

KEY FIGURES OF DASSAULT AVIATION GROUP

	2021	2020
	EUR 12,080 million	EUR 3,463 million
Order intake	49 Rafale of which 37 Rafale Export ⁽¹⁾ and 12 Rafale France BALZAC support contract 51 Falcon <i>⁽¹⁾80 Rafale UAE order not booked</i>	OCEAN support contract 15 Falcon
<u>Adjusted net sales</u> ^(*)	EUR 7,233 million 25 Rafale Export 30 Falcon	EUR 5,489 million 13 Rafale Export 34 Falcon
Backlog as of December 31	EUR 20,762 million 86 Rafale of which 46 Rafale Export ⁽¹⁾ and 40 Rafale France 55 Falcon <i>⁽¹⁾80 Rafale UAE order not booked</i>	EUR 15,895 million 62 Rafale of which 28 Rafale France and 34 Rafale Export 34 Falcon
<u>Adjusted operating income</u> ^(*)	EUR 527 million	EUR 261 million
<u>Adjusted operating margin</u>	7.3% of net sales	4.8% of net sales
Research and Development	EUR 551 million 7.6% of net sales	EUR 538 million 9.8% of net sales
<u>Adjusted net income</u> ^(*)	EUR 693 million	EUR 396 million
<u>Adjusted net margin</u>	9.6% of net sales	7.2% of net sales
<u>Earnings per share</u>	€8.34 per share	€4.76 per share ⁽²⁾
Available cash as of December 31	EUR 4,879 million	EUR 3,441 million
<u>Dividends</u>	EUR 208 million €2.49 per share	EUR 103 million €1.23 per share ⁽²⁾
Employee profit-sharing and incentives incl. 20% correlated social tax <u>Headcount as of December 31</u>	EUR 139 million 12,371	EUR 85 million 12,441

⁽²⁾ 2021 proforma following the stock split

NB: Dassault Aviation recognizes Rafale Export contracts in their entirety (including the Thales and Safran parts).

Main IFRS aggregates (see reconciliation table below)

^(*) Consolidated net sales	EUR 7,246 million	EUR 5,492 million
^(*) Consolidated operating income	EUR 545 million	EUR 246 million
^(*) Consolidated net income	EUR 605 million	EUR 303 million

Saint-Cloud, on march 4th, 2022 – In a context of a new crisis related to the war between Russia and Ukraine, the Board of Directors chaired by Mr. Éric Trappier held yesterday approved the 2021 statement of accounts. The audit procedures have been completed and the audit opinion is in the process of being issued.

« Last year we mourned the death of Olivier Dassault who, like all members of his family, strongly supported the Group's development throughout his whole life.

The Covid-19 crisis continued in 2021. The Group adapted during the year and regularly updated its prevention, employee protection and remote working measures in response to the guidance issued by the authorities. Global economic activity saw a strong rebound in 2021, particularly in the industry. However, this rapid recovery has caused disruption to the supply chain in a background of inflationary tension. 2021 was also marked by growing environmental pressures.

For Dassault Aviation, 2021 was a good year for both civil aviation and military sectors, with an exceptional order intake of 100 aircraft (49 Rafale and 51 Falcon) and net sales of EUR 7.2 billion. In addition, the Group delivered 30 Falcon (compared with the guidance of 25) and 25 Rafale (consistent with the guidance).

In the military sector, 2021 saw:

- marketing efforts for the Rafale succeeding, leading to:
 - the order for 49 new Rafale (Egypt 30+1, France 12, Greece 6) and 12 pre-owned Rafale (Greece). The backlog as of December 31, 2021 now includes 86 new Rafale (46 Export, 40 France),
 - the signing of a contract for 80 Rafale for the United Arab Emirates, awaiting T₀,
 - the purchase by Croatia, following an international call for tenders, of Rafale previously in service with the French Air and Space Force. Alongside this order, Dassault Aviation signed a contract to provide associated support for the fleet ordered,
- the delivery of 25 Rafale to our export customers, Qatar and India,
- the continuation of development work on the Rafale F4 standard,
- the award by France of a new vertically integrated support contract (Balzac) for the support of its Mirage 2000. The other vertically integrated contracts signed with France for the Rafale (Ravel) and the ATL2 (Ocean) are continuing, with performance exceeding the contractual targets.
- for the FCAS, an area in which Dassault Aviation is the leader with the New Generation Fighter demonstrator, the initial work phases on the demonstrators (Phase 1A) continued in 2021 and will be completed in first semester 2022. Joint Concept Studies (JCS) are ongoing. The next phase of the work (Phase 1B) has not been awarded no agreement having been found with Airbus Defence & Space.

Rafale success has also been confirmed in early 2022 by signature of a 42 (6+36) Rafale contract for Indonesia for which the T₀ is awaited and the authorization by the Greek parliament of the signature a contract for an additional 6 new Rafale.

Regarding the Eurodrone, on February 24th 2022, Airbus GmbH as prime contractor and on behalf of the 3 main contractors, Airbus Defence and Space S.A.U in Spain, Dassault Aviation in France and Leonardo S.p.A. in Italia and the Organization for Joint Armament Cooperation (OCCAR) representing the first 4 customers (Germany, France, Italy and Spain) signed the Eurodrone contract relative to the development, the production and the 5 year maintenance of 20 systems. Dassault Aviation will be in charge of flight control and mission communication systems, (with Thales).

For the multi-mission Falcon, work continued on “Albatros” (surveillance and maritime response aircraft on a Falcon 2000LXS platform) and “Archange” (electronic warfare aircraft on a Falcon 8X platform). The sixth Falcon 2000 for the Japan Coast Guard was delivered. Furthermore, commercial prospections are ongoing.

In the civil aviation segment, 30 Falcon were delivered (for guidance of 25) and 51 Falcon were ordered in 2021. This increase in activity is due to the recovery of business aviation market and expansion of the product line with the Falcon 6X and Falcon 10X. The year also saw:

- the maiden flight of the Falcon 6X on March 10, 2021,
- the announcement of the Falcon 10X, an ultra-long-range aircraft with the most spacious and luxurious cabin on the market,
- recognition of Falcon customer support, ranked top by AIN for the third year in a row.

The backlog as of December 31, 2021 is 55 new Falcon, compared with 34 at the end of 2020.

The “Leading Our Future” transformation plan continued in 2021. The aim of this plan is to modernize the infrastructures and processes to improve the competitiveness of the Group. In 2021, we were able to put in place the new methodological framework, collaborative platforms and modernized infrastructure and resources by relying on digital levers.

The Company also pursued its efforts to reduce the impact of its processes and products on the environment. The Falcon range is already capable of operating with 50% sustainable fuel.

in the continuity of the elapsed year, our objectives for 2022 are:

- Rafale: to perform contracts, secure the first advance on the contracts signed and continue business development
- Military developments: to continue the programs under way and prepare future Rafale standards
- Falcon: to support the market recovery and boost sales
- Falcon 6X: to ensure a successful entry into service and ramp up mass production
- Falcon 10X: to adhere to the development schedule for an entry into service in late 2025
- Civil and military aircraft support and availability: to maintain the highest standards
- Energy transition: to pursue the R&T in conception
- Make in India: to continue ramping up the activities transferred to DRAL
- New Generation Fighter: decide on Phase 1B
- Eurodrone: to perform the contract

The Guidance for 2022 is to deliver 13 Rafale and 35 Falcon. Net sales will be down compared to 2021».

Éric TRAPPIER, Chairman and Chief Executive Officer of Dassault Aviation.

1. ORDER INTAKE

2021 order intake was EUR 12,080 million versus EUR 3,463 million in 2020. **Export represented 74%**.

Recent year figures are as follows, **in millions of euros**:

	2021	2020	2019
Defense	9,165	1,546	3,385
<i>Defense Export</i>	6,173	224	769
<i>Defense France</i>	2,992	1,322	2,616
Falcon	2,915	1,917	2,308
Total order intake	12,080	3,463	5,693
% Export	74%	41%	49%

The order intake is composed entirely of firm orders.

Defense programs

In 2021, **Defense order intake** totaled **EUR 9,165 million**, compared with EUR 1,546 million in 2020.

The Defense Export figure was **EUR 6,173 million** in 2021, versus EUR 224 million in 2020. We recorded orders from Egypt for 30 Rafale – followed by an order for an additional aircraft to complete the original order of 2015 – from Greece for 6 new and 12 pre-owned Rafale (which we bought back from the French Air and Space Force) and a support contract for Croatia following its acquisition of 12 pre-owned Rafale directly from the French government.

The **Defense France** amounted to **EUR 2,992 million** in 2021, compared with EUR 1,322 million in 2020. It mainly includes the order for 12 Rafale, the 14-year “Balzac” support contract for the Mirage 2000 (excluding engines), and a productibility contract for Tranche 5 of the Rafale. In 2020, it was essentially the 10-year “Ocean” integrated support contract (excluding engines) for the ATL2 with the French Naval Air Force that was recorded.

Falcon programs

In 2021, **51 Falcon orders** were recorded, compared with 15 in 2020. Order intake totaled **EUR 2,915 million**, versus EUR 1,917 million in 2020. The growth in orders is being driven by the recovery of the business jet market.

In 2020, the main order was for 7 Falcon 2000LXS “Albatros” maritime surveillance and response aircraft for France, plus the associated support.

2. ADJUSTED NET SALES

Net sales for 2021 were **EUR 7,233 million** versus EUR 5,489 million in 2020. **Export** represented **89%**.

Recent year figures are as follows, in **EUR million**:

	2021	2020	2019
Defense	5,281	3,263	5,148
<i>Defense Export</i>	4,549	2,699	4,261
<i>Defense France</i>	732	564	887
Falcon	1,952	2,226	2,193
Total adjusted net sales	7,233	5,489	7,341
% Export	89%	89%	88%

Defense programs

In 2021, **25 Rafale Export** were delivered, in line with our forecast, versus 13 Rafale Export in 2020.

Defense net sales in 2021 were **EUR 5,281 million** versus EUR 3,263 million in 2020.

The Defense Export share was **EUR 4,549 million** versus EUR 2,699 million in 2020. The strong growth is largely due to the delivery of 25 new Rafale Export with the associated support, whereas 13 Rafale Export were delivered in 2020. In addition, 2021 net sales include the first 6 pre-owned Rafale delivered to Greece, among the 12 ordered.

The Defense France share was **EUR 732 million** versus EUR 564 million in 2020. As in 2020, Defense France net sales in 2021 do not include the delivery of Rafale in accordance with France's Military Procurement Law. However, they do take into account maintenance services (for the Rafale under the Ravel contract and the ATL2 under the Ocean contract), as well as support for other aircraft in service.

Falcon programs

There were **30 Falcon** delivered in 2021 (higher than the 25 guidance), versus 34 in 2020.

Falcon net sales in 2021 totaled **EUR 1,952 million**, versus EUR 2,226 million in 2020. The decrease is mainly due to the number of Falcon delivered (30 vs 34).

The "book-to-bill ratio" of the Group (order intake/net sales) is 1.67 for 2021.

3. BACKLOG

The consolidated backlog as of December 31, 2021 (determined in accordance with IFRS 15) was **EUR 20,762 million**, versus EUR 15,895 million as of December 31, 2020. The backlog has evolved as follows:

As of December 31	2021	2020	2019
Defense	17,633	13,748	15,465
Defense Export	9,874	8,249	10,725
Defense France	7,759	5,499	4,740
Falcon	3,129	2,147	2,333
Total backlog	20,762	15,895	17,798
% Export	58%	59%	72%

The backlog as of December 31, 2021 consists of the following:

- **Defense Export: EUR 9,874 million** versus EUR 8,249 million as of December 31, 2020. This figure notably includes 46 new Rafale and 6 pre-owned Rafale, compared with 34 new Rafale as of December 31, 2020,
- **Defense France: EUR 7,759 million** versus EUR 5,499 million as of December 31, 2020. This figure mainly comprises 40 Rafale (versus 28 as of December 31, 2020), the Ravel support contract for the Rafale, the Balzac support contract for the Mirage 2000, the Ocean support contract for the ATL2, and the Rafale F4 standard,
- **Falcon** (including the Albatros and Archange mission aircraft): **EUR 3,129 million** versus EUR 2,147 million as of December 31, 2020. It includes 55 Falcon, compared with 34 as of December 31, 2020.

4. 2021 ADJUSTED RESULTS

Adjusted operating income

Adjusted operating income for 2021 was **EUR 527 million**, compared with EUR 261 million in 2020.

R&D costs totaled EUR 551 million in 2021 and accounted for 7.6% of net sales, as against EUR 538 million and 9.8% of net sales in 2020. These amounts reflect the self-funded R&D effort focused on the Falcon 6X and Falcon 10X programs.

Operating margin was **7.3%**, versus 4.8% in 2020. This increase is mainly due to the reduction in the rate of self-funded R&D.

The foreign exchange hedging rate was \$1.19/€ in 2021, compared with \$1.18/€ in 2020.

Adjusted financial income

2021 adjusted financial income was **EUR -26 million** compared to EUR -34 million in 2020. In 2021, the impact associated with the financing component recorded under long-term military contracts was less significant due to deliveries of Rafale Export.

Adjusted net income

Adjusted net income for 2021 was up 75% at **EUR 693 million** compared with EUR 396 million in 2020. Thales' contribution to the Group's net income was EUR 336 million, versus EUR 231 million in 2020.

As a result, **adjusted net margin** was **9.6%** in 2021, as against 7.2% in 2020. This increase is mainly due to the increase in operating income).

Net income per share for 2021 was €8.34, compared with €4.76* in 2020

* 2021 proforma following the stock split.

5. 2021 KEY FIGURES - IFRS

Consolidated operating income (IFRS)

Consolidated operating income for 2021 was **EUR 545 million**, compared with EUR 246 million in 2020.

R&D costs totaled EUR 551 million in 2021 and accounted for 7.6% of consolidated net sales (EUR 7,246 million), as against EUR 538 million and 9.8% of consolidated net sales in 2020. These amounts reflect the self-funded R&D effort focused on the Falcon 6X and Falcon 10X programs.

Consolidated operating margin was **7.5%**, versus 4.5% in 2020.

This increase is mainly due to the reduction of the amount of self-funded R&D.

Consolidated financial income (IFRS)

Consolidated financial income for 2021 was **EUR -69 million**, compared with EUR 12 million in 2020. The decline in financial income was mainly due to the negative change in the market value of hedging instruments not eligible for hedge accounting under IFRS. The market value of these instruments, purchased because of the efficient economic hedge they offer the Group, was adversely impacted by the evolution in the dollar exchange rate (\$1.1326/€ at yearend-2021, versus \$1.2271/€ at yearend-2020). The reduced impact of the financing component recognized under long-term military contracts due to Rafale Export deliveries partially offsets this decrease.

Consolidated net income

Consolidated net income for 2021 was up 100% at **EUR 605 million**, compared with EUR 303 million in 2020. Thales' contribution to the Group's net income was EUR 266 million, versus EUR 116 million in 2020.

As a result, **consolidated net margin** was **8.4%** in 2021, as against 5.5% in 2020. This increase is mainly due to the increase in operating income.

Consolidated net income per share for 2021 was € 7.28, compared with €3.64 in 2020*

* 2021 proforma following the stock split.

6. AVAILABLE CASH

The Group uses a specific indicator called “Available cash”, which reflects the amount of total cash available to the Group, net of financial debts. It includes the following balance sheet items: cash and cash equivalents, current financial assets (at market value) and financial debt, excluding lease liabilities. The calculation of this indicator is detailed in the consolidated financial statements (see Note 9 of the 2021 consolidated financial statements).

The Group’s available cash stands at **EUR 4,879 million**, an increase of EUR 1,438 million from December 31, 2020. The increase is mainly due to operating cash flow generated during the year and the decline in working capital requirement, partially offset by investments during the year and the payment of dividends.

The decline in working capital requirement is largely due to advances and progress payments received under the Defense France and Falcon contracts. This is partially offset by the decrease in advances and progress payments under the Rafale export contracts, following the services delivered during the period.

7. BALANCE SHEET (IFRS)

Total equity stood at **EUR 5,300 million** as of December 31, 2021, versus EUR 4,560 million as of December 31, 2020.

Borrowings and financial debt stood at EUR 226 million as of December 31, 2021, compared with EUR 270 million as of December 31, 2020. Borrowings and financial debt include locked-in employees’ profit-sharing funds, for EUR 98 million, and lease liabilities, for EUR 128 million.

Inventories and work-in-progress rose to EUR 3,480 million as of December 31, 2021, compared with EUR 3,382 million as of December 31, 2020. The increase in inventories and work-in-progress relating to the performance of Defense France contracts and Falcon operations was partially offset by the decrease in inventories and work-in-progress for Defense Export following the services delivered during the period.

Advances and progress payments received on orders, net of advances and progress payments paid, rose by EUR 278 million as of December 31, 2021. This was mainly due to progress payments received on Defense France and Falcon orders, partially offset by the reversal of Rafale Export progress payments following the services delivered during the period.

Derivative financial instruments had a market value of EUR -81 million as of December 31, 2021, compared with EUR 81 million as of December 31, 2020. This change is essentially due to the change in the US dollar exchange rate between December 31, 2021 and December 31, 2020 (\$1.1326/€ as of 12.31.2021 versus \$1.2271/€ as of 12.31.2020).

8. DIVIDENDS AND PROFIT-SHARING/INCENTIVES

The Board of Directors decided to propose to the Annual General Meeting a dividend distribution, in 2022, of **€2.49 per share**, corresponding to a total of **EUR 208 million**, i.e. a payout of 30%.

For 2021, the Group will pay **EUR 139 million** in employee profit-sharing and incentives, including 20% correlated social tax, whereas the application of the legal formula would have resulted in a EUR 28 million payment.

Dividends per share over the five last years are outlined in Note 32 to the Parent Company Financial Statements.

This Financial Press Release may contain forward-looking statements which represent objectives and cannot be construed as forecasts regarding the Company's results or any other performance indicator. The actual results may differ significantly from the forward-looking statements due to various risks and uncertainties, as described in the Directors' report.

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APPENDIX

DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS

To reflect the Group's actual economic performance, and for monitoring and comparability reasons, the Group presents an income statement adjusted with the following elements:

- gains and losses resulting from the exercise of hedging instruments, which do not qualify for hedge accounting under IFRS standards. This income, presented as financial income in the consolidated financial statements, is reclassified as net sales and thus as operating income in the adjusted income statement,
- the valuation of foreign exchange derivatives which do not qualify for hedge accounting, by neutralizing the change in fair value of these instruments (the Group considering that gains or losses on hedging should only impact income as commercial flows occur), with the exception of derivatives allocated to hedge balance-sheet positions whose change in fair value is presented as operating income,
- amortization of assets valued as part of the purchase price allocation (business combinations), known as "PPA,"
- adjustments made by Thales in its financial reporting.

The Group also presents the "available cash" indicator, which reflects the amount of the Group's total liquidities, net of financial debt. It covers the following balance sheet items:

- cash and cash equivalents,
- other current financial assets (essentially available-for-sale marketable securities at their market value),
- financial debt, excluding lease liabilities.

The calculation of this indicator is detailed in the consolidated financial statements (Note 9).

Only consolidated financial statements are audited by statutory auditors. Adjusted financial data are subject to the verification procedures applicable to all information provided in the annual report.

IMPACT OF AJUSTEMENTS

The impact in 2021 of adjustments to income statement aggregates is presented below:

<i>(in EUR thousands)</i>	2021 consolidated income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2021 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
Net sales	7,246,197	-13,005	-686			7,232,506
Operating income	545,069	-13,005	-8,655	3,349		526,758
Net financial income/expense	-68,512	13,005	29,604			-25,903
Share in net income of equity associates	271,611			3,003	67,102	341,716
Income tax	-142,776		-5,614	-735		-149,125
Net income	605,392	0	15,335	5,617	67,102	693,446
<i>Group share of net income</i>	605,392	0	15,335	5,617	67,102	693,446
Group share of net income per share <i>(in euros)</i>	7.28					8.34

The impact in 2020 of adjustments to income statement aggregates is presented below:

<i>(in EUR thousands)</i>	2020 consolidated income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2020 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
Net sales	5,491,592	-873	-1,608			5,489,111
Operating income	246,163	-873	11,488	4,221		260,999
Net financial income/expense	12,216	873	-46,811			-33,722
Share in net income of equity associates	121,282			2,852	111,924	236,058
Income tax	-76,902		9,992	-802		-67,712
Net income	302,759	0	-25,331	6,271	111,924	395,623
<i>Group share of net income</i>	302,759	0	-25,331	6,271	111,924	395,623
Group share of net income per share <i>(in euros)</i>	3.64 ⁽¹⁾					4.76 ⁽¹⁾

⁽¹⁾ 2021 proforma following the stock split