Acquisitions                            | 2,692            |                             | 2,692          |
| Disposals/write-offs                    | (1,136)          | 479                         | (657)          |
| Depreciation and amortisation           |                  | (6,093)                     | (6,093)        |
| Net impairment                          |                  | (3,459)                     | (3,459)        |
| Translation adjustment                  | (8)              | 40                          | 32             |
| <b>At 30.09.2020</b>                    | <b>(193,140)</b> | <b>(88,328)</b>             | <b>104,810</b> |

(1) Of which €0k of interest accrued on development costs at 31st March 2020 (€0k at 31st March 2019).

The Group has been working to upgrade its IT system for several years; the costs of this project are capitalised. At 30th September 2020, capitalised development costs for the ERP project amounted to €34.8 million (versus €30.6 million at 31st March 2020).

The ERP's "non-production purchases" module came onstream on 1st November 2020 at Figeac Aero, FGA Picardie, FGA Saint Nazaire and FGA Tunisie. Full deployment of the ERP is expected in these entities by June 2021.

Overview of net values by type:

| Type (€k)                 | Net amount     |
|---------------------------|----------------|
| R&D projects              | 59,368         |
| ERP project               | 34,869         |
| Licences and software     | 3,960          |
| Right-of-use lease assets | 6,614          |
| <b>Total</b>              | <b>104,811</b> |

The Group's R&D investment policy focuses on new machining systems (aerostructure and engines).

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.

#### 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 present value. If its present value falls below its carrying amount, the latter is reduced to the present value.

Owing to lower production rates as a result of the air traffic crisis triggered by the COVID-19 epidemic and uncertainty about production rates on the Boeing 737 Max programme, the Group recognised a one-off impairment charge totalling €3.45 million at 30th September 2020 on some of its development projects (€23.9 million at 31st March 2020).

This impairment charge is calculated based on the production rates reported by aircraft manufacturers. The discount rate used in these calculations is identical to that used for the CGU asset impairment tests (9.30%).

## Note 5 Property, plant and equipment

Property, plant and equipment break down as follows:

| (€k)   | 31.03.2020     |                     |                | 30.09.2020     |                     |                |
|--|----------------|---------------------|----------------|----------------|---------------------|----------------|
|  | Gross          | Amort. /<br>deprec. | Net            | Gross          | Amort. /<br>deprec. | Net            |
| Land   | 13,550         | (2,226)             | 11,324         | 12,865         | (2,815)             | 10,050         |
| Buildings  | 78,307         | (23,413)            | 54,894         | 77,844         | (23,804)            | 54,040         |
| Buildings - right-of-use lease assets                            | 5,011          | (4,755)             | 256            | 5,011          | (5,028)             | (17)           |
| Plant machinery, equipment and tools                             | 149,789        | (87,537)            | 62,252         | 149,492        | (90,455)            | 59,037         |
| Plant machinery, equipment and tools - right-of-use lease assets | 111,828        | (54,123)            | 57,705         | 119,536        | (65,117)            | 54,419         |
| Improvement and preparation of land                              | 20,742         | (10,154)            | 10,588         | 21,465         | (11,194)            | 10,271         |
| Transportation equipment   | 386            | (312)               | 74             | 390            | (327)               | 63             |
| Transportation equipment - right-of-use lease assets             | 481            | (258)               | 223            | 559            | (387)               | 172            |
| Office and IT equipment  | 6,574          | (4,362)             | 2,212          | 7,012          | (4,591)             | 2,421          |
| Office and IT equipment - right-of-use lease assets              | 2              |                     | 2              | 2              |                     | 2              |
| Other property, plant and equipment                              | 788            | (463)               | 325            | 790            | (524)               | 266            |
| Plant, property and equipment in progress                        | 14,675         |                     | 14,675         | 11,453         |                     | 11,453         |
| Advances and down-payments on property, plant and equipment      | 1,996          |                     | 1,996          | 3,505          |                     | 3,505          |
| <b>Total</b>   | <b>404,129</b> | <b>(187,603)</b>    | <b>216,526</b> | <b>409,924</b> | <b>(204,242)</b>    | <b>205,682</b> |

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

| (€k)                          | Gross          | Depreciation /<br>amortisation | Net            |
|-------------------------------|----------------|--------------------------------|----------------|
| <b>At 31.03.2020</b>          | <b>404,129</b> | <b>(187,603)</b>               | <b>216,526</b> |
| Acquisitions                  | 13,562         |                                | 13,562         |
| Disposals/write-offs          | (6,302)        | 3,126                          | (3,176)        |
| Depreciation and amortisation |                | (19,959)                       | (19,959)       |
| Translation adjustment        | (1,465)        | 194                            | (1,271)        |
| <b>At 30.09.2020</b>          | <b>409,924</b> | <b>204,242</b>                 | <b>205,682</b> |

Property, plant and equipment pledged as guarantees are described in detail in Note 29.

The most significant acquisitions were:

- the acquisition of a machine for the Sheet Metal business: €840k
- the acquisition of a machine for the General Engineering and Sheet Metal Manufacturing business: €613k
- the acquisition of 3 machines for the Aerostructures business: €5,060k
- the acquisition of various items of equipment and fixtures: €7,049k

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 | Mar-21 | Mar-22 | Mar-23 | Mar-24 |
|--------------------------|--------|--------|--------|--------|
| Number of machines       | 1      | 1      | 5      | 1      |
| Amount (€k)              | 1668   | 1284   | 14813  | 1549   |



### Asset impairment tests

The Group updated its asset impairment tests carried out at the CGU (Cash Generating Unit) level.

The main CGUs identified and tested were the following:

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

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

- Projected cash-flows are calculated based on forecasts for the CGU for the next four or five years.
- The 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 Cash Generating Unit 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 from operations 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 9.3 % after tax, identical to that applied to cash-flows after tax at 31/03/2020.

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.

At 31st March 2020, the tests had prompted the company to recognise the following provisions:

- €7,680k for the Figeac Aero CGU
- €4,805k for the Figeac Aero North America CGU

These impairment charges were recognised for CGU assets in proportion to their value; the impacts are shown in the table below:

| €k                            | FIGEAC AERO CGU | Figeac Aero North America CGU | Total  |
|-------------------------------|-----------------|-------------------------------|--------|
| Goodwill                      | 499             |                               | 499    |
| Intangible assets             | 1,634           | 334                           | 1,969  |
| Plant, property and equipment | 2,176           | 2,351                         | 4,527  |
| Inventory                     | 2,264           | 1,582                         | 3,846  |
| Receivables                   | 1,107           | 537                           | 1,644  |
| Total                         | 7,680           | 4,805                         | 12,485 |



Furthermore, a sensitivity analysis was carried out by adjusting the main assumptions for the discount rate and perpetual growth rate, as presented below:

| Sensitivity        |         |         |        |
|--------------------|---------|---------|--------|
| WACC / Growth rate | 1.50%   | 2.00%   | 2.50%  |
| 9.00%              | -6,283  | 20,301  | 50,976 |
| 9.30%              | -24,281 | 0       | 27,851 |
| 9.60%              | -40,927 | -18,679 | 6,702  |

## Note 6 Financial assets

Financial assets include the following:

| (€k)                         | 31.03.2020   |                  |              | 30.09.2020   |                  |              |
|------------------------------|--------------|------------------|--------------|--------------|------------------|--------------|
|                              | Gross        | Amort. / deprec. | Net          | Gross        | Amort. / deprec. | Net          |
| Non-consolidated investments | 67           |                  | 67           | 67           |                  | 67           |
| Loans                        | 1,575        |                  | 1,575        | 1,571        |                  | 1,571        |
| Other financial assets       | 2,054        |                  | 2,054        | 6,177        |                  | 6,177        |
| <b>Total</b>                 | <b>3,696</b> | <b>-</b>         | <b>3,696</b> | <b>7,815</b> | <b>-</b>         | <b>7,815</b> |

### Other financial assets

Other financial assets consist primarily of deposit guarantees used in financing arrangements. The €4,123k change in other financial assets consists of a deposit guarantee recoverable in August 2021.

## Note 7 Equity-accounted investments

The Group has investments in the Nanshan Figeac Aero Industry joint venture which it recognises using the equity method.

The financial information on Nanshan Figeac Aero Industry is summarised below:

| (€k)  | 31.03.2020   | 30.09.2020   |
|---|--------------|--------------|
| Non-current assets                                  |              |              |
| Current assets other than cash and cash equivalents |              |              |
| Cash and cash equivalents                           | 5,288        | 5,016        |
| Other non-current liabilities                       | 5            |              |
| Non-current financial liabilities                   |              |              |
| Other current liabilities                           |              |              |
| Current financial liabilities                       | (96)         | (7)          |
| <b>Net assets</b>                                   | <b>5,197</b> | <b>5,009</b> |
| Group share   | 50%          | 50%          |
| <b>Value of equity-accounted investments</b>        | <b>2,598</b> | <b>2,505</b> |





| (€k)   | 31.03.2020  | 30.09.2020  |
|--|-------------|-------------|
| Revenue  | -           | -           |
| Operating income                                       | (125)       | (112)       |
| Cost of debt   |             |             |
| Tax  |             |             |
| Net income (loss)                                      | (125)       | (112)       |
| Other items of comprehensive income                    | 64          | 70          |
| <b>Total comprehensive income (loss)</b>               | <b>(61)</b> | <b>(42)</b> |
| Group share  | 50%         | 50%         |
| <b>Share of net income (loss) of equity affiliates</b> | <b>(31)</b> | <b>(21)</b> |

## Note 8 Contract assets

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

| (€k)                           | 31.03.2020    |                  |               | 30.09.2020    |                  |               |
|--------------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
|                                | Gross         | Amort. / deprec. | Net           | Gross         | Amort. / deprec. | Net           |
| Cost of obtaining the contract |               |                  | -             |               |                  | -             |
| Cost of executing the contract | 32,576        | (3,170)          | 29,406        | 32,660        | (3,399)          | 29,261        |
| <b>Total</b>                   | <b>32,576</b> | <b>(3,170)</b>   | <b>29,406</b> | <b>32,660</b> | <b>(3,399)</b>   | <b>29,261</b> |

Subsequent to the asset impairment tests carried out following the new production rates announced by aircraft manufacturers on account of the COVID-19 crisis, the recoverable amount on certain contracts (9) was adjusted by a further €229k.

## Note 9 Inventory and work in progress

Inventory and work in progress break down as follows:

| (€k)                                | 31.03.2020     |                  |                | 30.09.2020     |                  |                |
|-------------------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
|                                     | Gross          | Amort. / deprec. | Net            | Gross          | Amort. / deprec. | Net            |
| Inventories of raw materials        | 37,552         | (1,750)          | 35,802         | 51,864         | (3,094)          | 48,770         |
| Inventories of other supplies       | 34,065         | (208)            | 33,857         | 34,280         | (189)            | 34,091         |
| Production and services in progress | 70,720         | (4,905)          | 65,815         | 46,032         | (6,155)          | 39,877         |
| Inventories of finished goods       | 54,773         | (6,656)          | 48,117         | 59,792         | (5,004)          | 54,788         |
| <b>Total</b>                        | <b>197,110</b> | <b>(13,519)</b>  | <b>183,591</b> | <b>191,968</b> | <b>(14,442)</b>  | <b>177,526</b> |

Inventories of raw materials increased by €14.3 million due to:

- discontinued relations with a Figeac Aero provider, resulting in the inventory carried by this provider being re-insourced in the amount of \$8 million
- the integration of raw material stocks arranged under combid schemes that the Group had to honour

Inventories of production in progress decreased as the Group's activity declined.

Inventories of finished goods increased as customers postponed or rescheduled their orders. This situation should be rectified in the second half of the year.



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

| (€k)                   | Gross          | Amort. / deprec. | Net            |
|------------------------|----------------|------------------|----------------|
| <b>At 31.03.2020</b>   | <b>197,110</b> | <b>(13,519)</b>  | <b>183,591</b> |
| Change over the period | (4,428)        |                  | (4,428)        |
| Net impairment         |                | (915)            | (915)          |
| Translation adjustment | (714)          | (8)              | (722)          |
| <b>At 30.09.2020</b>   | <b>191,968</b> | <b>(14,442)</b>  | <b>177,526</b> |

## Note 10 Trade receivables and other assets

| (€k)                                       | 31.03.2020    |                  |               | 30.09.2020    |                  |               |
|--|---------------|------------------|---------------|---------------|------------------|---------------|
|  | Gross         | Amort. / deprec. | Net           | Gross         | Amort. / deprec. | Net           |
| Trade receivables and related accounts     | 56,616        | (5,679)          | 50,937        | 40,292        | (5,488)          | 34,804        |
| Tax receivables                            | 7,917         |                  | 7,917         | 8,474         |                  | 8,474         |
| <b>Other current assets:</b>               |               |                  | -             |               |                  |               |
| Advances and down-payments made on orders  | 513           |                  | 513           | 652           |                  | 652           |
| Other receivables                          | 19,418        | (680)            | 18,738        | 18,416        | (680)            | 17,736        |
| Prepaid expenses                           | 4,051         |                  | 4,051         | 3,950         |                  | 3,951         |
| <i>of which total other current assets</i> | <b>23,982</b> | <b>(680)</b>     | <b>23,302</b> | <b>23,018</b> | <b>(680)</b>     | <b>22,339</b> |
| <b>Total</b>                               | <b>88,515</b> | <b>(6,359)</b>   | <b>82,156</b> | <b>71,784</b> | <b>(6,168)</b>   | <b>65,617</b> |

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

| (€k)                   | Gross         | Amort. / deprec. | Net           |
|------------------------|---------------|------------------|---------------|
| <b>At 31.03.2020</b>   | <b>88,515</b> | <b>(6,359)</b>   | <b>82,156</b> |
| Change over the period | (16,797)      |                  | (16,797)      |
| Net impairment         |               | 193              | 193           |
| Translation adjustment | 67            | (2)              | 65            |
| <b>At 30.09.2020</b>   | <b>71,785</b> | <b>(6,168)</b>   | <b>65,617</b> |

The Group sells trade receivables to a factoring company.

At 30th September 2020, trade receivables transferred to the factoring company amounted to €16.6 million versus €34.1 million at 31st March 2020.

Under the factoring agreement, sales 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 €6.7 million (€11.1 million in March 2020).

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



| (€k)                                   | Carrying amount at the close | < 12 months | > 12 months |
|--|------------------------------|-------------|-------------|
| <b>At 31.03.2020</b>                   | 56,616                       | 50,937      | 5,679       |
| Trade receivables and related accounts |                              |             |             |
| <b>At 30.09.2020</b>                   | 40,292                       | 34,804      | 5,488       |
| Trade receivables and related accounts | 40,292                       | 34,804      | 5,488       |

## Note 11 Cash and cash equivalents

| (€k)                  | 31.03.2020     | 30.09.2020     |
|-----------------------|----------------|----------------|
| Marketable securities | 100            | 100            |
| Sight deposits        | 106,711        | 104,229        |
| <b>Total</b>          | <b>106,812</b> | <b>104,329</b> |

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

| (€k)                            |                |
|---------------------------------|----------------|
| <b>At 31.03.2020</b>            | <b>106,812</b> |
| Changes over the period         | (2,404)        |
| Currency translation difference | (79)           |
| <b>Total</b>                    | <b>104,329</b> |

## Note 12 Operating assets

The table below shows the net carrying amount of the Group's financial assets at 30th September 2020 and 31st March 2020:

| At 30.09.2020                 | Balance sheet value |                                   |  | Total          |
|-------------------------------|---------------------|-----------------------------------|--|----------------|
|                               | Amortised cost      | Fair value through profit or loss | Fair value through other items of comprehensive income |                |
| (€k)                          |                     |                                   |  |                |
| Non-current financial assets  | 7,815               |                                   |  | 7,815          |
| Non-current derivative assets |                     | 3,939                             |  | 3,939          |
| Other current assets          | 22,339              |                                   |  | 22,339         |
| Trade and other receivables   | 34,804              |                                   |  | 34,804         |
| Cash and cash equivalents     | 104,229             | 100                               |  | 104,329        |
| <b>Total financial assets</b> | <b>169,187</b>      | <b>4,039</b>                      | -  | <b>173,226</b> |



At 31.03.2020

|                               | Balance sheet value |                                   |  | Total          |
|-------------------------------|---------------------|-----------------------------------|--|----------------|
|                               | Amortised cost      | Fair value through profit or loss | Fair value through other items of comprehensive income |                |
| (€k)                          |                     |                                   |  |                |
| Non-current financial assets  | 3,696               |                                   |  | 3,696          |
| Other current assets          | 23,302              |                                   |  | 23,302         |
| Trade and other receivables   | 50,937              |                                   |  | 50,937         |
| Cash and cash equivalents     | 106,711             | 100                               |  | 106,811        |
| <b>Total financial assets</b> | <b>184,646</b>      | <b>100</b>                        | -  | <b>184,746</b> |

In September 2020, as in March 2020, the fair value of the Group's financial assets was identical to their net carrying amount.

## Note 13 Derivative instruments

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

The Group has therefore established a natural hedging policy by making some of its purchases in dollars. In this half-year, the Group invoiced around 65% of its sales in dollars and paid for raw materials, supplies and sub-contracting in dollars. In this half-year, the Group's natural USD dollar hedge accounted for around 68% 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

#### Interest rate derivative instruments

| (€k)  | Balance sheet value |             | Notional amount | Maturity |                   |           |
|---|---------------------|-------------|-----------------|----------|-------------------|-----------|
|   | Assets              | Liabilities |                 | < 1 year | 1 year to 5 years | > 5 years |
| EUR cap   |                     | (55)        | 22,084          | -        | 22,084            |           |
| EUR collar  |                     | (138)       | 17,052          |          | 17,052            |           |
| <b>Total interest rate derivative instruments</b> | -                   | <b>193</b>  | <b>39,135</b>   | -        | <b>39,135</b>     |           |

| (€k)   | 31.03.2020   | 30.09.2020   |
|--|--------------|--------------|
| <b>Fair value at the beginning of the period</b> | <b>(218)</b> | <b>(217)</b> |
| Pre-tax impact on income (loss)                  | (1)          | 24           |
| <b>Fair value at the end of the period</b>       | <b>(217)</b> | <b>(193)</b> |



### Foreign exchange derivative instruments

| (€k)  | Balance sheet value |                | Notional amount | Maturity       |                   |           |
|---|---------------------|----------------|-----------------|----------------|-------------------|-----------|
|   | Assets              | Liabilities    |                 | < 1 year       | 1 year to 5 years | > 5 years |
| <b>Instruments that do not qualify for hedge accounting</b> |                     |                |                 |                |                   |           |
| EUR/USD accumulator   | 925                 | (2,430)        | 140,006         | 68,011         | 71,995            |           |
| EUR/USD currency options                                    |                     | (249)          | 42,000          |                | 42,000            |           |
| <b>Cash flow hedges:</b>                                    |                     |                |                 |                |                   |           |
| EUR/USD currency futures                                    | 1,036               | (772)          | 40,650          | 25,650         | 15,000            |           |
| EUR/USD currency options                                    | 1,978               |                | 19,500          | 19,500         |                   |           |
| <b>Total currency derivative instruments</b>                | <b>3,939</b>        | <b>(3,451)</b> | <b>242,156</b>  | <b>113,161</b> | <b>128,995</b>    | <b>-</b>  |
| Instruments that do not qualify for hedge accounting        | 925                 | (2,679)        | 182,006         | 68,011         | 113,995           |           |
| Instruments that qualify for hedge accounting               | 3,014               | (772)          | 60,150          | 45,150         | 15,000            |           |

Impact of derivative instruments not eligible for hedge accounting:

| (€k)   | 31.03.2020      | 30.09.2020      |
|--|-----------------|-----------------|
| <b>Fair value at the beginning of the period</b> | <b>(14,279)</b> | <b>(13,498)</b> |
| Pre-tax impact on income (loss)                  | 781             | 11,746          |
| <b>Fair value at the end of the period</b>       | <b>(13,498)</b> | <b>(1,752)</b>  |

Impact of future cash-flow hedges:

| (€k)  | 31.03.2020     | 30.09.2020     |
|---|----------------|----------------|
| <b>Shareholders' equity - hedging instruments (net of tax) at start of period</b> | <b>1,212</b>   | <b>(1,492)</b> |
| Fair value adjustment of the effective portion                                    | (5,506)        | 5,698          |
| Reclassification to income (loss)   | 1,586          | (347)          |
| Tax effect on changes during the period   | 1,216          | (1,619)        |
| <b>Fair value at the end of the period</b>  | <b>(1,492)</b> | <b>2,240</b>   |

Breakdown of unrealised gains / losses on derivative instruments:

| (€k)   | 31.03.2020   | 30.09.2020    |
|--|--------------|---------------|
| <b>Unrealised gains and losses on derivative instruments</b> | <b>1,348</b> | <b>11,822</b> |
| Income (loss) from forex hedging                             | 781          | 11,745        |
| Income (loss) from interest rate hedging                     | (185)        | 24            |
| Income (loss) from the ORNANE derivative                     | 752          | 53            |
| Value adjustments  |              |               |



## Note 14 Shareholders' equity

The Group's primary objective in terms of managing its share capital is to maintain a balance between shareholders' equity and 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.

At 30th September 2020, the Share Capital consisted of 31,839,473 shares, of which 24,075,823 had double voting rights.

The par value of one share stood at €0.12.

## Note 15 Provisions

Provisions break down as follows:

| (€k)                                 | 31.03.2020   | Increases in provisions | Decreases in provisions |          | Changes in consolidation scope | Other    | 30.09.2020    |
|--------------------------------------|--------------|-------------------------|-------------------------|----------|--------------------------------|----------|---------------|
|                                      |              |                         | Used                    | Unused   |                                |          |               |
| Provisions for risks and litigation  | 1,852        | 211                     | (42)                    |          | 5                              | 9        | 2,035         |
| Provisions for restructuring         |              | 11,764                  |                         |          |                                |          | 11,764        |
| Provisions for loss-making contracts | 2,895        |                         | (187)                   |          |                                |          | 2,709         |
| <b>Total provisions</b>              | <b>4,747</b> | <b>11,975</b>           | <b>(229)</b>            | <b>-</b> | <b>5</b>                       | <b>9</b> | <b>16,508</b> |

Other non-current provisions mainly consist of:

- Provisions for risks and labour litigation: €1,054k
- Provisions for customer litigation: €981k
- Provisions for restructuring at Figeac Aero and FGA Picardie: €11,764k

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

- Provisions for losses on contract completion: €2,709k

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 16 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 2018 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 reference discount rate of 0.45%.

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

- a change of +0.5% in the discount rate would have a negative impact of -€180 thousand on consolidated income (loss);
- a change of <0.5%> in the discount rate would have a positive impact of €183 thousand on consolidated income (loss).

The change in gross liabilities is as follows:

| (€k)                                      | 31.03.2020   | 30.09.2020   |
|---|--------------|--------------|
| <b>Commitments at beginning of period</b> | <b>2,009</b> | <b>1,769</b> |
| Cost of services rendered                 | 177          | 96           |
| Interest expense                          | 20           | 25           |
| Actuarial gains or losses                 | (437)        | 2,059        |
| <b>Commitments at end of period</b>       | <b>1,769</b> | <b>3,949</b> |

#### Service awards

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

- a retirement age of 67 years;
- reference to the INSEE 2018 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 reference discount rate of 0.45%.

The change in gross liabilities is as follows:

| (€k)                                      | 31.03.2020 | 30.09.2020 |
|---|------------|------------|
| <b>Commitments at beginning of period</b> | <b>78</b>  | <b>78</b>  |
| Cost of services rendered                 | 7          | 7          |
| Interest expense                          | 1          | 1          |
| Actuarial gains or losses                 | (5)        | 41         |
| <b>Commitments at end of period</b>       | <b>78</b>  | <b>127</b> |

## Note 17 Interest-bearing financial liabilities

Interest-bearing financial liabilities include the following:



| (€k)  | 31.03.2020     | 30.09.2020     |
|---|----------------|----------------|
| Bond issues (ORNANE)  | 95,010         | 96,000         |
| Loans from credit institutions                                  | 127,501        | 211,863        |
| Borrowings - finance leases                                     | 39,018         | 41,946         |
| Lease liabilities   | 6,563          | 5,684          |
| Repayable advances  | 14,028         | 14,301         |
| Other financial liabilities                                     | 1,620          | 1,570          |
| Accrued interest not yet due                                    | 1,310          | 1,572          |
| <b>Total non-current interest-bearing financial liabilities</b> | <b>285,050</b> | <b>372,936</b> |
| Bond issues (ORNANE)  |                |                |
| Loans from credit institutions (1)                              | 58,493         | 31,458         |
| Borrowings - finance leases                                     | 15,142         | 15,429         |
| Lease liabilities   | 1,806          | 1,966          |
| Repayable advances  | 5,553          | 4,911          |
| Other financial liabilities                                     |                |                |
| Short-term bank overdrafts and advances and similar             | 5,978          | 4,661          |
| Factoring   | 34,155         | 16,674         |
| <b>Total current interest-bearing financial liabilities</b>     | <b>121,127</b> | <b>75,099</b>  |
| <b>Total interest-bearing financial liabilities</b>             | <b>406,177</b> | <b>448,035</b> |

On 18th October 2017, FIGEAC AERO 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 expires on 18th October 2022.

The bonds yield interest at a rate of 1.125%.

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

The change in this item breaks down as follows:

| (€k)  |                 |
|---|-----------------|
| <b>At 31.03.2020</b>  | <b>406,177</b>  |
| Increase in long-term borrowings  | 80,470          |
| Decrease in long-term borrowings  | (24,754)        |
| Change in short-term financing  | (2,112)         |
| <b>Total changes resulting from cash flows</b>                              | <b>53,604</b>   |
| Net increase in lease liabilities   | 6,723           |
| Accrued interest  | 263             |
| Change in short-term financing  | (19,797)        |
| Change in scope of consolidation  |                 |
| Translation adjustment  | 75              |
| Fair value adjustment of liabilities hedged using interest rate instruments | 990             |
| Transfers   |                 |
| <b>Total non-cash changes</b>   | <b>(11,746)</b> |
| <b>Total</b>  | <b>448,035</b>  |

The increase in long-term borrowings mainly consists of state-guaranteed loans obtained by the Group amounting to €79.3 million.





#### Breakdown of interest-bearing financial liabilities by maturity

| (€k)                   | 31.03.2020     | 30.09.2020     |
|------------------------|----------------|----------------|
| < 1 year (1) (2)       | 121,127        | 75,099         |
| > 1 year and < 5 years | 268,357        | 324,376        |
| 5 years and more       | 16,693         | 48,560         |
| <b>Total</b>           | <b>406,177</b> | <b>448,035</b> |

(1) At 31st March 2020, Figeac Aero breached a loan covenant so all the remaining capital due on this loan was reclassified as <1-year debt (€18,466k for the >1-year and <5-year portion, €1,154k for the >5-year portion). The bank granted Figeac Aero a waiver of this covenant breach after the end of its financial year.

(2) Of which short-term bank overdrafts and factoring €40,133k €21,335k

#### Breakdown of liabilities by currency

| (€k)         | 31.03.2020     | 30.09.2020     |
|--------------|----------------|----------------|
| EUR          | 406,177        | 448,035        |
| USD          |                |                |
| <b>Total</b> | <b>406,177</b> | <b>448,035</b> |

#### Breakdown of interest-bearing financial liabilities by type of interest

| (€k)          | 31.03.2020     | %           | 30.09.2020     | %           |
|---------------|----------------|-------------|----------------|-------------|
| Fixed rate    | 232,171        | 57%         | 334,323        | 75%         |
| Variable rate | 174,006        | 43%         | 113,712        | 25%         |
| <b>Total</b>  | <b>406,177</b> | <b>100%</b> | <b>448,035</b> | <b>100%</b> |

#### Covenants

All covenants on bank loans and overdrafts must be audited at the end of each half-year period; they apply to 23% of liabilities, i.e. €101.4 million.

Covenants at 30th September 2020 are described in the table below:

| (€k) | Type of credit       | Fixed rate | Variable rate            | Total amount of credit facilities | Remaining capital due at 30/09/2020 | Maturity | Covenants |
|------|----------------------|------------|--------------------------|-----------------------------------|-------------------------------------|----------|-----------|
|      | Conventional credit  |            | 1-month Euribor + spread | 95,995                            | 79,537                              | 2,025    | (1)       |
|      | Conventional credit* |            | 1-year Euribor + spread  | 27,700                            | 21,929                              | 2,025    | (2)       |
|      | <b>Total</b>         | -          | -                        | <b>123,695</b>                    | <b>101,466</b>                      |          |           |

\* Loan obtained from the European Bank for Reconstruction and Development

(1) Net debt / EBITDA < 4.5

The covenant was breached at 30th September 2020, but Figeac Aero's lenders agreed (prior to the year-end date and for a period of 12 months) to waive the rights they would have acquired as a result of the breach of the loan terms.

(2) EBITDA over 12 consecutive months > 0

(2) Cash assets > €40 million

These ratios were adhered to at 30th September 2020.



## Note 18 Contract liabilities

Contract liabilities break down as follows:

| (€k)                                | 31.03.2020    | 30.09.2020    |
|-------------------------------------|---------------|---------------|
| Advances and down-payments received | 16,846        | 15,806        |
| Other contract liabilities          |               |               |
| <b>Total</b>                        | <b>16,846</b> | <b>15,806</b> |

## Note 19 Trade and other payables

Trade and other payables break down as follows:

| (€k)  | 31.03.2020     | Changes over the period | Changes in consolidation scope | Translation adjustment | Transfers | 30.09.2020     |
|---|----------------|-------------------------|--------------------------------|------------------------|-----------|----------------|
| Trade payables                                | 89,487         | (35,798)                |                                | 84                     |           | 53,773         |
| Payables on fixed assets and related accounts | 3,277          | (427)                   |                                | 18                     |           | 2,868          |
| <b>Total trade and other payables</b>         | <b>92,764</b>  | <b>(36,225)</b>         | -                              | <b>102</b>             | -         | <b>56,641</b>  |
| Tax liabilities                               | 7,816          | 820                     |                                | (35)                   |           | 8,601          |
| <b>Other current liabilities:</b>             |                |                         |                                |                        |           | -              |
| Advances and down-payments received on orders | 588            | 4,118                   |                                |                        |           | 4,706          |
| Social security liabilities                   | 23,478         | 2,894                   |                                | (15)                   |           | 26,357         |
| Other liabilities                             | 4,183          | (65)                    |                                | 6                      |           | 4,124          |
| Deferred income                               | 7,536          | 405                     |                                | 14                     |           | 7,955          |
| <b>Total other current liabilities</b>        | <b>35,785</b>  | <b>7,352</b>            | -                              | <b>(9)</b>             | -         | <b>43,142</b>  |
| <b>Total</b>                                  | <b>136,365</b> | <b>(28,053)</b>         | -                              | <b>93</b>              | -         | <b>108,384</b> |

Other non-current liabilities break down as follows:

| (€k)  | 31.03.2020   | Changes over the period | Changes in consolidation scope | Translation adjustment | Transfers | 30.09.2020   |
|---|--------------|-------------------------|--------------------------------|------------------------|-----------|--------------|
| Other non-current operating liabilities             | 788          | (91)                    |                                |                        |           | 697          |
| Deferred income - non-recurring subsidies           | 6,100        | (41)                    |                                |                        |           | 6,059        |
| Deferred income - non-recurring research tax credit | 1,344        | (455)                   |                                |                        |           | 889          |
| <b>Total</b>  | <b>8,233</b> | <b>(587)</b>            | -                              | -                      | -         | <b>7,646</b> |



## Note 20 Overview of financial liabilities

The table below presents the net carrying amount of the Group's financial liabilities at 30th September 2020 and 31st March 2020:

| At 30.09.2020                                      | Balance sheet value |                                   |  | Total          |
|--|---------------------|-----------------------------------|--|----------------|
|  | Amortised cost      | Fair value through profit or loss | Fair value through other items of comprehensive income |                |
| (€k)   |                     |                                   |  |                |
| Non-current interest-bearing financial liabilities | 372,936             |                                   |  | 372,936        |
| Current interest-bearing financial liabilities     | 75,099              |                                   |  | 75,099         |
| Non-current derivative liabilities                 |                     | 3,877                             |  | 3,877          |
| Current derivative liabilities                     |                     |                                   |  | -              |
| Other liabilities                                  | 16,674              |                                   |  | 16,674         |
| Trade and other payables                           | 99,783              |                                   |  | 99,783         |
| <b>Total financial liabilities</b>                 | <b>564,492</b>      | <b>3,877</b>                      | <b>-</b>   | <b>568,369</b> |

| At 31.03.2020                                      | Balance sheet value |                                   |  | Total          |
|--|---------------------|-----------------------------------|--|----------------|
|  | Amortised cost      | Fair value through profit or loss | Fair value through other items of comprehensive income |                |
| (€k)   |                     |                                   |  |                |
| Non-current interest-bearing financial liabilities | 285,050             |                                   |  | 285,050        |
| Current interest-bearing financial liabilities     | 121,127             |                                   |  | 121,127        |
| Non-current derivative liabilities                 | 99                  | 17,359                            |  | 17,458         |
| Current derivative liabilities                     |                     |                                   |  | -              |
| Other liabilities                                  | 34,155              |                                   |  | 34,155         |
| Trade and other payables                           | 128,549             |                                   |  | 128,549        |
| <b>Total financial liabilities</b>                 | <b>568,980</b>      | <b>17,359</b>                     | <b>-</b>   | <b>586,339</b> |

In September 2020, as in March 2020, the fair value of the Group's financial liabilities was identical to their net carrying amount.

## Note 21 Revenue

### Breakdown of revenue by business segment

| (€k)   | 30.09.2019     | 30.09.2020    |
|--|----------------|---------------|
| Manufacturing of structural parts for the aerospace industry | 196,066        | 75,396        |
| General engineering and heavy sheet metal manufacturing      | 8,665          | 7,302         |
| On-site assembly   | 4,492          | 1,755         |
| Machining and surface treatment                              | 15,260         | 9,959         |
| <b>Total</b>   | <b>224,483</b> | <b>94,412</b> |



#### Breakdown of revenue by region

| (€k)         | 30.09.2019     | 30.09.2020    |
|--------------|----------------|---------------|
| France       | 188,506        | 70,725        |
| Export       | 35,977         | 23,687        |
| <b>Total</b> | <b>224,483</b> | <b>94,412</b> |

## Note 22 Breakdown of other components of operating income

#### Other income

| (€k)                   | 30.09.2019   | 30.09.2020   |
|------------------------|--------------|--------------|
| Research tax credit    | 1,892        | 1,084        |
| Operating subsidies    | 60           | 68           |
| Other operating income | 110          | 436          |
| <b>Total</b>           | <b>2,062</b> | <b>1,588</b> |

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

| (€k)                              | 30.09.2019       | 30.09.2020      |
|-----------------------------------|------------------|-----------------|
| Supplies, raw materials and other | (77,892)         | (38,048)        |
| Merchandise                       | (5)              | -               |
| Change in inventory               | 4,734            | 18,612          |
| Sub-contracting                   | (43,019)         | (16,618)        |
| Purchases not held in inventory   | (2,906)          | (3,958)         |
| Maintenance, repairs              | (5,460)          | (3,261)         |
| Transportation                    | (4,483)          | (1,997)         |
| External services                 | (9,241)          | (4,197)         |
| <b>Total</b>                      | <b>(138,272)</b> | <b>(49,467)</b> |

#### Wages and salaries

| (€k)  | 30.09.2019      | 30.09.2020      |
|---|-----------------|-----------------|
| Wages and salaries  | (35,366)        | (29,042)        |
| Payroll taxes   | (13,059)        | (9,263)         |
| Temping staff expenses  | (3,337)         | (1,746)         |
| Other payroll expenses  | (1,376)         | (948)           |
| Operating expenses transferred (presented as a reduction in personnel expenses) (1) | 1,064           | 5,603           |
| <b>Total</b>  | <b>(52,074)</b> | <b>(35,396)</b> |

(1) Furlough compensation



### Net depreciation, amortisation and provisions

| (€k)   | 30.09.2019      | 30.09.2020      |
|--|-----------------|-----------------|
| <b>Net depreciation and amortisation charges</b>       |                 |                 |
| - on intangible fixed assets                           | (5,230)         | (4,954)         |
| - on property, plant and equipment                     | (10,138)        | (12,862)        |
| - finance leases                                       | (5,661)         | (5,825)         |
| - right-of-use assets                                  | (891)           | (1,229)         |
| Share of subsidy transferred to the income statement   | 586             | 582             |
| <b>Total net depreciation and amortisation charges</b> | <b>(21,334)</b> | <b>(24,288)</b> |
| <b>Total net provisions</b>                            | <b>(1,037)</b>  | <b>517</b>      |
| <b>Net depreciation, amortisation and provisions</b>   | <b>(22,372)</b> | <b>(23,771)</b> |

### Other non-recurring operating income and expenses

| (€k)  | 30.09.2019     | 30.09.2020      |
|---|----------------|-----------------|
| Reversals of non-current provisions           | 77             | 89              |
| Other non-recurring income                    | 281            | 693             |
| Capital gains and losses from asset disposals | (315)          | (1,018)         |
| Allocations to non-current provisions         | (831)          | (16,735)        |
| Other non-recurring expenses                  | (356)          | (2,594)         |
| <b>Total</b>                                  | <b>(1,144)</b> | <b>(19,565)</b> |

At 30th September 2020, other non-recurring expenses consisted primarily of:

- the remaining assets of programmes discontinued by customers: €1,038k,
- the costs of staff departures: €1,010k
- consultancy fees for the employment protection plans: €128k
- severance pay: €212k

Allocations to non-current provisions concerned:

- Impairment losses consisting of the impairment of intangible assets on an aircraft programme amounting to €4,785k
- Restructuring costs amounting to €11,949k

## Note 23 Cost of net financial debt

| (€k)                                  | 30.09.2019     | 30.09.2020     |
|---------------------------------------|----------------|----------------|
| <b>Financial income</b>               | <b>44</b>      | <b>15</b>      |
| Financial expenses - borrowings       | (2,780)        | (2,385)        |
| Financial expenses - factoring        | (1,451)        | (1,276)        |
| Interest expense on lease liabilities | (502)          | (381)          |
| Other financial expenses              | (138)          | (85)           |
| <b>Financial expenses</b>             | <b>(4,871)</b> | <b>(4,127)</b> |
| <b>Cost of net debt</b>               | <b>(4,828)</b> | <b>(4,112)</b> |

The average debt rate worked out at 1.93% versus 2.48% for the year ended March 2020.



## Note 24 Tax

### Reconciliation between theoretical tax and effective tax

| (€k)                                 | 30.09.2020        |
|--------------------------------------|-------------------|
| Net profit (loss) for the period     | (51,093)          |
| Current tax income (expense)         | (288)             |
| Provisions for tax                   | (72)              |
| Deferred tax income (expense)        | (4,669)           |
| <b>Total tax income (expense)</b>    | <b>- (5,029)</b>  |
| <b>Profit before tax</b>             | <b>- (46,064)</b> |
| Legal tax rate of the parent company | 31%               |
| Theoretical tax                      | (14,280)          |
| Impact of permanent differences      |                   |
| Impact of tax loss carryforwards     | (9,920)           |
| Impact of changes in tax rates       | 1                 |
| Impact of overseas tax rates         |                   |
| Impact of tax credits                | 668               |
| Other impacts                        |                   |
| <b>Total tax income (expense)</b>    | <b>(5,029)</b>    |
| Effective tax rate                   | 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)   | 31.03.2020       | 30.09.2020      |
|--|------------------|-----------------|
| Deferred tax assets  | 14,792           | 20,372          |
| Deferred tax liabilities                                   | (15,789)         | (22,083)        |
| <b>Deferred taxes at start of period</b>                   | <b>(997)</b>     | <b>(1,711)</b>  |
| Deferred taxes recognised in the income statement          | (1,787)          | (4,669)         |
| Deferred taxes recognised directly in shareholders' equity | 1,080            | (1,116)         |
| Transfers  |                  |                 |
| First-time application of IFRS 16 at 01.04.2020            | 32               |                 |
| Translation adjustment                                     | (7)              | 19              |
| Changes in consolidation scope                             |                  | -               |
| <b>Deferred taxes at end of period</b>                     | <b>- (1,711)</b> | <b>(7,477)</b>  |
| <b>of which deferred tax assets</b>                        | <b>20,372</b>    | <b>23,143</b>   |
| <b>of which deferred tax liabilities</b>                   | <b>(22,083)</b>  | <b>(30,620)</b> |

The main types of deferred taxes were as follows:

| (€k)  | 31.03.2020     | 30.09.2020     |
|---|----------------|----------------|
| Property, plant and equipment and intangible fixed assets   | (5,054)        | (4,440)        |
| Financial instruments                                       | 3,299          | (1,825)        |
| Employee benefits   | 576            | 1,266          |
| Regulated provisions  | 183            | 249            |
| Capitalisation of tax losses                                | 2,113          | 702            |
| Other   | (2,828)        | (3,429)        |
| <b>Net deferred tax assets / (deferred tax liabilities)</b> | <b>(1,711)</b> | <b>(7,477)</b> |



#### Tax loss carryforwards

Deferred tax assets not recognised as tax loss carryforwards amounted to €13.3 million at 30th September 2020.

## Note 25 Earnings per share

| (€)                                      | 31.03.2020          | 30.09.2020          |
|--|---------------------|---------------------|
| Average number of outstanding shares     | 31,839,473          | 31,839,473          |
| Treasury shares                          | 443,845             | 481,016             |
| <b>Weighted average number of shares</b> | <b>31,395,628</b>   | <b>31,358,457</b>   |
| Stock option plan                        | -                   | -                   |
| <b>Earnings (group share) in euros</b>   | <b>(55,464,886)</b> | <b>(51,078,695)</b> |
| Earnings per share                       | (1.74)              | (1.60)              |
| Diluted earnings per share               | (1.77)              | (1.60)              |

|                             | 31.03.2020     | 30.09.2020     |
|-----------------------------|----------------|----------------|
| Liquidity agreement         | 110,422        | 147,593        |
| Treasury share buyback plan | 333,423        | 333,423        |
| <b>Total</b>                | <b>443,845</b> | <b>481,016</b> |

## Note 26 Risk factors

No new risks were identified during the half year; all existing risks are described in the annual report at 31st March 2020 (see Note 27 "Risk management").

## Note 27 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 30th September 2020.

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:

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



| (€k)                | Income    | Expenses   | Receivables | Payables   |
|---------------------|-----------|------------|-------------|------------|
| MP USICAP           | 12        | 675        | 13          | 714        |
| Avantis Engineering |           | 5          |             | 107        |
| <b>Total</b>        | <b>12</b> | <b>680</b> | <b>13</b>   | <b>821</b> |

#### Executive pay

These relate to compensation paid to corporate officers of Figeac Aéro S.A.:

| (€k)                  | 31.03.2020 | 30.09.2020 |
|-----------------------|------------|------------|
| Fixed compensation    | 186        | 189        |
| Variable compensation |            |            |
| Benefits in kind      | 2          | 2          |
| Directors' fees       | 30         |            |
| <b>Total</b>          | <b>-</b>   | <b>191</b> |

To date, there are no stock option or share buyback plans underway at Figeac Aéro S.A. or any other Group company.

## Note 28 Workforce

| (In number of employees)   | 31.03.2020 | 30.09.2020   |
|----------------------------|------------|--------------|
| Headcount - France         | 1897       | 1,722        |
| Headcount - outside France | 1451       | 977          |
| <b>Total</b>               | <b>-</b>   | <b>2,699</b> |

A breakdown of the workforce by business segment at 30th September 2020 is as follows:

| (In number of employees)                          | Managers | Non-managers | Total        |
|---|----------|--------------|--------------|
| Aerostructures                                    | 283      | 1917         | 2,200        |
| On-site assembly                                  | 7        | 94           | 101          |
| Machining and surface treatment                   | 46       | 195          | 241          |
| General engineering and sheet metal manufacturing | 21       | 136          | 157          |
| <b>Total</b>                                      | <b>-</b> | <b>2,342</b> | <b>2,699</b> |

## Note 29 Off-balance sheet commitments and contingent liabilities

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

| (€k)   | 30.09.2020   |               |               |                | 31.03.2020    |
|--|--------------|---------------|---------------|----------------|---------------|
|  | < 1 year     | 1 to 5 years  | > 5 years     | Total          | Total         |
| Pledges, mortgages and collateral securities | 9,153        | 59,048        | 48,511        | 116,712        | 54,121        |
| <b>Total</b>                                 | <b>9,153</b> | <b>59,048</b> | <b>48,511</b> | <b>116,712</b> | <b>54,121</b> |





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

| (€k)   | 30.09.2020   |              |               |               | 31.03.2020 |
|--|--------------|--------------|---------------|---------------|------------|
|  | < 1 year     | 1 to 5 years | > 5 years     | Total         | Total      |
| Pledges, mortgages and collateral securities | 1,989        | 7,265        | 10,927        | 20,181        | 20,551     |
| <b>Total</b>                                 | <b>1,989</b> | <b>7,265</b> | <b>10,927</b> | <b>20,181</b> | 20,551     |

### Note 30 Events after the closing date

- Figeac Aéro obtained an Atout loan from BPI amounting to €14.5 million and received in November 2020.
- The ERP's "non-production purchases" module came onstream on 1st November 2020 at Figeac Aero, FGA Picardie, FGA Saint Nazaire and FGA Tunisie.
- Safeguard proceedings commenced for the Figeac Aero Auxerre entity on 12th October 2020 with an initial observation period of 6 months, as confirmed by a court ruling on 14th December 2020, with the aim of finding a buyer.