

Latécoère's Board of Directors approves a rights issue of c.€193M and changes the Group's governance

- Approval by the Board of Directors of a c.€193M rights issue fully backstopped by Searchlight Capital Partners, as a part of a comprehensive c. €323M recapitalisation package
- Changes of governance at Latécoère with Thierry Mootz being promoted CEO and Greg Huttner being appointed as Deputy CEO, both effective August 2, 2021
- Potential ¹ acquisition of Technical Airborne Components, a leading designer and manufacturer of rods and struts for the aerospace industry

Toulouse, July 13, 2021 – Latécoère, a tier 1 partner to major international aircraft manufacturers, today announced that its Board of Directors held yesterday under the Chairmanship of Pierre Gadonneix, has appointed Thierry Mootz as Chief Executive Officer of Latécoère SA with effect on August 2, 2021 in replacement of Philip Swash. Thierry Mootz will also remain General Manager of the Interconnection Systems division. The Board has also approved the principle of a capital increase for c.€193M with shareholders' preferential subscription rights fully underwritten by its reference shareholder Searchlight Capital Partners to enable organic and inorganic growth.

Approval by the Board of Directors of a c.€193M rights issue

Latécoère launches a comprehensive c.€323M recapitalisation plan to strengthen its balance sheet, further invest in the competitiveness and competencies of its global footprint and continue to actively pursue M&A opportunities following the successful acquisition of Bombardier EWIS in Mexico as well as the potential acquisition of Technical Airborne Systems (TAC) announced today.

As part of the transaction, the Board of Directors of Latécoère has approved the principle of a c.€193M rights issue which is fully backstopped by its anchor shareholder Searchlight Capital Partners.

¹ Implementation of this acquisition is subject to completion of the information and consultation process with the employee representative bodies of the Group.

The terms and conditions of the rights issue will be described in a specific press release to be published once the AMF has approved the prospectus; this press release is expected to be published in the coming days.

Strategy and changes of Governance at Latécoère

COVID-19 has had a highly disruptive impact on the aerospace sector. The Company immediately embarked upon an extensive program to secure, reset and position Latécoère to grow into a larger, more competitive and resilient global aerospace leader.

The group has completed a number of significant steps to survive the crisis and prepares for growth, including the implementation of rigorous safety standards to protect employees and the adaptation of its workforce and industrial capacities to the new market environment. This required extensive and difficult re-structuring initiatives in order to reset the Company for the forthcoming years ahead. A lower fixed and variable costs structure will enable Latécoère to emerge from the crisis stronger and more competitive.

A new strategy and five-year business plan have been approved by the Board of Directors, setting a clear course for the next chapter for Latécoère. The core pillars of the strategy are:

- Operational Excellence and Cost Competiveness
- Organic Growth in traditional markets and adjacent Interconnection Systems markets
- Focused innovation in Aerostructures and Interconnection Systems to improve competitiveness and position Latécoère for the next generation of aircraft
- External Growth (M&A): a key driver of future growth for the business as evidenced by the acquisition of Bombardier EWIS in Mexico (closed February 2021) and the potential acquisition of Technical Airborne Systems in Belgium that was announced today
- Ongoing development of the Latécoère people

The Board of Directors of Latécoère decided yesterday the following changes of governance of the Group:

- **Thierry Mootz**, current Deputy CEO, will be promoted CEO of Latécoère, effective August 2, 2021.
- **Grégoire Huttner** will be appointed Deputy CEO effective August 2, 2021 and will continue to serve as the General Manager of the Aerostructures Division.

The composition of the Board of Directors will remain unchanged, with Philip Swash to continue as director of Latécoère.

In addition, **Christopher Seherr-Thoss** has been appointed as Director of M&A, to lead Latécoère's ambitious inorganic growth strategy.

Commenting on today's communication, **Philip Swash, Chief Executive Officer**, said: *"It has been a great honor to lead the Latécoère team and re-engage with global Aerospace customers and suppliers. I would like to thank all stakeholders and shareholders for their trust and support. The Company now has the plan and the financing to develop into a truly global leader and I feel that it is now an appropriate time for me to return to a non-executive board position where I shall continue to support Thierry Mootz and the Latécoère team."*

Pierre Gadonneix, Chairman of the Latécoère Board of Directors said: *"I would like to thank Philip Swash for agreeing to lead Latécoère at the beginning of a major crisis. He was able to lead the company through this period and ensure a transformation plan that today puts Latécoère on a sound basis to face the future with confidence. I am pleased that he stays involved with the Company as a non-executive director at our Board of Directors. I believe Thierry Mootz is the right man to implement this transformation since he has been with the Company for over 6 years and Latécoère can approach the next chapter with confidence and ambition."*

Thierry Mootz, Deputy Chief Executive Officer said: *"I am honored and excited to take the leadership of Latécoère, which is a strong contributor to the Aerospace market in France. Thanks to the job done by Latécoère team, the Company has successfully navigated through the crisis, will emerge stronger from it and is now ready for growth. The recapitalization of the Company will allow us to execute our plan, deliver high performance to our customers and finance growth."*

Potential acquisition of Technical Airborne Components (TAC)

Subject to completion of the information and consultation process with the employee representative bodies of the Group, Latécoère envisages to acquire Technical Airborne Components (TAC), a leading designer and manufacturer of rods and struts for the aerospace industry, for approximately € 30 million from Searchlight Capital Partners².

Lastly, Latécoère adds that it is actively looking at other external growth opportunities, particularly in North America. Those discussions are at a preliminary stage and would require a maximum investment of around €100 million should these opportunities be concluded.

² Latécoère has a call option to acquire Technical Airborne Component for a transfer price of €35.4 million from Searchlight Capital Partners, or approximately €30 million net of cash on balance sheet and including deal related expenses.

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About Latécoère

As a "Tier 1" international partner of the world's major aircraft manufacturers (Airbus, Boeing, Bombardier, Dassault, Embraer and Mitsubishi Aircraft), Latécoère is active in all segments of the aeronautics industry (commercial, regional, business and military aircraft), in two areas of activity:

- *Aerostructures (55% of turnover): fuselage sections and doors,*
- *Interconnection Systems (45% of turnover): wiring, electrical furniture and on-board equipment.*

As of December 31, 2020, the Group employed 4,172 people in 13 different countries. Latécoère, a French limited company capitalised at € 23,704,629.50 divided into 94,818,518 shares with a par value

*of €0.25, is listed on Euronext Paris - Compartment B, ISIN Codes: FR0000032278 - Reuters: LAEP.PA
- Bloomberg: LAT.FP.*

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