FIGEAC AÉRO CONSOLIDATED FINANCIAL STATEMENTS FY ENDED MARCH 31, 2022

Contents

Consolidated statement of financial position

ASSETS *(€k)*	**Notes**	**03.31.2021**	**03.31.2022**
Goodwill	4	-	
Intangible assets	4	101,333	105,802
Property, plant and equipment	5	132,310	118,481
Right-of-use assets	6	63,948	51,618
Non-current financial assets	7	8,013	4,305
Equity-accounted investments	8	2,561	1,316
Non-current derivative assets	14	3,076	763
Deferred tax assets	25	7,013	11,195
Other non-current financial assets			
Non-current assets		**318,254**	**293,480**
Inventory and work in progress	10	179,952	182,223
Contract assets (1)	9	27,518	25,289
Trade and other receivables	11	36,327	61,083
Current tax assets	25	7,063	7,688
Other current assets	11	22,522	21,711
Cash and cash equivalents	12	80,470	49,303
Current assets		**353,852**	**347,297**
Total assets		**672,106**	**640,777**

EQUITY & LIABILITIES *(€k)*	**Notes**	**03.31.2021**	**03.31.2022**
Capital	15	3,821	3,821
Reserves	15	137,950	79,501
Net income (loss) for the period		(57,145)	(42,048)
Capital issued and reserves attributable to owners of the parent company		**84,626**	**41,275**
Non-controlling interests		**62**	**21**
Total consolidated shareholders' equity		**84,688**	**41,296**
Provisions	16, 17	14,412	7,291
Non-current interest-bearing financial liabilities (2)	18	266,571	217,930
Non-current derivative liabilities	14	3,139	5,355
Deferred tax liabilities	25	7,435	10,904
Other non-current liabilities	20	8,677	6,596
Non-current liabilities		**300,234**	**248,076**
Current interest-bearing financial liabilities (2)	18	161,638	176,730
Trade and other payables	20	44,812	87,943
Contract liabilities	19	15,355	13,497
Current tax liabilities	25	9,108	12,127
Other current liabilities	20	56,271	61,108
Current liabilities		**287,184**	**351,405**
Total equity & liabilities		**672,106**	**640,777**

Consolidated income statement

(€k)	Notes	FY 2020/21	FY 2021/22
Revenue	22	204,649	281,948
Other income	23	2,123	1,785
Change in inventories of finished products and WIP		(24,134)	14,891
Cost of bought-in goods and services over the financial year and external expenses	23	(108,276)	(191,726)
Personnel expenses	23	(69,080)	(73,161)
Taxes and duties		(4,384)	(3,480)
Net depreciation, amortization and provisions	23	(46,849)	(50,599)
Current operating income (loss)		**(45,951)**	**(20,342)**
Non-recurring operating income & expenses	23	(18,121)	(12,230)
Share of net income (loss) of joint ventures	8	(59)	(1,250)
Operating income (loss)		**(64,131)**	**(33,822)**
Net cost of debt	24	(5,457)	(6,195)
Foreign exchange gains and losses		(1,547)	2,818
Unrealized gains and losses on derivative instruments		11,888	(3,774)
Other financial income and expenses		(26)	(60)
Financial income (loss)		**4,858**	**(7,211)**
Profit before tax		**(59,273)**	**(41,033)**
Tax income (expense)	25	2,099	(1,053)
Net income (loss) for the period		**(57,174)**	**(42,086)**
Attributable:			
to owners of the parent company		(57,145)	(42,048)
to non-controlling interests		(29)	(39)
Net income (loss) per share attributable to owners of the parent company (€)	26	**(1.79)**	**(1.32)**
Basic earnings per share: earnings/(loss)		(1.79)	(1.32)
Diluted earnings per share: earnings/(loss)		(1.79)	(1.32)

Consolidated statement of comprehensive income

(€k)	Notes	FY 2020/21	FY 2021/22
Net income (loss) for the year		**(57,174)**	**(42,086)**
Items reclassifiable as income (loss)		**3,743**	**(1,670)**
Translation adjustments		(222)	(587)
Revaluation of hedging instruments		5,507	(1,474)
Tax on reclassifiable items of other comprehensive income (loss)		(1,542)	391
Reclassifiable share of items of other comprehensive income (loss) of equity affiliates (net of tax)	8		
Items not reclassifiable as income (loss)		**(560)**	**228**
Revaluation of net defined benefit plan liabilities (assets)	17	(778)	310
Tax on non-reclassifiable items of other comprehensive income (loss)		218	(82)
Non-reclassifiable share of items of other comprehensive income (loss) of equity affiliates (net of tax)			
Total items of other comprehensive income		**3,183**	**(1,442)**
Total comprehensive income (loss) for the period		**(53,991)**	**(43,529)**
Attributable:			
to owners of the parent company		(53,962)	(43,490)
to non-controlling interests		(29)	(39)

Statement of change in consolidated shareholders' equity

(€k)	Capital	Additional paid-in capital	Treasury shares	Translation adjustment	Reserves - 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**
04.01.2020	**3,821**	**118,455**	**(5,406)**	**(1,579)**	**(3,292)**	**82,789**	**(55,465)**	**(864)**	**138,459**	**94**	**138,552**
Net income (loss) for the period							(57,145)		**(57,145)**	(29)	**(57,173)**
Items of other comprehensive income				(222)	3,404				**3,182**		**3,182**
Acquisitions/disposals of treasury shares			116						**116**		**116**
Dividends									-		-
Net movements in treasury shares									-		-
Allocation to income (loss)						(55,465)	55,465		-		-
Other								14	**14**	(3)	**11**
03.31.2021	**3,821**	**118,455**	**(5,290)**	**(1,801)**	**112**	**27,324**	**(57,145)**	**(850)**	**84,626**	**62**	**84,688**
Change of method IFRIC IAS 19					326				**326**		**326**
04.01.2021	**3,821**	**118,455**	**(5,290)**	**(1,801)**	**438**	**27,324**	**(57,145)**	**(850)**	**84,952**	**62**	**85,014**
Net income (loss) for the period							(42,048)		**(42,048)**	(39)	**(42,087)**
Items of other comprehensive income				(587)	(856)				**(1,442)**		**(1,442)**
Acquisitions/disposals of treasury shares			(77)						**(77)**		**(77)**
Dividends									-		-
Net movements in treasury shares									-		-
Allocation to income (loss)						(57,145)	57,145		-		-
Changes in consolidation scope						(113)			**(113)**		**(113)**
Other								1	**1**	(2)	**(1)**
03.31.2022	**3,821**	**118,455**	**(5,367)**	**(2,388)**	**(418)**	**(29,934)**	**(42,048)**	**(849)**	**41,275**	**21**	**41,296**

Consolidated cash flow statement

(€k)	Notes	FY 2020/21	FY 2021/22
Net income (loss) for the year		(57,174)	(42,086)
Depreciation, amortization and provisions		62,261	52,477
Capital (gains)/losses on asset disposals		2,462	736
Other non-cash items		-	2,006
Elimination of adjustment gains/losses (fair value)		(10,507)	(1,238)
Cash flow after net cost of debt and taxes		**(2,958)**	**11,895**
Tax expense		(2,594)	1,563
Cost of debt		4,597	4,803
Cash flow before net cost of debt and taxes		**(955)**	**18,261**
Change in working capital			
Change in inventories		4,295	(2,368)
Change in trade and other receivables		18,095	(28,990)
Change in trade and other payables		(35,766)	47,551
Net cash flow from operating activities		**(14,331)**	**34,453**
Cash flow from investing activities			
Acquisition of fixed assets		(29,877)	(35,452)
Disposals, reductions in fixed assets		2,223	6,109
Change in receivables and payables on fixed assets		(1,736)	772
Impact of scope changes on the cash position			(481)
Net cash flow from investing activities		**(29,390)**	**(29,052)**
Cash flow from financing activities			
Loan issues		93,592	7,903
Loan repayments		(46,330)	(23,141)
Repayment of lease liabilities		(14,312)	(17,539)
Acquisitions or disposals of treasury shares		115	(78)
Advances received on orders - Aerotrade		10,193	3,693
Other financial liabilities		-	-
Interest paid		(4,597)	(4,803)
Net cash flow from financing activities		**38,661**	**(33,965)**
Increase (decrease) in cash		**(5,060)**	**(28,564)**
Cash position - opening date		66,792	61,540
Change in translation adjustment		(192)	49
Other		-	-
Cash position - closing date		61,540	33,025
Change in cash accounts		**(5,060)**	**(28,564)**

Notes to the Group 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 C Paris exchange.

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, sheet metal manufacturing and surface treatment.

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

The consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors on August 12, 2022 and will be submitted for approval by the Shareholders' Meeting on September 30, 2022.

Note 1. Accounting principles and methods

The consolidated financial statements of FIGEAC AÉRO and its subsidiaries are prepared in accordance with the IFRS (International Financial Reporting Standards), as published by the IASB (International Accounting Standards Board) and adopted by the European Union, as of 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. IFRS, International Accounting Standards (IAS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or its predecessor the Standing Interpretations Committee (SIC).

Changes to accounting principles and methods

New mandatory standards, interpretations and amendments to IFRS applied since April 1, 2021:

- Amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments: Recognition and measurement" and IFRS 7 "Financial instruments: Disclosures" - Interest rate benchmark reform - phase 2;
- IFRIC decision of April 2021 regarding IAS 19 and in particular attributing benefit to periods of service;
- Amendment to IFRS 16 "Leases" - Covid-19-related rent concessions beyond June 30, 2021.

New standards, interpretations and amendments to IFRS published and adopted early by the Group from April 1, 2021:

None.

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

- Amendments to IAS 1 "Presentation of financial statements" - Classification of liabilities as current or non-current;
- Amendments to IAS 28 "Investments in associates and joint ventures" and to IFRS 10 "Consolidated financial statements" - Sales or contributions of assets between an investor and its associate or joint venture;
- IFRS improvements published in May 2020 (2018-2020 cycle);
- Amendments to IAS 16 "Property, plant and equipment" - Proceeds before intended use;
- Amendments to IFRS 3 "Business combinations" - Reference to the conceptual framework;
- Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets" - Onerous contracts - cost of fulfilling a contract;
- Amendments to IAS 8 "Definition of accounting estimates";

- ➢ Amendments to IAS 1 “Presentation of financial statements” and IFRS 2 Practice Statement “Making judgments about materiality”;
- ➢ Amendments to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”;
- ➢ IFRS 17 “Insurance contracts”.

Accounting principles

A) Historical cost accounting convention

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

B) Consolidation accounting rules

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

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

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

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

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

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

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

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

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

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

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

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

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

C) Elimination of intercompany transactions

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

D) Business combinations

The business combinations arranged since January 1, 2010 are recognized in accordance with the provisions set out in revised IFRS 3.

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

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

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

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

Determination of goodwill

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

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

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

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

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

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

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

F) Translation of transactions denominated in foreign currencies

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

Payables and receivables denominated in foreign currencies are converted at the exchange rate prevailing on March 31. Unrealized exchange differences arising on that date are recognized in the income statement.

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

G) Closing dates

All entities ended their financial years on March 31, 2022, except for MTI, SCI REMSI, EGIMA, TES and SCI Mexique, whose financial years ended on December 31, 2021. The individual financial statements of these companies were restated to reflect significant transactions or transactions having an impact on the consolidated financial statements occurring between January 1, 2022 and March 31, 2022.

H) Revenue recognition principles

Group revenue is mainly generated by three activities:

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

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

Pre-production activity

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

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

These contract assets and liabilities are amortized:

- over the duration of the contract; or
- over the number of aircraft fixed in the contract; or
- over the budgeted timeframes for 'program life' contracts.

Development activities other than series production

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

Series production of parts and sub-assemblies

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

I) Intangible assets

Separately acquired intangible assets

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

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

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

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

Internally generated intangible assets

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

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

The initially recognized amount of an internally generated intangible asset is equal to the sum of all expenses incurred starting from the date on which the intangible asset meets the criteria listed above for the first time.
With respect to the Group's business activities, all the criteria for capitalizing development costs are met when the capitalization criteria are fulfilled.

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

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

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

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

J) Property, plant and equipment

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

When significant items of property, plant and equipment can be determined and have different useful lives and depreciation methods, they are recognized as separate items of property, plant and equipment (per component).

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

The depreciation periods used are as follows:

- buildings and fixtures: from 5 to 30 years depending on the type of building and fixture;

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

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

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

K) Leases

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

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

Group leases mainly consist of property leases and the main fleet leases (vehicles, handling equipment, etc.).

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

Measurement of right-of-use assets

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

- the initial amount of lease liabilities plus any advance payments made to the lessor, net of any incentives received from the lessor; and
- where applicable, initial direct costs incurred by the lessee to obtain the lease and the estimated cost of restoring or dismantling the leased asset.

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

Measurement of lease liabilities

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

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

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

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

L) Impairment of fixed assets

Annual impairment tests are carried out on goodwill and intangible assets in progress as soon as there is an indication of impairment and irrespective of the asset concerned.
This test is carried out for a given asset or cash generating unit (CGU). A CGU is the smallest identifiable group of assets that generates cash flow which is largely independent of the cash flow generated by other assets or groups of assets.

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

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

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

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

M) Equity instruments, loans and receivables

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

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

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

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

N) Inventory and work in progress

Raw materials and other supplies

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

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

Work in progress (excluding construction contracts)

Work in progress is measured using the full cost method, excluding expenses not related to production and potential under-utilization. An impairment charge on work in progress is recognized when the expected cost price of the finished good into which it is incorporated is higher than the expected selling price less distribution costs.

Finished goods

Finished goods are measured using the full cost method, with the exception of expenses not related to production and any potential under-utilization.
Impairment charges are recognized for finished goods classified as obsolete with very low sales prospects, and are split into two categories according to the following scale:

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

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

O) Cash and cash equivalents

Cash is made up of available funds in bank accounts on the closing date. Bank overdrafts repayable on demand form part of cash and cash equivalents as disclosed in the cash flow statement.

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

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

P) Taxes

Income tax includes current tax and deferred tax.

<u>Current tax</u>

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

<u>Deferred tax</u>

Deferred tax results mainly from:

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

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

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

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

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

<u>Company value-added contribution (CVAE)</u>

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

Q) Treasury shares

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

R) Share-based payments

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

S) Derivative instruments and hedge accounting

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

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

Different types of hedging instruments are used:

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

FIGEAC AÉRO thus mostly uses structured products based on uncertain options (accumulators, TARFs, faders); for a given maturity, these enable it to obtain a more favorable price compared to the market price at time t. These instruments do not qualify for hedge accounting, so income and expenses in foreign currencies are recorded at their counter-value in euros on the transaction date at the transaction rate and not at the projected hedge rate.
The fair value of derivative instruments is measured by an independent company and includes the value of the derivative instrument on the closing date (mark to market).

Exposure to the risk of interest rate variations concerns trade receivables financing and the financing of a portion of term debt. Interest is indexed to the Euribor rate. Some of these positions (20% of outstandings) are hedged against a significant rise in this index through interest rate swaps.

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

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

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

<u>Accounting principles for foreign exchange derivative instruments</u>

The first two types of financial instruments (currency futures and net long forex positions) qualify for hedge accounting. The other types of derivatives do not qualify for hedge accounting as they concern net short option positions in accordance with IFRS 9.
For financial instruments classified as “cash flow hedges”, hedging instruments are measured at their fair value in the balance sheet offset against:

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

The cumulative amounts in shareholders’ equity relating to the effective portion of the hedging instrument’s fair value adjustment are retained within equity until the underlying transaction occurs. They are then reclassified to the income statement on the same line item as the underlying transaction (revenue or purchases used in production).
For financial instruments classified as “held for trading”, the fair value adjustment is recognized in financial income (loss).

T) Provisions

A provision is recognized:

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

The provisioned amount corresponds to the best estimate of the expense.
The estimated amount of provisions is analyzed by Group Management with the assistance of its advisers (e.g. legal advisers) on each closing date. If the impact is material, the amount is discounted using a pre-tax rate that reflects the time value of money and the risks specific to the liability.

U) Pension liabilities and other employee benefits

November 5, 2021 amendment to ANC recommendation 2013-02 of November 7, 2013 on the measurement and recognition of pension liabilities.
The Group has taken note of the IFRIC decision on IAS 19 and has reviewed its scope of application in relation to the allocation of service costs associated with a defined benefit plan. This decision calls into question the amortization of the liability in the particular case of a defined benefit plan with the following characteristics:
- The final benefit is subject to a condition of presence upon retirement;
- The final benefit depends on the number of years of service;
- There is a cap on the number of years.

The Group has identified that the application of the IFRIC decision on IAS 19 mainly concerns retirement benefits provided in France. Until now, the liability was amortized on a straight-line basis from the date the employee was hired to the date of retirement. From now on, the liability will be amortized on a straight-line basis only over the final years corresponding to the lower limit of the level of entitlement reached by the beneficiary at the time of retirement or from the date of hiring if the period of activity before retirement is shorter.
As it is applied for the financial year in progress at the date of publication of the recommendation, this change of method is treated as a change of regulation. The impact of this change is recognized against equity at the opening date.

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

<u>Defined contribution plans</u>

The Group’s obligations are limited to regular payments of contributions to external organizations. The expense is recognized during the period in “Personnel expenses”.

<u>Defined benefit plans</u>

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

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

Other long-term benefits

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

Short-term benefits

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

V) Tax credits, subsidies and other public aid

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

The Group's research and development policy means that it receives a research tax credit granted to companies based in France. This research tax credit is considered a subsidy under IAS 20. It is allocated to a specific item in the income statement and has an impact on operating income; however, the share of the research tax credit that can be allocated to capitalized projects is recognized as deferred income and transferred to income over the useful lives of the assets for which the credit was granted.

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

W) Earnings per share

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

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

X) Business segments

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

- aerostructures: manufacturing of structural parts for the aerospace industry;
- assembly: on-site and workshop assembly of aerospace sub-assemblies;
- general engineering and sheet metal manufacturing;
- precision machining and surface treatment.

Y) Non-recurring operating income & expenses

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

Note 2. **Estimates**

The preparation of financial statements in accordance with IFRS requires Group Management to exercise its judgment and make estimates and assumptions that affect the application of accounting policies and recognized 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 recognized 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:

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

Note 3. **Scope of consolidation**

No acquisitions were made during financial year 2021/22.

The list of consolidated entities is as follows:

	Activities	% interest	Country
FULLY CONSOLIDATED ENTITIES			
Europe			
Figeac Aéro SA	Manufacturing of structural parts	100.00%	France
M.T.I. SAS	General engineering and heavy sheet metal manuf	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-a	100.00%	France
SCI Remsi	Real estate activity	100.00%	France
Figeac Aéro Saint Nazaire	On-site and workshop assembly of aerospace sub-a	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 manuf	100.00%	France
Tofer Holding	Services company	100.00%	France
Tofer Service Industries	Services company	100.00%	France
Tofer Europe Service	General engineering and heavy sheet metal manuf	100.00%	Romania
Tofer Immobilier	Real estate activity	100.00%	France
Mat Formation	Services company	100.00%	France
North America			
FGA North America Inc.	Precision machining and surface treatment	100.00%	USA
SCI Mexique	Real estate activity	100.00%	Mexico
Africa			
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
JOINT VENTURES			
Asia			
Nanshan Figeac Aero Industry	Manufacturing of structural parts	50.00%	China
Middle East			
Sami Figeac Aéro Manufacturing	Manufacturing of structural parts	40.00%	Saudi Arabia

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 AÉRO INDUSTRY is a company that was created in October 2018; it is to receive a capital injection of $20 million, 50% of which will come from FIGEAC AÉRO.
Some 30% of the capital, i.e. $6 million, has been freed up (including $3 million by FIGEAC AÉRO).
The timeline for freeing up the capital is as follows: an additional 30% 24 months after registration, 20% 48 months after registration, and the remainder 60 months after registration. Due to the delayed schedule for rolling out operations, the timeline for freeing up the capital has also been pushed back. This timeline has not been updated.

Establishment of SFAM LLC

FIGEAC AÉRO has finalized its joint venture agreement with its two partners (SAMI - Saudi Arabian Military Industries and Dussur - Saudi Arabian Industrial Investments Company). FIGEAC AÉRO holds 40% of the capital of the Sami Figeac Aero Manufacturing (SFAM) joint venture.
The joint venture aims to develop Saudi Arabia’s industrial capabilities in aerostructures, train local engineers and technicians to work on the project and promote the establishment of military and civil aerospace companies in line with the Kingdom’s 2030 Vision. The first parts produced will be light alloy (aluminum) and hard metal (titanium) components. Over a period of 10 years, the project will involve significant investments - mostly financed by local banking institutions - including the establishment of a production plant in Jeddah on the site occupied by aeronautical maintenance company AACC (Aircrafts Accessories and Components Company). At present, 5-axis CNC machinery and the corresponding production equipment are being commissioned by FIGEAC AÉRO’s technical teams and the first parts have been produced.

Note 4. Intangible assets

Intangible assets break down as follows:

	03.31.2021			03.31.2022		
(€k)	Gross	Amort./ impair.	Net	Gross	Amort./ impair.	Net
Development costs	137,241	(82,095)	55,146	144,560	(94,185)	50,375
Concessions, patents & licenses	3,652	(2,111)	1,541	3,577	(2,296)	1,281
Software	12,932	(8,923)	4,009	13,431	(10,007)	3,424
Goodwill	509	(509)	-	459	(459)	-
Other intangible assets	1		1	3	(1)	2
Intangible assets in progress	40,943	(306)	40,637	50,720	-	50,720
Total	**195,278**	**(93,944)**	**101,333**	**212,750**	**(106,948)**	**105,802**

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

(€k)	Gross	Amortization/impairment	Net
At 03.31.2021	**195,278**	**(93,944)**	**101,333**
Capitalization of development costs (1)	4,365		4,365
Acquisitions	14,244		14,244
Disposals/write-offs	(536)	-	(536)
Amortization		(22,587)	(22,587)
Net impairment		9,541	9,541
Transfers	(532)	-	(532)
Translation adjustment	144	(60)	84
Changes in consolidation scope	(214)	102	(112)
At 03.31.2022	**212,750**	**(106,948)**	**105,802**

The €9.5 million net impairment charge for the period primarily relates to:

- a reversal of a €10.7 million provision on research and development projects following an improvement in assumptions (particularly in terms of production rates) in line with the upturn in business and better growth prospects;
- an additional €1.6 million provision on certain projects.

The Group is in the process of upgrading its IT system; the costs of this project are capitalized. At March 31, 2022, net capitalized development costs for the ERP project amounted to €43.8 million (€38.2 million at March 31, 2021).

In financial year 2021/22, the continued installation of the new ERP system incurred total costs of €5.6 million (€7.7 million in financial year 2020/21).

Overview of net values by type:

Type	Net amount
R&D projects	57,259
ERP project	43,838
Licenses and software	4,705
Total	**105,802**

The Group's R&D investment policy focuses on new machining systems (aerostructures and engines).
In this area, FIGEAC AÉRO Group must prepare for the arrival of new products on the market and make use of cutting-edge technologies. FIGEAC AÉRO must also work closely with its export customers and find new markets overseas.

FIGEAC AÉRO Group's R&D expenditure is substantial. Its pro-active R&D policy in France entitled it to a research tax credit and significant subsidies (research tax credit of €0.88 million in 2022 versus €0.7 million in 2021) recognized as "other income" in the consolidated income statement.

In 2022, total R&D expenditure represented 3.25% of Group revenue versus 4% in 2021. This expenditure is evidence of the Group's commitment to developing its operational processes.

Asset impairment:

At the end of each financial year, the Group assesses whether there is any indication that an asset may be impaired. An impairment test is conducted if there is an indication of impairment: the net carrying amount of the asset is compared with its recoverable amount. If its present value falls below its carrying amount, the latter is reduced to the present value.
This impairment charge is calculated by comparing the project's value in use (based on production rates indicated in the data provided by aircraft manufacturers positioned in time and discounted at an annual rate of 9.30%) with the net carrying amount of these projects at March 31, 2022 (based on the amortization schedule established initially).

Note 5. Property, plant and equipment

Property, plant and equipment break down as follows:

	03.31.2021			03.31.2022		
(€k)	Gross	Deprec./ impair.	Net	Gross	Deprec./ impair.	Net
Land	5,667	(775)	4,892	5,856	(793)	5,063
Buildings	78,190	(25,627)	52,563	80,631	(29,161)	51,470
Plant machinery, equipment and tools	154,141	(102,183)	51,958	160,816	(122,246)	38,570
Improvement and preparation of land	21,607	(12,113)	9,494	22,247	(14,395)	7,852
Transportation equipment	392	(334)	58	421	(340)	81
Office and IT equipment	7,074	(4,926)	2,148	7,534	(5,421)	2,113
Other property, plant and equipment	817	(604)	213	874	(758)	116
Plant, property and equipment in progress	9,180		9,180	12,282		12,282
Advances and down payments on property, plant and equipment	1,804		1,804	934		934
Total	**278,872**	**(146,562)**	**132,310**	**291,595**	**(173,114)**	**118,481**

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

(€k)	Gross	Depreciation/impairment	Net
At 03.31.2021	**278,872**	**(146,562)**	**132,310**
Acquisitions	14,585		14,585
Disposals/write-offs	(2,024)	757	(1,267)
Depreciation		(23,228)	(23,228)
Net impairment		(2,183)	(2,183)
Transfers	526	(2,425)	(1,899)
Translation adjustment	1,633	(371)	1,262
Changes in consolidation scope	(1,996)	897	(1,099)
At 03.31.2022	**291,595**	**(173,114)**	**118,481**

Details of the property, plant and equipment pledged as security are provided in Note 3.

The most significant acquisitions were:

- three machines for the Aerostructures business: €4,413k;
- various equipment items and fixtures: €10,102k.

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

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

Firm orders for machines	**Mar-23**	**Mar-24**
Number of machines	5	1
Amount (€k)	14,813	1,549

Asset impairment tests:

The Group carried out annual impairment tests on its cash generating units (CGUs) by comparing their values in use with their net carrying amounts.
The main CGUs identified and tested were the following:

- FIGEAC AÉRO CGU, consisting of the Group's entities that generate more than 50% of their revenue through Figeac Aéro (FIGEAC AÉRO, FGA Tunisie, FGA Maroc, FGA Picardie, FGA Saint Nazaire);
- FIGEAC AÉRO 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 summarized as follows:

- projected cash flows are calculated based on forecasts for the CGU for the next five years;
- operating forecasts used to calculate projected cash flows incorporate general economic data, specific rates of inflation for each region, US dollar exchange rates depending on available market information, and macroeconomic assumptions for the medium term and long term. These forecasts and assumptions are those used by the Group in its medium-term business plan for the next four years; going further forward, they are based on Group Management's best estimates for its activities over the longer term;
- the value in use of each 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 2021) applied to cash flows after tax. The discount rate does not include an inflation factor as the business plan has been determined taking into account inflationary assumptions on the relevant items.

The operating forecasts used to calculate projected cash flows have been updated to factor in the new aircraft delivery schedules and the expected revision to the margin owing to the updated operational action plan approved by Group Management.
Activity levels are expected to return to normal in the financial year ending March 2027.

At March 31, 2021, the tests had prompted the company to recognize the following provisions:

- €7.68 million for the FIGEAC AÉRO CGU;
- €4.8 million for the FIGEAC AÉRO North America CGU.

The asset impairment test carried out at March 31, 2022 led to an additional impairment charge of €2.5 million on the FIGEAC AÉRO North America CGU.

At March 31, 2022, the tests prompted the company to recognize the following provisions:

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

These impairment charges were recognized for CGU assets, allocated first to the value of goodwill and then in proportion to the value of the CGU's assets.

A value-in-use sensitivity analysis of the cash generating units was carried out by adjusting the main discount rate and perpetual growth rate assumptions.
The table below shows the impact on impairment losses recognized.

Sensitivity			
WACC/Growth rate	*1.50%*	*2.00%*	*2.50%*
9.00%	*-71*	*15,803*	*34,119*
9.30%	*-14,336*	*0*	*16,444*
9.60%	*-24,912*	*-14,557*	*260*

The impact of changes in the value in use of cash generating units on impairment losses recognized at March 31, 2022 is estimated as follows:

1. Downward change: equivalent impact in terms of provisions for impairment;
2. Upward change: impairment reversals would be limited to €14.9 million, the amount of the provision recorded.

In addition, the following sensitivity analyses were carried out based on the same discount rate and perpetual growth rate:

- Sensitivity to the euro/dollar exchange rate:

Sensitivity to €/$ exchange rate	
1.2	*-25,645*
1.14	*0*
1.1	*27,468*

Note 6. **Leases**

Right-of-use assets break down as follows:

	03.31.2021			03.31.2022		
(€k)	Gross	Deprec./ impair.	Net	Gross	Deprec./ impair.	Net
Right-of-use property assets	12,461	(8,324)	4,137	11,055	(7,812)	3,243
Right-of-use production equipment assets	116,564	(65,384)	51,180	115,389	(75,537)	39,852
Right-of-use transportation equipment assets	585	(500)	85	640	(562)	78
Other right-of-use assets	9,760	(1,214)	8,546	10,224	(1,780)	8,444
Total	**139,370**	**(75,422)**	**63,948**	**137,308**	**(85,690)**	**51,618**

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

(€k)	Gross	Depreciation/impairment	Net
At 03.31.2021	**139,370**	**(75,422)**	**63,948**
Increase in right-of-use assets	3,480		3,480
Terminations and transfers	(2,593)	1,823	(770)
Depreciation		(13,662)	(13,662)
Net impairment			-
Translation adjustment	(7)	2	(6)
Changes in consolidation scope	(2,942)	1,569	(1,373)
At 03.31.2022	**137,308**	**(85,690)**	**51,618**

The most significant acquisitions were:

- acquisition of two machines for the Aerostructures business: €611k;
- renewal of property right-of-use assets: €1,850k;
- renewal of transport equipment right-of-use assets: €240k;
- renewal of miscellaneous equipment right-of-use assets: €778k.

Note 7. Financial assets

Financial assets include the following:

	03.31.2021			03.31.2022		
(€k)	Gross	Impairment	Net	Gross	Deprec./ impair.	Net
Non-consolidated investments	67	-	67	575	497	78
Loans	1,785	-	1,785	1,922		1,922
Other financial assets	6,161	-	6,161	7,601	5,296	2,305
Total	**8,013**	**-**	**8,013**	**10,098**	**5,793**	**4,305**

The change in other financial assets breaks down as follows:

(€k)	Gross	Impairment	Net
At 03.31.2020	**8,013**	**-**	**8,013**
Change over the period (1)	(3,718)		(3,718)
Net impairment		8	8
Deconsolidation of FGA Auxerre (2)	5,801	(5,801)	-
Translation adjustment	2		2
Changes in consolidation scope	-	-	-
At 03.31.2021	**10,098**	**(5,793)**	**4,305**

(1) The guarantee deposit on financing reported in the 2020/21 financial statements was repaid as announced during the year for €4.1 million.
(2) The removal of FGA Auxerre from the consolidation scope during the period resulted in the recognition of this subsidiary's securities (€505k) and financial receivables (€5,296k) as assets of the FIGEAC AÉRO Group. As of March 31, 2022, these two financial assets were fully provisioned for €5,801k.

Note 8. Equity-accounted investments

The Group has investments in two joint ventures (Nanshan Figeac Aero Industry and Sami Figeac Aero Manufacturing (SFAM)), which it recognizes using the equity method.

The financial information for equity-accounted companies is summarized below:

(€k)	03.31.2021 Nanshan Figeac Aero Ind.	03.31.2022 Nanshan Figeac Aero Ind.	Sami Figeac Aero Manufacturing	Total
Non-current assets			8	8
Current assets other than cash and cash equivalents	13	5	6,712	6,717
Cash and cash equivalents	5,121	5,566	3,135	8,701
Uncalled subscribed capital			1,693	1,693
Other non-current liabilities				-
Non-current financial liabilities				-
Other current liabilities	(11)	(202)	(1,487)	(1,689)
Current financial liabilities			(10,151)	(10,151)
Net assets	**5,123**	**5,369**	**(90)**	**5,279**
Group share	50%	50%	40%	
Value of equity-accounted investments	**2,561**	**2,684**	**(36)**	**2,648**
Elimination of internal margin				(1,333)
Value of equity-accounted investments	**2,561**			**1,316**

(€k)	FY 2020/21 Nanshan Figeac Aero Ind.	FY 2021/22 Nanshan Figeac Aero Ind.	Sami Figeac Aero Manufacturing	Total
Revenue		-	-	-
Operating income (loss)	(117)	(209)	(2,677)	(2,885)
Cost of debt				-
Tax			(188)	(188)
Net income (loss)	(117)	(209)	(2,865)	(3,073)
Items of other comprehensive income				-
Total comprehensive income (loss)	**(117)**	**(209)**	**(2,865)**	**(3,073)**
Group share	50%	50%	40%	
Share of net income (loss) of equity affiliates	**(59)**	**(106)**	**(1,145)**	**(1,250)**

Note 9. Contract assets

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

	03.31.2021			03.31.2022		
(€k)	Gross	Amort./ impair.	Net	Gross	Amort./ impair.	Net
Cost of obtaining the contract			-			-
Cost of executing the contract	31,136	(3,618)	27,518	30,127	(4,838)	25,289
Total	**31,136**	**(3,618)**	**27,518**	**30,127**	**(4,838)**	**25,289**

Subsequent to the new production rates announced by aircraft manufacturers on account of the Covid-19 crisis, the recoverable amount on certain contracts was adjusted by €1,220k.

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

	CONTRACT ASSETS				CONTRACT LIABILITIES			
	YEAR	increase	reversal	balance	YEAR	increase	reversal	balance
TOTAL	31,136	536	(906)	30,767	15,355	2,612	(4,470)	13,497

Note 10. Inventory and work in progress

Inventory and work in progress break down as follows:

	03.31.2021			03.31.2022		
(€k)	Gross	Impairment	Net	Gross	Impairment	Net
Inventories of raw materials	60,846	(2,429)	58,417	46,322	(1,802)	44,520
Inventories of other supplies	34,844	532	35,376	42,549	(51)	42,498
Production and services in progress	45,872	(6,153)	39,719	60,095	(6,478)	53,617
Inventory of finished goods	51,505	(5,065)	46,440	46,150	(4,562)	41,588
Total	**193,067**	**(13,115)**	**179,952**	**195,116**	**(12,894)**	**182,223**

The raw materials inventory includes inventory carried by AEROTRADE.

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

(€k)	Gross	Impairment	Net
At 03.31.2021	**193,067**	**(13,115)**	**179,952**
Change over the period	4,114		4,263
Net impairment		(164)	(164)
Transfers	-	-	-
Translation adjustment	223	7	230
Changes in consolidation scope	(2,436)	377	(2,059)
At 03.31.2022	**194,967**	**(12,894)**	**182,223**

Changes in consolidation scope correspond to the loss of control of subsidiaries FGA USA and FGA Auxerre.

In days of sales, net inventory represented 236 days in March 2022 versus 320 days in March 2021.

Note 11. Trade receivables and other assets

Trade receivables and other assets break down as follows:

	03.31.2021			03.31.2022		
(€k)	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables and related accounts	41,555	(5,228)	36,327	66,142	(5,058)	61,083
Tax receivables	7,063		7,063	7,688		7,688
Other current assets:						
Advances and down payments made on orders	1,443		1,443	1,330		1,330
Other receivables	17,155	(597)	16,557	17,272	(567)	16,705
Prepaid expenses	4,522		4,522	3,676		3,676
of which total other current assets	***23,120***	***(597)***	***22,522***	***22,278***	***(567)***	***21,711***
Total	**71,738**	**(5,825)**	**65,912**	**96,108**	**(5,625)**	**90,482**

Changes in consolidation scope correspond to the loss of control of subsidiaries FGA USA and FGA Auxerre.

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

(€k)	Gross	Impairment	Net
At 03.31.2021	**71,738**	**(5,825)**	**65,912**
Change over the period	25,006		25,007
Net impairment		200	200
Translation adjustment	151	(1)	151
Changes in consolidation scope	(787)		(787)
At 03.31.2022	**96,108**	**(5,625)**	**90,482**

The Group assigns trade receivables to a factoring company.

At March 31, 2022, trade receivables transferred to the factoring company without derecognition amounted to €15.2 million versus €17.4 million at March 31, 2021.

Only assignments involving the transfer of rights to future cash flows from receivables and the transfer of substantially all the risks and benefits associated with ownership of receivables (payment default, risk of late payment and other reasons) resulted in the derecognition of these assets from the balance sheet to the tune of €16.5 million.

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

(€k)	**03.31.2022**	not yet due	< 30 days	31 to 90 days	90 to 180 days	181 days to 1 year	> 1 year
Trade receivables and related accounts	63,372	42,431	6,246	10,170	1,394	1,011	2,119
Doubtful trade receivables	2,769	-	-	-	-	-	2,769
Provisions	(5,058)		-	-	-	(326)	(4,732)
Net amount	**61,083**	**42,431**	**6,246**	**10,170**	**1,394**	**686**	**156**

Note 12. Cash and cash equivalents

(€k)	03.31.2021	03.31.2022
Marketable securities	100	170
Sight deposits	80,370	49,133
Total	**80,470**	**49,303**

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

(€k)	
At 03.31.2021	**80,470**
Changes over the period	(30,757)
Currency translation difference	71
Changes in consolidation scope	(481)
At 03.31.2022	**49,303**

Note 13. **Fair value of financial assets**

The table below shows the net carrying amount of the Group's financial assets at March 31, 2022 and March 31, 2021:

At 03.31.2022	Balance sheet value			
(€k)	Amortized cost	Fair value through profit or loss	Fair value through items of other comprehensive income	**Total**
Non-current financial assets	4,305			4,305
Non-current derivative assets		763		763
Other current assets	21,711			21,711
Trade and other receivables	61,083			61,083
Cash and cash equivalents	49,132	170		49,303
Total financial assets	**136,231**	**933**	**-**	**137,164**

At 03.31.2021	Balance sheet value			
(€k)	Amortized cost	Fair value through profit or loss	Fair value through items of other comprehensive income	**Total**
Non-current financial assets	8,013			8,013
Non-current derivative assets		3,076		3,076
Other current assets	22,522			22,522
Trade and other receivables	36,327			36,327
Cash and cash equivalents	80,370	100		80,470
Total financial assets	**147,232**	**3,176**	**-**	**150,408**

In 2022, as in 2021, the fair value of the Group's financial assets was identical to their net carrying amount.

<u>Fair value of financial assets</u>

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

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

At March 31, 2022, the Group held the following financial assets recognized at fair value:

At 03.31.2022				
(€k)	Level 1	Level 2	Level 3	**Total**
Non-current derivative assets		763		763
Current derivative assets				
Cash and cash equivalents	170			170
Total	**170**	**763**	**-**	**933**

At March 31, 2021, the Group held the following assets recognized at fair value:

At 03.31.2021

(€k)	Level 1	Level 2	Level 3	**Total**
Non-current derivative assets		3,076		3,076
Current derivative assets				
Cash and cash equivalents	100			100
Total	**100**	**3,076**	**-**	**3,176**

Note 14. Derivative instruments

The Group faces currency risks, as it operates in an international environment and some of its French customers pay their bills in 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. Consequently, the Group invoices around 61% of its sales by its French entities in dollars and pays for raw materials, supplies and subcontracting in dollars. The Group's natural USD dollar hedge accounts for around 52% 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**			**Maturity**		
	Assets	Liabilities	Notional amount	< 1 year	1 to 5 years	> 5 years
EUR cap		(11)		30,413		
EUR collar		7		12,096		
Total interest rate derivative instruments	-	**(4)**	**(1)**	**42,509**	**(1)**	

(€k)	**FY 2020/21**	**FY 2021/22**
Fair value at beginning of period	**(217)**	**(193)**
Pre-tax impact on income (loss)	24	189
Fair value at end of period	**(193)**	**(4)**

Foreign exchange derivative instruments

(€k)	Balance sheet value		Maturity			
	Assets	Liabilities	Notional amount	< 1 year	1 to 5 years	> 5 years
Instruments that do not qualify for hedge accounting:						
EUR/USD accumulator		-4,288	165,129	118,654	46,475	
EUR/USD currency options						
Cash flow hedges:						
EUR/USD currency futures	763	-132	21,495	21,495		
EUR/USD currency options		-458	20,000		20,000	
Total currency derivative instruments	763	**-4,879**	**206,624**	**140,149**	**66,475**	**-**
Instruments that do not qualify for hedge accounting		-4,288	165,129	118,654	46,475	
Instruments that qualify for hedge accounting	763	-591	41,495	21,495	20,000	

Impact of derivative instruments not eligible for hedge accounting:

(€k)	FY 2020/21	FY 2021/22
Fair value at beginning of period	**(13,498)**	**(1,633)**
Pre-tax impact on income (loss)	11,865	(3,054)
Fair value at end of period	**(1,633)**	**(4,687)**

Impact of future cash flow hedges:

(€k)	FY 2020/21	FY 2021/22
Shareholders' equity - hedging instruments (net of tax) at start of period	**(1,492)**	**2,473**
Fair value adjustment of effective portion	**7,092**	**(1,709)**
Reclassification to income (loss)	(1,586)	**235**
Tax effect on changes during period	(1,542)	412
Fair value at end of period	**2,473**	**1,410**

Breakdown of unrealized gains/losses on derivative instruments:

(€k)	03.31.2021	03.31.2022
Unrealized gains and losses on derivative instruments	**11,888**	**(3,775)**
Income (loss) from forex hedging	11,865	(3,054)
Income (loss) from interest rate hedging	24	
Income (loss) from the ORNANE derivative	(1)	53
Restatement of treasury shares		(774)

Note 15. **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.

As of March 31, 2022, employee shareholdings amounted to 0.22% of the Company's share capital.

At March 31, 2022, the share capital consisted of 31,839,473 shares, of which 24,092,886 had double voting rights.

The par value of one share is €0.12.

Liquidity contract – Treasury shares – Share price

Since January 13, 2014, the Company has entrusted Louis Capital Markets with implementing a liquidity contract for its shares as part of an agreement that complies with the AMAFI (French association of financial markets) Code of Ethics. This contract aims to promote trading liquidity and the regular trading of shares as well as to avoid share price timing differences that are not justified by market trends.
An amount of €2,000,000 is allocated to this liquidity contract.

At March 31, 2022, the Company held 108,298 treasury shares acquired solely under this contract.

Under the share buyback agreement which expired last year, the Company held 333,423 shares at March 31, 2022.

The share price at March 31, 2022 stood at €5.40.

Note 16. **Provisions**

Provisions break down as follows:

			Reversals				
(€k)	**03.31.2021**	Increases in provisions	Used	Unused	Changes in consolidation scope	Other	**03.31.2022**
Provisions for risks and litigation	1,714	1,736	(756)			-	2,694
Provisions for restructuring	7,472		(5,860)	(1,079)		-	533
Provisions for loss-making contracts	2,521		(578)				1,943
Total provisions	**11,707**	**1,736**	**(7,194)**	**(1,079)**	**-**	**-**	**5,170**

Other non-current provisions mainly consist of:

- Provisions for labor litigation: €1,355k
- Provisions for customer litigation: €1,085k

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

- Provisions for the PSEs (employment protection plans) at FIGEAC AÉRO and FGA Picardie: €533k
- Other provisions: €253k
- Provisions for losses on contract completion: €1,943k

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

Note 17. Employee benefits

Pension liabilities

Pursuant to IAS 19 “Employee benefits”, the purpose of the provision for pensions recognized 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 1.77%.

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

- a change of +1% in the discount rate would have a negative impact of €161k on consolidated income (loss);
- a change of <1%> in the discount rate would have a positive impact of €191k on consolidated income (loss).

The change in gross liabilities is as follows:

(€k)	**FY 2020/21**	**FY 2021/22**
Commitments at beginning of period	**1,769**	**2,595**
Change of method under IAS 19	-	(443)
Cost of services rendered	43	140
Interest expense	25	16
Actuarial gains or losses	758	(301)
Commitments at end of period	**2,595**	**2,008**

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 1.77%.

The change in gross liabilities is as follows:

(€k)	**FY 2020/21**	**FY 2021/22**
Commitments at beginning of period	**81**	**109**
Change of method under IAS 19	-	2
Cost of services rendered	7	9
Interest expense	1	1
Actuarial gains or losses	20	(9)
Commitments at end of period	**109**	**113**

Note 18. Interest-bearing and non-interest-bearing financial liabilities

Interest-bearing financial liabilities include the following:

(€k)	**03.31.2021**	**03.31.2022**
Bond issues (ORNANE)	87,762	-
Loans from credit institutions	123,892	178,162
Lease liabilities	40,556	27,847
Repayable advances	11,402	9,190
Other financial liabilities	1,556	1,320
Accrued interest not yet due	1,403	1,411
Total non-current interest-bearing financial liabilities	**266,571**	**217,930**
Bond issues (ORNANE)		86,945
Loans from credit institutions (1)	120,660	55,124
Lease liabilities	16,137	13,329
Repayable advances	5,911	5,165
Other financial liabilities	-	3
Short-term bank overdrafts and advances and similar	1,512	914
Factoring	17,418	15,250
Total current interest-bearing financial liabilities	**161,638**	**176,730**
Total interest-bearing financial liabilities	**428,209**	**394,660**

(1) The principal amount outstanding on the syndicated and EBRD loans is classified under current liabilities at March 31, 2021, because the waivers enabling these loans to be reclassified as non-current liabilities were not obtained until after year-end. Impact: €88,633k

On October 18, 2017, FIGEAC AÉRO issued 3,888,025 bonds redeemable in 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 October 18, 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.
Since the outset, the Group has bought back 454,310 ORNANEs for cancellation, of which 102,144 were bought back during the period under review.

After the closing date, the Group obtained an agreement with its creditors to reschedule these financing arrangements (see Note 31 “Post balance sheet events”).

The €14 million outstanding amount of the Aerotrade transaction is not included in interest-bearing liabilities.

The change in this item breaks down as follows:

(€k)	
At 03.31.2021	**428,209**
Increase in long-term borrowings	7,838
Decrease in long-term borrowings	(23,087)
Change in short-term financing	(2,772)
Total changes resulting from cash flows	**(18,021)**
Net increase in lease liabilities	(15,517)
Accrued interest	20
Change in short-term financing	
Changes in consolidation scope	
Translation adjustment	(32)
Fair value adjustment of liabilities hedged using interest rate instruments	
Transfers	
Total non-cash changes	**(15,529)**
Total	**394,660**

The change in debt by type of flow is as follows:

(€k)	03.31.2021	Cash flow	Change in fair value	Change in consolidation scope	Currency effects	Other changes	Non-cash total	03.31.2021
Bond issues (ORNANE)	87,762	-2,627	1,810	0	0		1,810	86,945
Loans from credit institutions	244,552	-11,238		0	-29		-29	233,285
Lease liabilities	56,693	-14,075		-1,438	-4		-1,442	41,176
Repayable advances	17,313	-2,958		0	0		0	14,355
Other financial liabilities	1,556	-232		0	0		0	1,323
Advances received on orders - Aerotrade		3,693				-3,693	-3,693	
Accrued interest not yet due	1,403	8		0	0		0	1,411
Interest paid		-4,803					0	
Acquisitions or disposals of treasury shares		-78					0	
Short-term bank overdrafts and advances and similar	1,512	-595		0	-3		-3	914
Factoring	17,418	-2,168		0	0		0	15,250
Cash and cash equivalents	***18,930***	***-2,763***	***0***	***0***	***-3***	***0***	***-3***	***16,164***
Total non-current interest-bearing financial liabilities	**428,209**	**-35,073**	**1,810**	**-1,438**	**-37**	**-3,693**	**-3,357**	**394,660**

Breakdown of interest-bearing financial liabilities by maturity

(€k)	**03.31.2021**	**03.31.2022**
< 1 year (1) (2)	161,638	176,730
> 1 year and < 5 years	224,728	211,174
5 years and more	41,843	6,756
Total	**428,209**	**394,660**

(1) Of which short-term bank overdrafts and factoring €18,930k €16,164k

(2) The principal amount outstanding on the syndicated and EBRD loans is classified under current liabilities at March 31, 2021, because the waivers enabling these loans to be reclassified as non-current liabilities were not obtained until after year-end. Impact: €88,633k

After the closing date, the Group obtained an agreement with its creditors to reschedule these financing arrangements (see Note 31 "Post balance sheet events").

Breakdown of liabilities by currency

(€k)	**03.31.2021**	**03.31.2022**
EUR	428,209	394,660
USD		
Total	**428,209**	**394,660**

Breakdown of interest-bearing financial liabilities by type of interest

(€k)	**03.31.2021**	**%**	**03.31.2022**	**%**
Fixed rate	306,736	72%	287,078	73%
Floating rate	121,473	28%	107,582	27%
Total	**428,209**	**100%**	**394,660**	**100%**

Covenants

All covenants on bank loans and overdrafts must be audited at the end of each half-year period. Covenants apply to 22.5% of borrowings, i.e. €88,749k.

Covenants at March 31, 2022 are described in the table below:

(€k)	Type of credit	Fixed rate	Floating rate	Initial amount	Remaining principal due at 03/31/2022	Maturity	Covenant
	Conventional credit		1-month Euribor + spread	95,995	71,437	2,025	(1)
	Conventional credit*		1-year Euribor + spread	27,700	17,312	2,025	(2)
	-						
	Total	-	-	**123,695**	**88,749**		

* Loan obtained from the European Bank for Reconstruction and Development

(1) Net debt/EBITDA < 4.5

The covenant was breached at March 31, 2022, but FIGEAC AÉRO's lenders agreed (before year-end) to waive the rights they would have acquired as a result of the breach of the loan terms.

(2) Net debt/EBITDA < 4
(2) Net debt/Equity < 1.7
(2) EBITDA coverage ratio > 1.3
(2) Free cash flow > 0

These covenants were breached at March 31, 2022, but FIGEAC AÉRO's lenders agreed (before year-end 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.

Note 19. Contract liabilities

Contract liabilities break down as follows:

(€k)	**03.31.2021**	**03.31.2022**
Advances and down payments received	15,355	13,497
Deferred income		
Other contract liabilities		
Total	**15,355**	**13,497**

Note 20. Trade and other payables

Trade and other payables break down as follows:

(€k)	03.31.2021	Changes over the period	Changes in consolidation scope	Translation adjustment	Transfers	03.31.2022
Trade payables	43,271	41,917	414	29	-	85,632
Payables on fixed assets and related accounts	1,541	772	-	(2)	-	2,311
Total trade and other payables	**44,812**	**42,689**	**414**	**28**	**-**	**87,943**
Tax liabilities	9,108	3,110	(102)	12	-	12,127
Other current liabilities:						
Advances and down payments received on orders	15,001	2,827	0	-	-	17,828
Social security liabilities	31,809	(2,135)	(773)	9	-	28,909
Other liabilities	4,113	45	(15)	(4)	-	4,139
Deferred income	5,348	4,742	-	141	-	10,231
Total other current liabilities	**56,271**	**5,480**	**(788)**	**146**	**-**	**61,108**
Total	**110,191**	**51,278**	**(476)**	**185**	**-**	**161,178**

Note 21. Overview of financial liabilities

The table below presents the net carrying amount of the Group's financial liabilities at March 31, 2022 and March 31, 2021:

At 03.31.2022	Balance sheet value			
(€k)	Amortized cost	Fair value through profit or loss	Fair value through items of other comprehensive income	**Total**
Non-current interest-bearing financial liabilities	217,930			217,930
Current interest-bearing financial liabilities	176,730			176,730
Non-current derivative liabilities		5,355		5,355
Current derivative liabilities				-
Other liabilities				-
Trade and other payables	149,051			149,051
Total financial liabilities	**543,711**	**5,355**	**-**	**549,066**

At 03.31.2021	Balance sheet value			
	Amortized cost	Fair value through profit or loss	Fair value through items of other comprehensive income	**Total**
(€k)				
Non-current interest-bearing financial liabilities	266,571			266,571
Current interest-bearing financial liabilities	161,638			161,638
Non-current derivative liabilities		3,139		3,139
Current derivative liabilities				
Other liabilities				-
Trade and other payables	101,083			101,083
Total financial liabilities	**529,292**	**3,139**	**-**	**532,431**

In 2022, as in 2021, the fair value of the Group's financial liabilities was identical to their net carrying amount.

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

At March 31, 2022, the Group had the following financial liabilities recognized at fair value:

At 03.31.2022

(€k)	Level 1	Level 2	Level 3	**Total**
Non-current derivative liabilities		5,355		5,355
Current derivative liabilities				
Total	**-**	**5,355**	**-**	**5,355**

At March 31, 2021, the Group had the following financial liabilities recognized at fair value:

At 03.31.2021

(€k)	Level 1	Level 2	Level 3	**Total**
Non-current derivative liabilities		3,139		3,139
Current derivative liabilities				
Total	**-**	**3,139**	**-**	**3,139**

Note 22. **Revenue**

Breakdown of revenue by business segment

(€k)	**FY 2020/21**	**FY 2021/22**
Manufacturing of structural parts for the aerospace industry	167,719	235,330
General engineering and heavy sheet metal manufacturing	11,765	14,028
On-site assembly	3,553	4,701
Machining and surface treatment	21,612	27,890
Total	**204,649**	**281,948**

Breakdown of revenue by region

(€k)	FY 2020/21	FY 2021/22
France	153,160	202,687
Export	51,489	79,261
Total	**204,649**	**281,948**

Note 23. Breakdown of other components of operating income

Other income

(€k)	FY 2020/21	FY 2021/22
Research tax credit	1,620	1,319
Operating subsidies	79	132
Other operating income	424	333
Total	**2,123**	**1,785**

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

(€k)	FY 2020/21	FY 2021/22
Supplies, raw materials and other	(74,400)	(116,191)
Traded goods	-	(6)
Change in inventory	28,878	2,227
Contract assets	1,463	128
Subcontracting	(32,696)	(41,221)
Purchases not held in inventory	(9,585)	(9,577)
External services	(21,936)	(27,087)
Total	**(108,276)**	**(191,726)**

Personnel expenses

(€k)	FY 2020/21	FY 2021/22
Wages and salaries	(58,373)	(52,244)
Payroll taxes	(18,225)	(17,774)
Temping staff expenses	(550)	(2,579)
Other payroll expenses	(1,799)	(2,397)
Operating expenses transferred (presented as a reduction in personnel expenses)	9,867	1,834
Total	**(69,080)**	**(73,161)**

Net depreciation, amortization and provisions

(€k)	FY 2020/21	FY 2021/22
Net depreciation and amortization charges		
- on intangible fixed assets	(11,861)	(14,446)
- on property, plant and equipment	(23,434)	(22,134)
- on finance leases	(12,567)	(11,577)
- on right-of-use assets	(2,447)	(2,068)
Share of subsidy transferred to the income statement	1,155	955
Total net depreciation and amortization charges	**(49,154)**	**(49,271)**
Total net provisions	**2,305**	**(1,328)**
Net depreciation, amortization and provisions	**(46,849)**	**(50,599)**

Non-recurring operating income & expenses

(€k)	FY 2020/21	FY 2021/22
Reversals of non-current provisions (1)	5,079	18,362
Other non-recurring income (2)	2,923	4,947
Capital gains and losses from asset disposals	(2,462)	(736)
Allocations to non-current provisions (3)	(15,650)	(13,855)
Other non-recurring expenses (4)	(8,011)	(20,948)
Total	**(18,121)**	**(12,230)**

(1) Of which reversal of PSE provisions: €6,938k, reversal of asset impairment: €10,343k
(2) Of which FGA Auxerre asset disposal: €3,690k
(3) Of which allocation to provisions for asset impairment: €12,032k
(4) Of which: PSE costs: €8,578k, FGA Auxerre disposal: €5,801k, restructuring costs: €2,842k

Note 24. Net cost of debt

(€k)	FY 2020/21	FY 2021/22
Financial income	**1,978**	**1,603**
Financial expenses - borrowings	(4,597)	(4,803)
Financial expenses - factoring	(2,034)	(2,175)
Interest expense on lease liabilities	(667)	(643)
Other financial expenses	(137)	(177)
Financial expenses	**(7,435)**	**(7,798)**
Net cost of debt	**(5,457)**	**(6,195)**

The average debt rate worked out at 1.90% versus 1.80% the previous financial year.

Note 25. **Tax**

Reconciliation between theoretical tax and effective tax

(€k)	FY 2020/21	FY 2021/22
Net income (loss) for the period	(57,174)	(42,086)
Current tax income (expense)	(495)	(1,564)
Provisions for tax	-	-
Deferred tax income (expense)	2,594	511
Total tax income (expense)	**2,099**	**(1,053)**
Profit before tax	**(59,273)**	**(41,033)**
Legal tax rate of the parent company		26.5%
Theoretical tax		10,874
Impact of permanent differences		
Impact of tax loss carryforwards		(10,558)
Impact of changes in tax rates		
Impact of overseas tax rates		306
Impact of tax credits		216
Other impacts		(1,891)
Total tax income (expense)		**(1,053)**
Effective tax rate		N/A

Deferred tax assets and liabilities

Deferred taxes are recognized using the balance sheet liability method.

The change in deferred taxes was as follows:

(€k)	FY 2020/21	FY 2021/22
Deferred tax assets	20,372	7,013
Deferred tax liabilities	(22,083)	(7,435)
Deferred taxes at start of period	**(1,711)**	**(422)**
Deferred taxes recognized in the income statement	2,594	511
Deferred taxes recognized directly in shareholders' equity	(1,324)	192
Transfers		-
First-time application of IFRS 16 at 04.01.2020		
Translation adjustment	19	(16)
Changes in consolidation scope		26
Deferred taxes at end of period	**- (422)**	**291**
of which deferred tax assets	7,013	11,195
of which deferred tax liabilities	(7,435)	(10,904)

The main types of deferred taxes were as follows:

(€k)	**03.31.2021**	**03.31.2022**
Property, plant and equipment and intangible fixed assets	(4,495)	(5,109)
Financial instruments	(1,065)	600
Employee benefits	815	669
Regulated provisions	235	278
Recognition of tax losses	7,154	7,154
Other	(3,066)	(3,301)
Net deferred tax assets/(deferred tax liabilities)	**(422)**	**291**

Tax loss carryforwards

Deferred tax assets not recognized as tax loss carryforwards amounted to €10.5 million.

Note 26. Earnings per share

(€)	FY 2020/21	FY 2021/22
Average number of outstanding shares	31,839,473	31,839,473
Treasury shares	425,282	441,721
Weighted average number of shares	**31,414,191**	**31,397,752**
Stock option plan	-	-
Earnings (Group share) in euros	**(57,144,771)**	**(42,047,554)**
Earnings per share	(1.79)	(1.32)
Diluted earnings per share	(1.79)	(1.32)

	FY 2020/21	FY 2021/22
Liquidity agreement	91,859	108,298
Share buyback plan	333,423	333,423
Total	**425,282**	**441,721**

Note 27. Risk management

The Company operates in a changing environment which poses risks, some of which are beyond its control. Investors are invited to consider all the information in this report regarding the specific financial risk factors as described herein. The Company reviewed the major risks specific to the Group that could have a material adverse impact on its business, financial position, results and outlook.

However, investors' attention is drawn to the fact that the list of risks and uncertainties provided below is not an exhaustive one. Other risks and uncertainties of which the Company is unaware or the occurrence of which is not currently considered as potentially having a material adverse effect on the Group, its business, financial position, results or outlook, may exist or may become major risk factors that could have a material adverse effect on the Group, its business, financial position, results, development or outlook.

Risk factor analysis methodology:

The Company provides the following information for each of the risks presented below:
- a presentation of gross risk as it arises during the course of the Company's business;
- a presentation of the measures introduced by the Company to manage said risk.

The risk factors currently considered by the Company to be the most material are listed first. New events occurring either internally or externally to the Company could therefore change this order of materiality at any time in the future.

Application of these measures to gross risk enables the Company to measure its net risk. The Company assessed the degree of criticality of its net risk based on a combined analysis of two criteria: (i) the probability of the risk materializing and (ii) the estimated magnitude of its negative impact.

The criticality of each risk is presented below according to the following qualitative scale:

- Low;
- Moderate;
- High.

Summary table:

Type of risk	Reference	Probability of occurrence	Risk magnitude	Criticality of net risk
Financial risks				
- Foreign exchange risk	27.1	High	High	High
- Liquidity risk	27.2	Moderate	High	Moderate
- Interest rate risk	27.3	High	Moderate	Moderate
- Credit and counterparty risk	27.4	Low	High	Moderate
- Research & Development and Research Tax Credit risk	27.5	Moderate	Moderate	Moderate

27.1 Foreign exchange risk

The Group's (operating and financial) income/loss and assets and liabilities in foreign currency are exposed to fluctuations in exchange rates, primarily in the euro/US dollar exchange rate. A significant share of the Group's revenue and payments to its suppliers is in US dollars, which is the benchmark currency used in the commercial aerospace industry. The dollar exchange rate and associated currency risk are, consequently, among the assumptions made when determining the profit margin at completion for construction contracts. In addition, the Group has trade receivables, trade payables, inventory, and cash and cash equivalents denominated in US dollars.
Fluctuations in the euro relative to the US dollar may therefore affect the Group's capacity to compete with its American peers, as the prices of many products in the commercial aerospace industry are set in US dollars.

The Group's revenue, costs, consolidated assets and liabilities denominated in currencies other than the euro are converted into euros when its financial statements are being prepared. Thus, changes in the value of these currencies relative to the euro, especially in the euro/dollar exchange rate, may have a significant impact on the euro value of the Group's revenue and income.

It is worth noting that 68% of the Group's 2021/22 revenue was invoiced in US dollars by its French entities.

During the year ended March 31, 2022, FIGEAC AÉRO billed $220 million to its customers and purchased $80.8 million from its suppliers (purchases denominated in US dollars represent 37% of sales denominated in US dollars).

In addition, the Group often enters into hedging arrangements in order to lessen its exposure to these fluctuations, and especially to adjust to changes in the euro/dollar exchange rate. It has thus arranged a currency risk hedging policy with its banks to protect its profit margins and cash and cash equivalents. Its positions at March 31 are shown below:

Foreign exchange derivative instruments:

(€k)	Balance sheet value			Maturity		
	Assets	Liabilities	Notional amount	< 1 year	1 to 5 years	> 5 years
Instruments that do not qualify for hedge accounting:						
EUR/USD accumulator		-4,288	165,129	118,654	46,475	
EUR/USD currency options						
Cash flow hedges:						
EUR/USD currency futures	763	-132	21,495	21,495		
EUR/USD currency options		-458	20,000		20,000	
Total currency derivative instruments	763	**-4,879**	**206,624**	**140,149**	**66,475**	**-**
Instruments that do not qualify for hedge accounting		-4,288	165,129	118,654	46,475	
Instruments that qualify for hedge accounting	763	-591	41,495	21,495	20,000	

The Company's net income (loss) may structurally be greatly affected by gains or losses from its economic currency hedges and by fair value adjustments to its financial instruments due to:

- the types of derivatives used and the accounting principles applied to these derivatives under IFRS: FIGEAC AÉRO mainly uses financial instruments that do not qualify for hedge accounting;
- hedged volumes: the nominal amount of hedging commitments was $206 million for the Group's sell positions at March 31, 2022;
- the average maturity of the hedging instruments (2 to 4 years); and
- potential euro/dollar exchange rate volatility.

Lastly, the Group has an operating subsidiary in the dollar zone (FIGEAC AÉRO North America, located in Wichita, USA) and a facility in the dollar zone in Mexico, enabling it to be more competitive in US dollars and limiting to a slightly greater degree its exposure to changes in the euro/dollar exchange rate.

The Company believes that the criticality of this net risk is high.

27.2 Liquidity risk

Due to the nature of its business, the Group has to finance a significant production cycle, make the necessary investments to conduct and expand its business, and handle any exceptional events.
The production cycle is financed by assigning a portion of trade receivables to a factoring company. At March 31, 2022, the amount of trade receivables under factoring contracts was €15.2 million. The Group is thus exposed to little risk in terms of trade receivables given the quality of its customers and the fact that risk is transferred to the factoring company.

The Group's cash is managed centrally, with the requirements and resources of each entity transferred to and managed by the parent company.

The Group will continue to require significant funding to develop its technologies and market its products. The Group might therefore, in the future, not be able to finance its growth from its own resources, which would lead it to seek out other sources of financing, for instance by carrying out further capital increases or arranging alternative types of financing such as asset-based lending.
The amount of financing required and the way these requirements are spread out over time depend on factors that are completely beyond the Group's control, such as:

- variations in customer order amounts;
- the costs of preparing, filing, defending and maintaining its patents and other intellectual property rights;
- costs incurred in response to technological developments in the industry and to secure the manufacturing and marketing of its products; and
- new opportunities to develop new products or to acquire new technologies, products or companies.

It is possible that the Group may not be able to obtain additional capital when it is needed, and the capital may not be available on financial terms that the Group deems acceptable. If the necessary funds are not available, the Group may have to:

- delay, reduce or cancel research and/or investment programs;
- obtain funds through industrial partnership agreements that could force it to give up the rights to certain elements of its technology or certain of its products; or
- grant licenses or sign agreements that may be less favorable than those it could have obtained in different circumstances;
- postpone certain debt repayment deadlines.

Debt financing, when possible, may furthermore impose restrictive and onerous conditions.

The Company also obtained temporary waivers from its creditors of the financial ratios applied to the covenants on its debt repayments at the September 30, 2021 and March 31, 2022 deadlines.

FIGEAC AÉRO completed its financial restructuring after the closing date, including:

- a €53.5 million capital increase and a €10 million bond issue in favor of Ace Aéro Partenaires,
- a rescheduling of the main bank financing arrangements until 2028,
- an envelope of €66 million under the "Aéro" state-guaranteed loans (PGE),
- asset-based financing of around €30 million,
- the implementation of currency hedging arrangements for a total amount of €227 million by March 2025,
- an adjustment to the terms of the bonds redeemable in cash and/or convertible into new and/or existing shares (the "ORNANEs"), including an extension of maturity to October 2028, an adjustment of the conversion ratio (1:3.4) and coupon (+62.5 bps), as well as the partial buyback of 777,605 ORNANEs for a total nominal amount of €20 million.

The Company has updated its cash flow projections on a 12-month rolling basis. These projections are based on various assumptions including the revenue and expenditure schedule for the initiatives adopted under the Transformation 2021 plan, which are uncertain by nature. The effects of the financial restructuring are included in these projections.

Based on these projections, the Company's available cash at March 31, 2022 would enable it to meet its cash payment obligations for the 12 months ahead.

(€k)	**03.31.2021**	**03.31.2022**
Marketable securities	100	170
Sight deposits	80,370	49,133
Total	**80,470**	**49,303**

The Company believes that the criticality of this net risk is moderate.

27.3 Interest rate risk

The breakdown of the Group's debt between fixed and floating rates is as presented below:

Breakdown of interest-bearing financial liabilities by type of interest

(€k)	**03.31.2021**	**%**	**03.31.2022**	**%**
Fixed rate	306,736	72%	287,078	73%
Floating rate	121,473	28%	107,582	27%
Total	**428,209**	**100%**	**394,660**	**100%**

Some 27% of the Group's financial liabilities carry interest at floating rates calculated based on the 3-month Euribor rate.
Exposure to interest rate risk relates to trade receivables financing and the financing of a portion of term debt. Interest is indexed to the Euribor rate. Some of these positions (corresponding to €42.5 million) are hedged against a significant rise in this index:

Interest rate derivative instruments

(€k)	**Balance sheet value**			**Maturity**		
	Assets	Liabilities	Notional amount	< 1 year	1 to 5 years	> 5 years
EUR cap		(11)		30,413		
EUR collar		7		12,096		
Total interest rate derivative instruments	-	**(4)**	**(1)**	**42,509**	**(1)**	

The Company believes that the criticality of this net risk is moderate.

27.4 Credit and counterparty risk

The Group has relationships with numerous third parties, including its customers and suppliers. These third parties may, each to differing degrees, present a counterparty risk to the Group. However, the Group considers that it is exposed to little counterparty risk for the following reasons:

- export customers are handled through factoring contracts and, for those that are not, the Group reviews their financial position annually;
- domestic customers are generally handled through factoring contracts;
- the Group monitors the financial positions of a small number of subcontractors and suppliers that are considered strategic for the Group; and
- the Group's main customers are large international groups such as Airbus, Airbus Atlantic, Safran and Spirit Aerosystems, which have solid finances.

The payment schedule for trade receivables and related accounts at March 31, 2022 is as follows:

(€k)	**03.31.2022**	not yet due	< 30 days	31 to 90 days	90 to 180 days	181 days to 1 year	> 1 year
Trade receivables and related accounts	63,372	42,431	6,246	10,170	1,394	1,011	2,119
Doubtful trade receivables	2,769	-	-	-	-	-	2,769
Provisions	(5,058)		-	-	-	(326)	(4,732)
Net amount	**61,083**	**42,431**	**6,246**	**10,170**	**1,394**	**686**	**156**

The Group foresees no third party default that could have a material impact on its unprovisioned past due assets.

The Company believes that the criticality of this net risk is moderate.

27.5 Research & Development and Research Tax Credit risk

The Group's R&D activities are crucial to its performance. The Group's R&D investment policy focuses on new machining systems (aerostructures, engines and sheet metal).

In this area, the FIGEAC AÉRO Group must prepare for the arrival of new products on the market and make use of cutting-edge technologies. The Group must also work closely with its export customers or find new markets overseas.

Returns on these investments materialize on a medium-term horizon. The Group's competitiveness may be affected by:

- the development by its competitors of manufacturing processes that are more efficient than the Group's;
- the emergence of disruptive technologies affecting the Group's know-how;
- investments in projects that fail to generate adequate returns;
- unfavorable trends in aircraft production rates.

R&D expenses (net of amortization charges and impairment losses) recognized in the balance sheet at March 31, 2022 amounted to €57.2 million versus €59.8 million at March 31, 2021.

The Group manages the associated risks by:

- conducting economic return analyses before committing to R&D efforts;
- obtaining public funds: CORAC research council, RFPs, regional aid, etc.;
- making use of the research tax credit scheme.

The Company has obtained research tax credits since 2002 as it invests significant amounts in research and development (€0.88 million of research tax credits in 2021). Research spending eligible for this tax credit includes wages and salaries, depreciation of research equipment, services outsourced to certified research bodies (public or private) and intellectual property expenses.
The Company complies with the reporting requirements and expenditure eligibility requirements imposed by the research tax credit scheme. However, it cannot rule out the possibility that the tax authorities might question the methods the Company uses to calculate its research and development expenses or that the research tax credits obtained might be affected by new regulations or be challenged by the tax authorities even if the Company complies with the reporting and expenditure eligibility requirements. Should this occur, it could have an adverse impact on the Company's results, financial position and outlook.

The Company believes that the criticality of this net risk is moderate.

Note 28. **Related parties**

Related parties of the FIGEAC AÉRO Group are defined in accordance with IAS 24 and presented below with details of the transactions carried out during the 2022 financial year.

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.

The 2022 figures are as follows:

(€k)	Income	Expenses	Receivables	Payables
MP USICAP	105	2,713	74	1,084
AVANTIS ENGINEERING		101		23
AVANTIS MANUFACTURING		66		37
AVANTIS PROJECT		47	5	37
Total	**105**	**2,927**	**79**	**1,181**

Executive pay

These relate to compensation paid to corporate officers of FIGEAC AÉRO S.A. :

(€k)	FY 2020/21	FY 2021/22
Fixed compensation	233	208
Variable compensation		
Benefits in kind	2	2
Directors' fees		30
Total	**235**	**240**

There are currently no stock option or share buyback plans underway at FIGEAC AÉRO S.A. or any other Group company.

Note 29. Workforce

(no. of employees)	03.31.2021	03.31.2022
Headcount - France	1,647	1,370
Headcount - outside France	899	1,225
Total	**2,546**	**2,595**

A breakdown of the workforce by business segment at March 31, 2022 is as follows:

(no. of employees)	Managers	Non-managers	Total
Aerostructures	235	1,858	2,093
On-site assembly	6	65	71
Machining and surface treatment	49	219	268
General engineering and sheet metal manufacturing	32	131	163
Total	**322**	**2,273**	**2,595**

Note 30. Off-balance sheet commitments and contingent liabilities

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

	03.31.2022				03.31.2021
(€k)	< 1 year	1 to 5 years	> 5 years	Total	Total
Pledges, mortgages and collateral securities	19,103	90,452		109,655	113,212
Total	**19,103**	**90,452**	**0**	**109,655**	113,212

The commitments received relate to:
- PGE loan guarantee for 90% of the outstanding amount;
- BPI Assurance Export pre-financing guarantee for 50% of the outstanding amount;
- Guarantee obtained on the CASA Aero loan.

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

	03.31.2022				03.31.2021
(€k)	**< 1 year**	**1 to 5 years**	**> 5 years**	**Total**	Total
Pledges, mortgages and collateral securities	7,169	21,794	9,538	38,501	38,868
Total	**7,169**	**21,794**	**9,538**	**38,501**	38,868

The commitments given by the Group include:
- Real estate collateral;
- Collateral on securities of subsidiaries;
- Pledge on machinery.

Note 31. Post balance sheet events

- Finalization of the Group's financial restructuring, including (i) the effective acquisition of an equity stake in the Company by Ace Aéro Partenaires, an entity affiliated to Tikehau Ace Capital, (ii) the rescheduling of the main bank financing arrangements until 2028 and a €66 million envelope under the "Aéro" state-guaranteed loans (PGE), and (iii) the entry into force of the amendment to the terms of the bonds redeemable in cash and/or convertible into new and/or existing shares (the "**ORNANEs**"), including effective completion of the partial buyback of 777,605 ORNANEs announced by the Company on May 9, 2022 for a total nominal amount of €20 million.

- The completion of the €53.5 million capital increase reserved for Ace Aéro Partenaires was accompanied by the conclusion of a shareholders' agreement between Ace Aéro Partenaires, Mr. Jean-Claude Maillard and SC Maillard & Fils (in the presence of the Company). This shareholders' agreement constitutes a concert party aimed at implementing a common policy between Ace Aéro Partenaires, Mr. Jean-Claude Maillard and SC Maillard & Fils (the latter remaining the lead members of the new concert party thus formed). The Company recalls that the conclusion of the planned transactions with Tikehau Ace Capital or any entity affiliated with Tikehau Ace Capital on the Company's share capital was subject, in particular, to the finding by the Autorité des Marchés Financiers (the "**AMF**") that there were no grounds for filing a draft mandatory public offer for the Company's shares on the basis of Article 234-7-1 of the AMF General Regulation, which was granted by the AMF on May 10, 2022 (AMF notice no. 222C1055 and press release dated May 10, 2022).
- Subscription by Ace Aéro Partenaires to bonds issued by the Company for an amount of €10 million. These bonds bear interest at an annual rate of 12% compounded annually and have a maturity of 6 years and 6 months.
- Change in the composition of the Board of Directors (in line with Middlenext Code recommendations), bringing in additional and independent expertise and taking into account the Group's new shareholding structure. In accordance with the resolutions adopted by the Company Shareholders' Meeting on May 20, 2022, and with effect from the date thereof, the Board of Directors now comprises eight members:
  - Mr. Jean-Claude Maillard;
  - Mr. Rémi Maillard;
  - Mr. Simon Maillard;
  - Ms. Eliane Rouchon;
  - Ms. Marie-Line Malaterre, independent director;
  - Mr. Eric Raynaud, independent director;
  - Mr. Franck Crépin, whose appointment was proposed by Tikehau Ace Capital; and
  - Ms. Anne Tauby, whose appointment was proposed by Tikehau Ace Capital.

- Creation of new committees and change in the composition of the Audit Committee: creation of a Strategic Committee and an Appointments and Compensation Committee, and change in the composition of the Audit Committee. The committees are now comprised as follows:

  - The Strategic Committee is composed of Mr. Franck Crépin, Mr. Jean-Claude Maillard and Mr. Eric Raynaud. It is chaired by Mr. Eric Raynaud;
  - The Appointments and Compensation Committee is composed of Mr. Franck Crépin, Ms. Eliane Rouchon and Mr. Eric Raynaud. It is chaired by Mr. Eric Raynaud;
  - The Audit Committee, until now composed of Ms. Marie-Line Malaterre and Mr. Simon Maillard, is now composed of Mr. Franck Crépin, Ms. Eliane Rouchon, Mr. Simon Maillard and Ms. Marie-Line Malaterre. It is chaired by Ms. Marie-Line Malaterre.

- Rescheduling of the main bank financing arrangements until 2028 and €66 million envelope under the "Aéro" state-guaranteed loans (PGE):

The main features of these agreements and new financing arrangements are as follows:

1) Reprofiling of bank debt:

   a. The maturity of all bank loans with earlier deadlines is extended to September 2028. The repayment curve of these loans has been modified to take into account this new maturity and the particular nature of the financing arrangements concerned. The interest rate on these loans, with the exception of the state-guaranteed loans (PGE), is increased by 62.5 bps.

   b. Bank loans with longer maturities, such as mortgages, retain their original maturity. Their repayment curve has not been changed.

2) New financing arrangements and strengthening of currency hedging:

   a. An envelope of €66 million is available under the "Aéro" state-guaranteed loans (PGE). These state-guaranteed loans have a maturity of 6 years and are repaid over 4 years after a 2-year grace period. Their interest rate corresponds to the regulations in force.

   b. Asset-based financing of around €30 million was granted, consisting of (i) a line of financing on inventories, amounting to around €24 million, and (ii) a line of financing on industrial equipment amounting to around €6 million. This financing is repayable over eight years and bears interest at the annual rate of floored E3M + 6.75%.

   c. Currency hedging transactions: in order to hedge the current exchange rate risk on the US dollar, the main currency unit used for sales by FIGEAC AÉRO, currency hedging transactions may be put in place for a total amount of €227 million until March 2025, according to a breakdown by year between transactions expiring in 2022, 2023, 2024 and 2025.

- ORNANE partial buyback and adjustment of terms

Following the general meeting of ORNANE bondholders, all conditions precedent having been met, the settlement and delivery to the participants in the buyback offer for 777,605 ORNANEs with a total nominal value of €20,000,000.60 at a total buyback price of €18,600,311.60 was completed (the "**Partial Buyback**").

The ORNANEs thus repurchased were immediately canceled. There are currently 2,656,110 ORNANEs outstanding with a nominal value of €68,315,149.20.

As all the financial restructuring transactions have been completed and all resolutions were approved by the May 9, 2022 general meeting of bondholders and the May 20, 2022 Shareholders' Meeting, the terms of the ORNANEs are amended as follows, with effect from the date hereof:

- Extension of the deadline by six years (i.e. to October 18, 2028);
- 62.5 bps increase in the coupon. The new coupon will thus be set at 1.75% payable on a half-yearly basis, with a reversible mechanism for adjusting the coupon as from October 18, 2024 depending on whether or not leverage of more than 4.5x is achieved (test carried out every six months), which could then raise the coupon to 2.25%;
- Increase in the ORNANE 2022 conversion ratio to 3.4 shares per ORNANE;

- A reset clause applicable on October 18, 2024 that may increase the conversion ratio by up to 20% in the event that the volume-weighted average share price during the three months preceding October 18, 2024 is lower than the benchmark price calculated on the basis of the volume-weighted average share price during the month preceding February 18, 2022 (inclusive) (i.e. €6.60);
- Commencement of the early redemption period by the Company if the stock market price is higher than 130% of the conversion price (soft call), as from October 18, 2025;
- Application of the extension of the maturity as per the conversion ratio adjustment clause in the event of a change of control;
- Limitation of the global amount of debt secured by assets;
- Possibility of transferring the FIGEAC AÉRO share listing to Euronext Growth Paris;

(together, the “**ORNANE Adjustments**”).

The nominal value and redemption price of the ORNANEs will remain unchanged at €25.72 per ORNANE 2022.

The agreements and new bank financing arrangements, together with the strengthening of the Company’s shareholders’ equity resulting from the entry of Ace Aéro Partenaires into the Company’s share capital and the ORNANE Partial Buyback (see above), provide the Group with the financial resources necessary for its restructuring and put it in a position to meet its amended financial commitments in the short and medium term.

- Disposal agreement with Latécoère for the assets of the Hermosillo subsidiary in Mexico

Under the proposed terms, this agreement is subject to several conditions precedent, including:

- The signing of a service agreement for FIGEAC AÉRO to provide assistance during the 18-month transition period,
- The signing of a subcontracting agreement, limited to three years, with Latécoère for production relating to other FIGEAC AÉRO contracts. This will make it possible to secure ongoing production for the Group’s other customers pending their transfer to the new site,
- The attainment of IMMEX authorization by Latécoère. This is expected to be completed by September 30, 2022 at the latest.

- Agreement to acquire the assets of Kaman Aerospace Group Inc. in the state of Chihuahua, Mexico
- Implementation of the new Group ERP system. The new IFS Group information system has been operational since April 18 in the following companies: FIGEAC AÉRO, FGA Tunisie, FGA Picardie, FGA Saint Nazaire. Over half of Group employees use IFS on a daily basis and over 80% of financial flows are managed in IFS.

Note 32. Fees paid to statutory auditors

	KPMG				Mazars			
	Amount		%		Amount		%	
(€k)	FY 2021/22	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22	FY 2020/21
A - Fees relating to the certification of accounts								
A.1 - Figeac Aéro (issuer)	170	157	41%	51%	179	166	100%	98%
A.2 - Subsidiaries	26	33	6%	11%		3		2%
Sub-total	**196**	**190**	**47%**	**62%**	**179**	**169**	**100%**	**100%**
B - Fees relating to other services								
B.1 - Figeac Aéro (issuer)	220	120	53%	39%				11%
B.2 - Subsidiaries								
Sub-total	**220**	**120**			**-**	**-**	**0%**	
Total	**416**	**310**	**100%**	**100%**	**179**	**169**	**100%**	**100%**