



Dassault

Résultats annuels

2023 & 2023 Annual

results

6 March 2024

List of MAIN speakers	Company	Job title
Éric Trappier	Dassault	CEO

PRESS CONFERENCE, MARCH 6, 2024

Éric Trappier
CEO

Welcome to this press conference for 2023. As usual we're going to begin with a film summarizing the major highlights for 2023 for Dassault.

[FILM]

Dassault presented both its military and civil [inaudible 00:00:26] at the 2023 Aero India show in Bangalore from February 13th to 17th. On display at its booth were air and navy versions of the Rafale Falcon 8X and a front section of the Falcon 2000 produced at the Franco-Indian Nagpur plant. The Indian Air Force showcased the Rafale in flight. Our company took part in the IDEX show from February 20th to 24th in Abu Dhabi. The United Arab Emirates have ordered 80 Rafale fighter jets. Our combat aircraft demonstrated its efficiency, versatility, and reliability every day in many theaters of operation. It continuously integrates feedback from the armed forces and the latest innovations to stay at the cutting edge of technology. The 2023 [inaudible 00:01:18] marked another success for the Dassault group's team, which topped the leaderboard for the third year running. The 16 runners demonstrated great team spirit over the 750 kilometers covered between Paris and Les Arcs over 4 days and four nights. This sporting event is aimed at promoting organ donations.

For the third year running, Dassault has been named in the Financial Times climate leaders ranking, which rewards European companies with the best results in terms of environmental trajectories. The PAF 70th anniversary was celebrated on May 20th and 21st in Salon de Provence with our CEO. Their famous Alpha Jet aircraft is celebrating its 50 years of loyal service. Its maiden flight was on October 26th, 1973 in Istres, piloted by Jean-Marie Saget. The Falcons program celebrated its 60th anniversary in 2023. The Falcons maiden flight, then called Mystère 20, was in May 1963 in Mérignac. It marked the first of a long line of business jets, which continues with the entry into force with the Falcon 6X and the development of the 10X. Since 1963, the company has delivered more than 2700 business jets, that's more than 20 million flight hours.

The EBACE convention was held in Geneva from May 23rd to May 25th. A full-size 10X Falcon cabin was on display at our booth and attracted a number of high number of visitors impressed by the new aircraft interior and high-quality features. It was the opportunity to present the Falcon 6X to our customers and the press. The aircraft is exhibited alongside the Falcon 8X and the 2000 LX6. Dassault Aviation has supported the [inaudible 00:03:23] tours for over 20 years. The 2023 event featured 10 stages from May 19th to May 20th organized by the [inaudible 00:03:33]. It aims to give extraordinary children who are experiencing major health difficulties an opportunity to fly alongside ordinary children. The Paris Air Show, 54th edition, was a huge success, demonstrating the appeal and vitality of our sector.

On day one, French President Emmanuel Macron took in extensive presentations of Dassault Aviation's military innovations. He also visited the Falcon 6 and 10X. Prime Minister Élisabeth Borne met with the employees who were present at the careers plane area. Members of the French government were also shown the full scope of Dassault Aviation's expertise and know-how in many

areas. Our CEO also presented our innovations and solutions for the armed forces to our Minister of Defense and Armed Forces, Sébastien Lecornu. Many military delegations and civilian customers visited our static display and innovative exhibition booth, which was particularly popular. During the show, Bernard Charlès, the CEO of Dassault Systèmes, and Éric Trappier announced the launch of a sovereign cloud based on the 3D experience platform. The cloud is designed to ensure the highest level of security and sovereignty for major defense programs. To secure our future we need to master these data. This involves identifying and knowing what we want to do with it. We need to structure and store the data in order to use it, hence the cloud. It is a physical cloud for the storage of data internally at Dassault Aviation, but that's also how we can use the cloud and share it with other operators. That's the whole point of this program, to know we can rely on these tools that are specific to the group, made in France and therefore in Europe.

During this 54th edition, the Rafale showcased its handling qualities daily in the hands of Air France captain Bertrand Butter, also called Bubu. The Rafale continues its transformation. It is adapted to operational needs based on operating feedback, which is also taken on board by our companies to develop standards that are [inaudible 00:06:26] and successive. We are currently working on the F4 standard. The aircraft uses the F3 standards, but we are already preparing the F5 for the 2030-2040 period, so the Rafale F5 will most certainly see the development of a UCAV to reinforce the capacities of aerial warfare. The Rafale was also presented to various foreign delegations throughout the week. They had the opportunity to discover the numerous innovations in the military support customer service space. A brand new combat simulator also demonstrated Dassault Aviation's expertise in the field. The visit of the Minister of the Armed Forces saw the official announcement of the foundation of a teaching and research chair with the Institut Polytechnique de Paris¹, the Architecture of Complex Systems. It involves Dassault Aviation, Dassault Systèmes' naval group and [inaudible 00:07:31] as well as France's Defense Innovation Agency, AID.

Like the Rafale, the Falcon 6X has demonstrated its handling qualities. One of our new aircraft was also presented at our static display alongside the Falcon 2000, the Falcon 8X and full-scale mockup of the Falcon 10X cabin. As part of the recruitment plan, Dassault Aviation actively participated in the careers plane area, welcoming many young visitors. The company was also present at the Paris Air Lab organized to discover the techniques for decarbonizing the industry. Our specialists explained how to optimize flight paths with FalconWays and how we can use augmented reality in production chains. The show was also an opportunity to promote the use of sustainable alternative fuels, SAFs, one of the solutions adopted by Dassault Aviation to reduce the carbon footprint of our aircrafts. We're also showcasing that these planes are already flying with alternative fuels, that's 30%, that's what is available on the market. They can then develop up to 50%, and we're working with the arrival of the techniques to reach 100% of alternative fuels. We're fully committed to decarbonization and to achieving our zero net carbon objective by 2050.

In early July, India officially selected the Rafale Marine to equip the Indian Navy. That is a decision which coincided with a conclusive test campaign as part of an international tender launched by the Indian authorities. The Rafale Marine meets the operational needs of the Indian Navy and is compatible with its aircraft carriers. Ultimately, 26 Rafale Marines aircraft will join the 36 Rafale fighter jets already used by the Indian Air Force. Dassault Aviation was the major sponsor of the ceremony celebrating the 100 years of rekindling the flame under the Arc de Triomphe on November 11th. The ceremony was marked by a monumental sound and light show and a parade of flagbearers

¹ Polytechnic Institute of Paris

accompanied by young people. It reiterated the company's commitment to the duty of remembrance and the bond between the armed forces and the nation.

The full-scale mockup of the Falcon 10X cabin was exhibited in the Dubai Air Show in November. During this air show, the French Air and Space Force demonstrated the Rafale in flight. ADP Group and Dassault Aviation signed a memorandum of understanding to make Paris-Le Bourget a pioneering airport in sustainable aviation from promoting the use of alternative fuels to deploying decarbonized ground resources. This five-year MOU aims at reducing the platform's environmental footprint. Our company has also decided to become the main sponsor of the Mauboussin forest. The new planting campaign was launched in November 2022 and 2023 through with Valérie Péresse, President of the Île-de-France region. One million trees of 30 different species will now grow on what used to be brownfields in [inaudible 00:10:56], very close to our new [inaudible 00:10:58] plant.

On behalf of Dassault Aviation, Éric Trappier was awarded the 2023 strategic company award as part of the [inaudible] 00:11:13] sovereignty initiatives. The institute recognizes how our group stands out for its ability to effectively mobilize resources and know-how in order to provide solutions that address national priorities. I would like to express my deepest gratitude, the gratitude of my group, the Dassault family and Dassault Aviation employees, our shareholders, leaders, engineers, technicians, and skilled operators are committed to the company's strategic role in order to ensure the superiority of French combat aircraft and the sustainability of the industry's ecosystem and we're taking incredible pride in this award. The Falcon 6X started its services since the certification granted on August the 22nd. We have made the preliminary requirement, which was approved by [inaudible 00:12:00] at the end of November. We can now deliver this magnificent aircraft to our customers. On December 15th, members of the Dassault family and GIMD visited our [illegible 00:12:12] site. Éric Trappier and [illegible 00:12:13] presented the Rafale and Falcon production lines to majority shareholders, along with a tour of the new training center, the system tense benches, and the innovation lab.

Dassault Aviation has been a strong employes brand for the past decade. We've been ranked as one of the top favorite companies for engineering school students, and in 2023 once again we were in the top five universities in France, ranking among the 130 most attractive employers for engineering students. We are also one of the top three industrial companies preferred by students and young engineering graduates according to [inaudible 00:12:52] interactive. In the list of the 500 best employers in France by Statista, Dassault Aviation is in 6th place, all sectors together, and first in the [inaudible 00:13:03] in the naval category. This ranking, published by the magazine Capital, involves a panel of 20,000 employees from companies with a headcount of over 500. We are also considered as one of the 100 French companies considered to be most responsible according to the Statista CSR ranking published in Le Point magazine.

We received the order for 42 Rafale aircraft known as Tranche 5 to equip the French airspace force. The French Defense Procurement Agency awarded us this contract at the end of December 2023 and these aircraft will be delivered between 2027 and 2032. The Rafale has been designed to evolve by successive standards in order to adapt to the latest technologies of users needs. Standard 4 particularly focuses on connectivity and is currently under development. Standard 5, which is also being prepared will bring new capabilities in terms of sensors, collaborative combat, and weapons for nuclear missions. The export order book plus the new Tranche 5 contract secures the long-term continuity of the Rafale production activity for the next 10 years. The third and final tranche of the 18 Rafale aircraft for Indonesia came into force on January 8th. That's 42 craft ordered by the Indonesian Air Force as per the contract signed in February 2022 in Jakarta. The technical operational and

commercial success of Rafale, with seven international customers today, allows France to maintain its sovereignty in combat aviation for decades to come.

CONTEXT
Éric Trappier
CEO

Now we're going to go on to the results. Just to tell you about the context, the context is very complicated with war at the doors of Europe, the war in Ukraine, the conflict in the Middle East since last October, disruptions in supply chains and global trade, all the environmental challenges that are very important to prepare for the future, and this year's elections in the United States, Europe, India, Indonesia, it's done and this could have an influence on our markets.

POST YEAR END
Éric Trappier
CEO

Now just to recall, as said in the film, 18 Rafales for Indonesia, this allowed us to have the 42 Rafale contract signed a few years ago, 18 Rafales which are not in the official figures for 2023 because they were signed after the 31st of December.

HIGHLIGHTS
Éric Trappier
CEO

The highlights for this year: I think the film summarized it – the commercial success of the Rafale is being pursued. The entry into service of the Falcon 6X, which is very important for us, difficulties in our deliveries, whether for the Falcon or Rafale, mainly Falcon but Rafale too, there is a historic backlog of 38.5 billion euros and net income which is a record income 886,000,000 euros.

ACTIVITIES AND PROGRAMS
Éric Trappier
CEO

This is one of our best results in our company activities and programs.

RAFALE MOMENTUM
Éric Trappier
CEO

As we were saying, this is the Rafale moment. This is the beginning of the program – 495 aircraft have been ordered, including the eighteen from Indonesia in January. That is 234 for France, 261 for exports. We are close to the 500, we are close to what we had managed to do for the Mirage 2000, and we have many years ahead of us to pursue the success of the Rafale in exports. The decision by India to purchase 26 marine Rafale is still upcoming and we're going to keep from taking orders and we are still prospecting, so this gives us the hope to increase the number of orders. As said in the film this will allow us to have production of Rafale up to a minimum of 23 next year.

MILITARY PROCUREMENT LAW**Éric Trappier***CEO*

The military procurement law: Dassault Aviation is part of this programming, with the production of Rafale, the delivery of Rafale to the French forces, especially the Air Force because the Navy has already been served. We have started the delivery of the 42. The 40 tranche, or batch, had been stopped for budgetary reasons, exports had taken over and now we are beginning to deliver these 42 aircraft. It began last year and will be pursued this year.

There are the 12 aircraft that were ordered and budgeted in our military programming law that have replaced the Greek aircraft. We have the 42 + 12 aircraft to replace these aircraft that will be delivered to Croatia. We are also developing, because here again we've delivered the F4 standard, so for those who know there is F4-2 and F4-3. There are three sections: the first part has been delivered, the other two still remain to be delivered. We're going to obtain study contracts, design contracts, to prepare the F5 standard that will be ordered later on, but it's part of the military programming law. We are developing definition designs for the FCAS and NGF, and in the military programming law there's going to be a second phase, first for the demonstrator flight of the NGF in 2029. There's the maritime patrol, we're going to ramp up the ATL2, and we're preparing the successor of the ATL2, we're proposing the Falcon 10X, which is in competition. These are studies and we will deliver, during this military programming law, maritime surveillance Falcons: the Falcon 2004 and the Archange electronic war Falcons. We're really part of this military programming law.

RAFALE FRANCE**Éric Trappier***CEO*

As for France, in 2023 we ordered the 42 aircraft at the end of 2023, with deliveries plan between 2027 and 2032. Between now and 2027 there will be deliveries of the 42 and the 40 plus, that's the 12 to replace the ones for Greece. The deliveries for 2023: 11 Rafales were delivered for France, and as for the development of the F4 standard, this was also carried out in 2023 and we have begun the preparation of the F5 standard. We should receive a sturdy order in 2024.

RAFALE EXPORT**Éric Trappier***CEO*

The commercial success in Indonesia: 18 aircraft entered into service last summer. This is not the same as the 18 that were commissioned in January. The orders for Indonesia equal 36 in 2023. India, I've already talked about this, in addition to these contracts for new aircraft, we've delivered to Greece 6 pre-owned Rafale coming from the French Air Force, and France delivered 4 Rafale aircraft to Croatia. These are Rafale aircraft that we are going to support when they are sent to Croatia from April onwards.

SUPPORT OF MILITARY FLEETS IN SERVICE**Éric Trappier***CEO*

The support of the military fleets is keeping us busy, especially in France, considering the crisis and the war in Ukraine. There are requests to support this war economy, so therefore there are assumptions and scenarios on which we've worked with the French military to strengthen our support in this war economy. We've also enlarged, we have vertical contracts for Rafale Mirage 2000 and Atlantic 2, we've just signed one for the Alpha Jet. As for exports, we are supporting the fleets that have been delivered to Egypt, Qatar, India, and Greece.

FUTURE COMBAT AIR SYSTEM (FCAS)

Éric Trappier

CEO

As for the FCAS, we are pursuing the phase 1B studies, that is the development of a demonstrator that is supposed to fly by 2029. We are in phase 1B, that goes up to 2025, and we will need a phase two contract to realize this demonstrator in 2026. The teams are mainly working here in Saint-Cloud in a plateau, in a design office with the people from Airbus, mainly from Germany and Spain, and of course these include Dassault teams.

EURODRONE

Éric Trappier

CEO

As for the Eurodrone, Airbus is the prime contractor. We are providing the air flight controls and the mission communication systems.

MISSION AIRCRAFT

Éric Trappier

CEO

As for the mission aircraft, we are pursuing our work on maritime surveillance with our friends from Thales, whether it's for the maritime surveillance or the strategic intelligence. This is all the electronic equipment for maritime surveillance. We have delivered the 7th and last modified aircraft for the new ATL 2 standard, and we've begun studies. We are in competition with Airbus, which is supposed to propose its A320 with our Falcon 10X. As for exports, we've delivered two of the four Falcons ordered in 2022 to South Korea. We will deliver them green, that is empty, and Korea will equip these aircraft with their equipment.

BACKGROUND FOR THE FALCON RANGE

Éric Trappier

CEO

The Falcon range: we have received 23 Falcon orders in 2023 and delivered 26 aircraft. This shows a slowdown in sales, especially in Europe. The United States have done well in 2023, I would like to remind you that in 2023 we had higher order intakes, 64, so there are some years that are positive and some that are not so positive. We can explain this drop because the 6X, and I'll talk about this later on, this was delayed because of the certification and because of the supply chain issues. I'll tell you more on this later on. As for deliveries, we were hit by what we call supply chain issues, especially for the aerostructure, and here again I will tell you more about this later on. We are under our

guidance for the delivery of Falcons, 26 instead of the 36 we had announced, the 32 we had delivered last year. In 2023 we should have delivered 6X, we delivered the first 6X last month.

Certification of the Falcon 6X: we've reached an important step. The 6X was developed after the 5X was stopped, after the Boeing accidents the certification agencies are more meticulous, and quite rightly, to make sure that passengers will be safe. Therefore things are a bit more difficult, but this is very good news that 6X is certified. It's a full aircraft that has been certified after the problems with Boeing. Ongoing development of the Falcon 10X, I'll tell you more about this later on. This has been delayed because the delays in the 6X have had an influence on the 10X.

BUSINESS AVIATION AND TAXONOMY

Éric Trappier

CEO

As for the taxonomy, you know that we are engaged as I said in the film to reach carbon neutrality by 2050. Aviation altogether that's 2% of the CO2 emissions. Business aviation is 2% of these 2% so 0.04% of the global CO2 emissions, so we have to work on this, but everything is quite relative in life. As a comparison, a year of use of our 2000 and a few Falcons in service today, this is the equivalent of 24 hours of global video streaming, five hours of worldwide truck traffic, and it's equivalent to 2.5 days of the German thermal power plants, so here again it's all quite relative.

People are interested in aviation, especially business aviation, rather than other domains that produce a lot more carbon, but we're working on this, and before telling you more about this I just wanted to mention that the taxonomy, that's the simplification, we are having standards, standards, and standards so we are in business aviation and we are legally attacking the European Commission, I'd like to mention that, because we believe that in the wording of this taxonomy that says that those who are working on decarbonization should be included in the taxonomy. We are going faster than our friends from commercial aviation because we are using the SAFs unlike commercial aviation, and the ambitions of Europe on the use of SAF are much lower than what we are imposing on ourselves for our business aviation, so therefore we believe that the taxonomy is to encourage people to decarbonize and not punish those who use business aircraft, business jets. For us, business jets, and this is also true for general aviation, we will see the results. I'd like to recall that in the US we don't have all these problems, in the US they're trying to encourage, they're really advancing and progressing in the decarbonization of their aviation but they're doing it by inviting them to do something. We will see what will happen in our fight with the EU.

FALCON: 4 PILLARS TOWARD BUSINESS AVIATION DECARBONIZATION

Éric Trappier

CEO

More positively we are working on the SAFs, so we are working with 100% of staff in our future aircraft, whether it's with the 10X, because that's being developed so it's easier to plan for that, with our people designing the engines, but also with the other aircraft we'll be able to fly with 100% SAF in the future. We're already flying with civil aviation fuel in-house. In 2023 there were 413 flights for Dassault Aviation, and we did with 30% SAF, so therefore a great saving of CO2. It costs more of course, but we've decided to go in this direction to give an example to those who use business jets. In technology, we're working on this integration at 100% in the future. We are participating in scientific programs to see what can be done in terms of decarbonization, what can be done technologically with other things other than SAF, and the choice of clients to fly by saving fuel, this will be doable. It is programmed in

the aircraft, and it will be according to the choice of the client and the pilot. This is operational, it is called FalconWays, and we will optimize the CO2 emissions. We're working not to have full decarbonization. We will have to buy CO2 emissions and the storage of CO2 emissions. This is why we've begun with the philanthropic support in [inaudible 00:29:53], which is closer than the plant we're going to open soon, and will pursue this type of operation in the future.

FALCON 6X (1/2)

Éric Trappier

CEO

As for the 6X, as I said we have obtained the certification through the EASA and the FAA. The EASA is in charge. This was done on October 22nd, 2023, however, we had to modify things, and these modifications were made to enter it into service. These 6X were entered into service on November 30th, 2023, and the industrial ramp-up is being done.

FALCON 6X (2/2)

Éric Trappier

CEO

We've delivered the first aircraft to ourselves, this is our demonstration aircraft, and here on this map you can see the flights of the Falcon 6X since early December. It flew a lot, countless numbers of hours, more than 200 as Carlos said, 250 flights, demonstration flights, so we have greater experience feedback and clients have flown around the world. You can see in the United States and Europe which are the two major business markets, but also the Middle East and right up to Australia they use our aircraft and next month we've planned for a campaign for India.

FALCON 10X

Éric Trappier

CEO

The first 6X was delivered last month. For the Falcon 10X we also have to postpone our program. We've also had to adjust with our suppliers because some of them also had some difficulties. Let me remind you that there is a huge research and development: development of all the parts of the aircraft, we are working on this with all our suppliers, all these definitions were made during the pandemic in 2020. Usually we work in the same office, so we had to work online with conference calls, so it was not ideal. The postponing of the 6X has obliged Falcon and Dassault and its partners to postpone our 10X, so we've worked with our suppliers and the first deliveries will be in 2027. That means manufacturing the aircraft, the first test and the certification by the authorities.

FALCON SUPPORT

Éric Trappier

CEO

Falcon support, we are striving to have a higher standard. We've improved our global software, we have merged together some tools, we had some difficulties, but now it is fully operational and we're paying great attention to this capacity to use our aircraft worldwide. We've also opened new service stations, we have update graded our center in Dubai, we've done that in Malaysia, and in Florida in for the American market. Support for a government Falcon: we now have the contracts which were

initially held by our competitors in Switzerland. Now we are providing maintenance to the French government fleet.

CSR: TANGIBLE RESULTS AND AMBITIONS

Éric Trappier

CEO

In terms of CSR, we have drawn up a plan and we have saved...you'll have all the details with figures in terms of energy consumption, water consumption, CO2 emissions have also been reduced, so we are saving on water and energy. Next year we are going to change the rules, we are moving on to CSRD, the European directive, which means that we will have to produce a far more comprehensive and committing report. We are all prepared for that, and as you will see in our management report we already have some results and some out outlooks for 2024.

CSR: HUMAN RESOURCES

Éric Trappier

CEO

Human resources is a big challenge for us, because the workload is greater. In 2023 we have hired 1732 people, 215 apprentices so that is almost 2000 people, so we have had to make ourselves more attractive. We're still in the top five of all the companies young people want to work for, so we've massively recruited, which means that we have to go through a strong induction program so that people feel comfortable in our development teams, but we also have to have them part of the Dassault DNA, which is part of our identity.

We are still implementing a recruitment plan, because in 2024 we also have plans to recruit another 2000 people, and we also have many people retiring, so that's one of the big challenges of our company, to recruit people, make sure that those people are well supported when induction takes place, and prepare for those who are retiring. For two reasons I'm well aware of, we need to consider the bargaining agreement for the metallurgy industry, which is imposing more guidelines for careers and jobs across entities, and we are outperforming these guidelines in some areas like health prevention programs and some support funds in case of sick people. It's difficult to change the bargaining agreement, so you have to go through a complicated changing period, but now this is up and running because it has become mandatory since January of this year.

MODERNIZING OUR INDUSTRIAL SYSTEMS

Éric Trappier

CEO

We're still upgrading our industrial sites for those of you who've had the opportunity to visit these sites you will have seen that there are new buildings replacing the older ones or coming in addition to existing ones because of the increase in our production capacity. Mérignac has changed greatly. For those of you who have visited Mérignac, you know that the tertiary teams are up there, but also in the forthcoming years for the Falcon 10X, it's a bigger plane so once you've put the wings on, it's a bigger plane, it's a bigger aircraft in terms of volumes, so the 10X is like an A320, so it's not a small aircraft once it is fully fitted so you need to have bigger buildings on top of the additional stuff. [inaudible 00:37:37] was postponed, it should have been delivered earlier this year, but we've had some construction issues. We had a shortage of material and then human resources, and then some of them went bankrupt, it's just like when you have a new house built, you have to find new providers.

We have had to postpone the delivery of this building and we think that [inaudible 00:38:00] will start operations before the summer.

MAKE IN INDIA

Éric Trappier

CEO

Make In India, this program is still ongoing. We have the T12 and the T4 sections of Falcon 2000 are manufactured there. The parts are on-time, up to our quality standards, they are cheaper than in France, so that's a very positive experience. We will carry on with our development in the supply chain in India, just like for the Rafale, and also to get prepared for the future. I think that we have are going to speed up our production transfer for Rafale and maybe for what will be the future of India. It's not only about manufacturing aircraft, it's also to make sure that the engine supply chain will be up and running with the main parts manufactured there. We've also worked with other companies such as Dynamatic, a very dynamic company in India, which could manufacture, we've already signed some contracts with these companies for Falcon 6X and we've also worked with the PTC Group, which is well known in India, with the Tata company, they're already very busy working for Boeing, Airbus, and others, but we are also working with them to prepare get prepared for their future. We also have some engineers and in engineering center in Pune which is a fully operational so we can ramp up this program of skills development in India.

SUPPLY CHAIN/DELIVERIES

Éric Trappier

CEO

Regarding the supply chains, indeed there were some disruptions and shortages. It has disrupted our production in Mérignac, some parts were missing so we've had to postpone our schedules. It's not so sensitive for the Rafale as we've delivered 13 aircraft instead of 15 + 2 to the French Army, which were delivered in 2024 instead of 2023, so there was a short delay, but it's more complicated for the Falcons because there are several supply chains with different suppliers for the 8X, for the 900, for the 6X, and also the 10X, and we have to manufacture the first aircraft with many different suppliers, so more difficulties. Since we have some difficulties in being on time in Mérignac, we still send out the aircraft into Little Rock for the furniture, and we try and catch up with the fitting in Little Rock, so we have to send out our teams there. Then we also have some aerostructures suppliers that have some human resources shortages, there were also delayed and some aerostructures, namely in France for instance, there are 0 US-based companies that are delayed, only the French companies have such shortages, or European companies had outsourced in Eastern Europe and we have to reindustrialize, relocate now, and that's many teams at Dassault who are providing additional support in terms of management of shop floor work to help these suppliers, so it's been quite complicated. Thirdly, the 6X was supposed to be delivered in a certain number of items in 2023, but since the certification was not granted and the entry into service was postponed and those that were delivered in 2023 were postponed to 2024, but it is also simultaneously happening with these supply chain disruptions. Things are improving, and internally we try to have a better picture of the supply chain in order to anticipate what's going to happen with those companies that are going through difficulties, we observe that an increasing number of small suppliers are going through difficult times, but that's also true for some of the big suppliers so it has made our life a bit more difficult in 2023.

2023 RESULT - IN € BILLION
PRESS CONFERENCE, MARCH 6, 2024

Éric Trappier
CEO

Now for the 2023 result, €8.3 billion of order intake, 1.7 billion for Falcon, 3.6 billion for the defense export for Rafale, and €3 billion for the French defense. Net sales 4.8 billion compared to the previous year, with the delivery of 26 Falcons, so less than the previous years. 1.8 billion, two Rafale aircraft for exports as planned, 1.5 billion, eleven French aircraft for 1.5 billion, so the two missing aircraft I mentioned will be postponed to 2024. The backlog, it's a record backlog so 38.5 billion with 4.6 billion for the Falcons, that is 84 Falcons in our backlog, 24 billion for the Rafale export, that is 141 Rafale to be delivered, and 70 Rafale aircraft to be delivered to France. That is some 10 billion euros. Here you have the breakdown per pie at the bottom.

CONSOLIDATED SELF-FUNDED R&D IN € MILLIONS

Éric Trappier
CEO

We have pursued our R&D efforts, it's down compared to 2022, but that is normal because the 6X is now behind us in terms of development, it's almost completed and we are really ramping up, we are focusing on the development of the 10X, so the figure is high but less than last year.

CONSOLIDATED SELF-FUNDED R&D in € MILLIONS

Éric Trappier
CEO

When we compare to the total sales, that just some 10% this year considering the total sales that have slightly gone down.

THALES

Éric Trappier
CEO

For Thales, we received the results yesterday, so very good results that are contributing to the net income of the company. We are always very happy to be part of Thales, and we have reinforced ourselves because we have bought some Thales shares, and our net sales is 4.8 billion.

ADJUSTED CONSOLIDATED INCOME STATEMENT

Éric Trappier
CEO

Operating income 249 million euros, so an operating margin of 7%, financial result of 200 million, Thales for 460 million euros, and taxes 130 million, so the net income which I announced at the beginning is 886,000,000 euros, which is a net margin of 18.5%, which is up compared to 2022. The self-funded R&D 10%, so the earnings per share will be €11.00 + 10% compared to last year.

CONSOLIDATED AVAILABLE CASH IN € BILLION**Éric Trappier***CEO*

The cash is going down, which is normal because we have received advance payments for the Rafale. We have to make the aircraft, so the cash is used to build and make these aircraft, so there's an increase in the outstanding. We've also bought the Dassault shares to [inaudible 00:46:19] our current holders and we've bought Thales shares, roughly 1 billion if I add up Thales and Dassault, and these two topics lead us to a free cash flow of 1 billion euros and proprietary cash which goes from four to three if I'm not mistaken under the aegis of the financial director.

SHAREHOLDING STRUCTURE**Éric Trappier***CEO*

The breakdown of the capital after [inaudible 00:46:47], so December 31st, 2023, we're going to have an [inaudible 00:46:51] this year for the shares we bought at the beginning of the year. It's going to really increase the shareholders, the GIMD is at 65%, the free float is roughly at 23%, Airbus at 10% and we have fewer self-owned shares. The voting rights of the GIMD is at more than 79%.

VALUE SHARING**Éric Trappier***CEO*

The proposal for the dividend for our shareholders of 3.37 euros per share, which will be submitted for the approval of the annual general meeting, which will be held on May 16th this year. The dividends account for 266 million euros, that's the payout versus the results, so up compared to last year, and just as each and every year, at the same time we paid a dividend per share for 2022, there's always a gap between the decision and the payoff. In 2023 it be 210 million euros for the incentives, for the employer's contribution for 2022, and in 2023 there will be four months of additional contributions to our employees who are already well paid, if I may say so, compared to the rest of the profession. For 2024, the profit sharing will go down slightly and will be equivalent to 2.9 months of salary.

OUTLOOK AND STRATEGY**Éric Trappier***CEO*

Outlook and strategy: we're going to focus on the delivery of our aircraft, the production of Rafale, we're going to go to phase three. We have not yet reached that phase at Mérignac, where we are assembling our aircraft, we are delivering the 6X mainly.

The development engagements are on time and according to our costs, but that's business as usual. Currently it's not that easy, because all our suppliers are really increasing their prices the support for the availability of our aircraft, this is very important from the military point of view because of the current geopolitical context, especially important for our [inaudible 00:49:26] clients, they need their aircraft when they travel and when there's strong activity on our end, when they're submitted to certain number of topics at the other end of the world, it is important to get a contract for the F5 standard, pursue the studies for the NGF demonstrator, and prepare ourselves for phase two ramp-

up for the Make In India. This is the time to do this, and we have dedicated teams working on that. We are pursuing sales, we don't want to stop anything considering the demand for export Falcons and for the 6X, so we have to go on to the next range. Our prime contractor has to work to reinforce our commercial efforts to sell more because we are at a turning point. A new aircraft is arriving and we are preparing for the arrival of the 10X. As for CSR, considering all the new constraints we have, we have to work better to prepare for the future in this area and efforts in HR. That is extremely important for the future: find and hire new people and properly integrate our teams. We have changed the way to do our guidance in the future, that is in 2024 we're not going to just talk about the number of aircraft because that's not a very good representation of the total sales, so we prefer guiding with the total sales and we're planning total sales of the 6 billion range for 2024. This should correspond to delivery of 35 Falcon and 20 Rafale, but there will be deliveries in development, deliveries and "support", the support price weighs heavily on our total sales, and to simply guide aircraft that is not a good representation of the total sales.

PRESS CONFERENCE, MARCH 6, 2024

Éric Trappier

CEO

This is what I wanted to tell you about the results of this year 2023, and now I'm ready to answer all your questions.

QUESTIONS AND ANSWERS

Michel Cabira (La Tribune): Good morning, Michel Cabira, La Tribune, I would like to have an assessment for the Rafale export. Do you have figures over the next 5 to 10 years? What is the potential for exports of the Rafale? You said 261, 25 for exports, have you included the pre-owned aircraft or not? A second question, you said you have bought back Thales shares, would that change your share ownership with the state? Thank you.

Éric Trappier (Dassault): As for the number of Rafale, normally if I'm not mistaken but there are people correcting me, 261 that does not include the pre-owned aircraft. This is why I've put them separately, so you have to add the 12 pre-owned Greek aircraft and the 12 Croatian aircraft. For the moment we do not have 12, we have delivered four [inaudible 00:52:46], so you have to add them. We were honest, we did not count the French aircraft twice! These are new aircraft when we talk about the figures you have here on the slides. As for the potential to increase the Rafale, well it's a bit like the chicken and the egg, five years ago if I was told we're going to go on to phase three, I would have said we cannot anticipate that, we should sell first, so there's a limitation to increase production chains, but actually we need some time. When we set up a Rafale chain and we increased the potential, we need more surface area. We have planned the right surface area in our plants, and especially in Mérignac, so therefore we can increase this pace. Today we have set this pace at 3 so that we can deal with the current orders. If we have more orders, of course we've anticipated the 26 orders, but if we have to increase them we can still further increase. I'm going to give you an exact figure on how much more we can do, we cannot reach a pace of 20, but we can go above a pace of 3. It's not just us, it's our suppliers too, but once the supplier has developed he's happy because the production of the Rafale that was not very significant in our backlog of our suppliers now it is becoming more significant, so that is good news for them.

The third question is Thales, of course. We have bought Thales shares, but we have remained in the pack, and we're not going to go above the magical figures that will force us to make a takeover bid. We're not going to have a takeover bid on Thales, not you but the state. Thank you.

Bruno Chenik (unknown): Bruno Chenik, I have 4 questions, should I ask them all in a row? Yes. So, to put aside the inflation effects, the increase in the pace does this have an impact on the production costs and the sales of Rafale, up or down? Then you said things could happen in India, so I have two questions on that. The controlling of drought by Dassault, will that be done or not? In the framework of an MMR CR 8.0, will there be an additional production line to support industrialization in France, to help the supply chain? And a very easy question, there are a lot of people who mix up the development of production and delivery for Falcons, so when will we see 2, 3, 4 Rafales coming out from Mérignac? There's a German report that questions Dassault on the delivery of the [inaudible 00:55:46], do you have any comments to make on that?

Éric Trappier (Dassault): So there are five questions and not four! I'll try to answer one after the other. The first question was on the increase in the development pace and the costs. In theory yes, the increase in the pace will bring down costs, but the costs are increasing so you're going to say well you're not good, yeah we are not good because everything is increasing because of inflation. Actually all the prices are increasing, our suppliers are also increasing their costs because of inflation, because of the increase in the prices of energy, and so therefore we are following inflation. As for our prices to our clients, we're following inflation, it's simple. We have to remain within our costs, if you can bring them down, good, we can earn our living better, if we cannot control those costs we will not earn our living that well. The reality is such that there's a lot of tension for Rafales and Falcons. As for the

increase for our suppliers, which is greater than the increase in inflation seen from the side of our suppliers.

As for India, with drought we might buy back a certain number of shares, because to go on to the next step, since we've done a joint venture, we have to increase the capital. We need more equity since they have more equity we have to increase the capital. We have to discuss this with our partner. There are several solutions, either they will increase their financial participation and then there'll be no problem, or they'll have trouble increasing the stake and then we might buy back some shares. We are 49-51, so we might not buy the 49%. This is a normal discussion. For the moment we have stabilized production there, it's working well we have a mixed team there. A few French and a lot of Indians. We are very happy with the work done by the Indians and the Indian mastery of all this, so we want to still develop Nagpur with drought, whether it's with Dassault's capital or more finances from both, from Dassault and our partner, from MMRCA. This is the preparation of additional orders in the future, this is not called MMRCA, it will be aircraft to be made locally, partly, and if we obtain these major future contracts in the next decades, this will guarantee a sustainable manufacturing line. We will make a lot, and this will benefit our French factories as is the case today. It will be a win-win for everybody, but we just have to develop India as I said in my presentation.

On the fourth topic, we have reached phase three in our upstream factories. We are increasing our rates. It's not always easy because it's circular. We are helping the supply chain manufacture the primary parts, so we're doing additional work, but they've reached pace 3. At Mérignac, this pace will arrive later. It will be there in a year or two and we will go through a rate of two. We have guidance for 22 Rafale aircraft, so 20 means 2 per month, because we are counting 11 months out of 2022. We are materializing this passage to a pace of two. Considering our difficulties with the supply chain it's a great challenge, so we will go on to a pace of three to [inaudible 01:00:05] the deliveries where we will have more than 22 Rafales.

The last point is the MLE, it's difficult. We are holding discussions with Airbus that are reversed compared to what we usually do, so when you are the prime contractor, what we tell our subcontractors are certain specifications and then we wait for them to deliver. We can modify our specifications during development, but we know more or less in which direction we're going. We know the size of the aircraft, the orders, the expense, and we are expecting a lot from Airbus, the prime contractor, to give us these specifications. What was written in Germany is not the truth.

Unknown female speaker 1 (unknown): Good morning, I'd like to know what you think about the European defense strategy presented by the European Commission yesterday as well as the implementation of this EDIP tool from [inaudible 01:01:48] merger and the various mechanisms that the Commission has put forward to the member states.

Éric Trappier (Dassault): I'm delighted about it. It means a European thing that it's good to work together on defense, and that's very good news because in the past it was not like this, there was a taxonomy for each type of weapon, you were blamed. It is still in the mind of many people in Brussels and in Paris, you still have people saying well you know weapons or arming or Dassault and the defense industry will not talk about that, they will talk about a controversial arming or armament, it does not exist in the international vocabulary, so they're going round in circles and beating around the bush, so we don't see why in the environment it's not to be considered that the weapons will have to be on our sides rather on the side of our enemies or potential enemies.

I'm delighted that Europe is realizing it, but between this realization and developing a European defense industry, there will be many years and even decades, so it's good that the European institutions have realized these needs. Now if on top of that European member states buy European products, that's good, but it's not the reality. Some progress could be made in pulling the purchases, why not? This realization is very good but my recommendation to Europe is keep it simple! Don't make it complex with very complex rules and standards such as what I read in some documents. There are too many requirements and standards, so that is what is required by some European countries in the case of a war economy. We do not develop standards; we have to develop weapons in our economy from one day to the next. We'll put armament at the heart of our concerns, we're not at that stage in Paris. In France we do have a greater capacity in terms of production made in France, that is compared with other countries, but when it comes to a ramping up quantities it takes time. You cannot do that in a fortnight, you need to have the appropriate budget to make sure that this ramping up will happen. If there is a European mobilization that's very good, but it's going to take time and I'm delighted that such a realization has happened.

Unknown male speaker 1 (unknown): Good morning, you've said you sold fewer Falcons this year in 2023, what does this say about the business aviation market today? What about the pre-owned market?

Éric Trappier (Dassault): Well I'll first answer the second question, which will shed light on the first question. The pre-owned market was not as dynamic as before the pandemic where the inventories were very low. Now the pre-owned business aircraft are more numerous, meaning that the market has shrunk a little. No further new aircraft, our case is a bit particular because we're selling pretty well in the US, that was the case in the United States in 2023, not so much in Europe. Maybe this is reflecting some concerns in Europe, but from the economic standpoint the US market is doing well, full employment, there is a bit of overheating, that's why it's difficult to control inflation, but in Europe some countries are in a recession, some are close to recession, some have very high debts so they will have to have some stringent budget decisions at the national level for some countries. This is not so encouraging in terms of buying business aircraft in Europe. Asia is awaiting further 10X because Asia is far away, but when you compare with Bombardier and others, they're selling these Global 7500, G7500, and also waiting for the certification. The LG 700 has not been certified yet; it is pretty much delayed for our competitors.

We are waiting for the sales of the 10X, but that's not tomorrow. In some markets, if you don't have the aircraft ready for the next 18 months, people are ready to wait, so the sales will go up when the 10X is operational. The 6X has just been delivered so gradually for the US market we think for instance that the 6X now that it is operational after the maiden flights and that our customers can use it on a demonstration flight we will increase the number of orders. It's a slightly behind compared with others, but we have to compare comparable aircrafts. Our competitors have a wider range than we do. We go from the 2000, so that's 4000 nautical miles, and we don't go up to the famous 7500 nautical miles for the ultra-long-range because the 10X is still under development. When we compare in this market segment, we've always been the number three in terms of quantity. This is a rank position that we have maintained, we would have liked to sell more in 2022, 64 were sold, ups and downs, when the economy is doing better we sell more, which means that in 2023 the European economy was not that good and the Russian market has just disappeared, literally, it was 10% of our customer base.

Unknown male speaker 2 (unknown): I have some questions about the supply chain disruptions that you've mentioned. What is the share for the disruption on the structural side and motorization, and regarding the technological transfer in Make In India have you taken any specific measures regarding the sovereign cloud? I'll stop here.

Éric Trappier (Dassault): We do not have problems with the engines and motorization, so maybe I wouldn't have said that a few years back. It means that some progress has been made. It's difficult for the engine manufacturers, because they also have their own supply chain problems. They have great difficulties. They're delivering, they're not delivering on time but they're not postponing all the aircraft that we have delivered. All the big ones, JKN, Latecoere, [inaudible 01:10:13] 3A and many others, those are the ones that are late, so much so that we have to postpone our plans. This is our main focus regarding our supplies, so we need to program for the future deliveries and see what kind of support we can provide them with. In India it's a manufacturing transfer, so there is no technological transfer, it's a transfer of know-how for the manufacturing of Falcon parts and in the future that of Rafale. They are big partners, they know how to fly the Rafales, and they also buy Falcons from us, so there is a balance between the Dassault know-how and our capacity to start a partnership with a few Indian companies.

Unknown male speaker 3 (unknown): I have two questions, one regarding your appeal to the European Court of Justice, did you submit it as Dassault Aviation in a consortium with others? What about the Air Works aircrafts, Macron, the President, has gone to Sweden and apparently they've talked about some cooperation with Saab, will you be considering this for this future system?

Éric Trappier: So we are the only ones who have appealed to the European Court of Justice. We did not start a consortium or a class action, if you wish. We started to negotiate with the commission. Rolls-Royce, the manufacturer of the 10X engines based in Germany and Safran for noise standard reasons. Daher is also supporting us as well as other companies in the industry. But we are the ones submitting the appeal because we are the big business jet company in Europe. I'd like to recall you that in the EU regulations, what was told to me by the commissioner in charge of transportation, if you use SAF, you are in the taxonomy and if you manufacture aircraft with the SAF, you're not included in the taxonomy. So I don't understand their approach.

It seems that there is a loophole in Europe. Now, if it's political, it's going to be difficult. But if it is a legal issue then maybe we have some chances. But I didn't know that the commission was involved in politics.

Saab is a company for which we have great respect. They design and manufacture aircraft. We've had excellent cooperation with them for the Eurodrone. We really worked pretty well with them. We have very nice memories of our work with Saab. Now, if France and other countries were interested in having an AWACS 10X, we would be ready to discuss it. We've talked about it with our friends at Saab, but what remains to be done is to build a program. But an AWACS is difficult to design. They are specialized in radars, so they would probably work with our friends at Thales, and then we'll have to select an aircraft. And if we would have to compete, and if we were to work with Saab, we would be very happy. 10X AWACS or any other topic, the Swedish industries and industry we can easily cooperate with.

Sarah White (Financial Times): Good morning. Sarah White from the Financial Times. I have three questions. One on the supply chain. Can you give us the details? What is wrong with the subcontractors? You talked about the difference between the Americans and the Europeans. Can you tell us more? What are you doing at your end? What types of support? Is it financial, etc?

As for defence in Europe, you have pleaded for a simplification or a simple approach if possible. But what would you recommend if we had to deliver faster in terms of defence? What would you need to do? More money, more political decisions? And the last question: I don't know if I missed it, but how

many people would you hire net this year if you take into account the departures and the new hirings?
Thank you.

Éric Trappier: As for the supply chain, there are several types of aid we are providing to our supply chain. First, what I'm saying is factual. Today, there are no American or Canadian companies with whom we are used to working that are delaying our deliveries. There are some French companies or European companies. GKN is a company that puts us in difficulty for the 6X, because they had made a choice of a subcontractor far away from Great Britain and far from France, so we had to change. So that costs us money. That means we have to find a new partner in France, and it's going to be Potez, and we have to industrialize in a certain way. We have to set up new teams and this is done together with GKN.

So we are investing, we are setting new teams, industrial teams, teams to launch this chain, and we have to support the manufacturer, the new manufacturer of the different parts. So this is a major human and financial effort. There are companies where they have difficulties, so we are sending people from quality, from production. We have to help them understand what are the difficulties.

And we have teams that are being sent to various companies. To give you the example of 3A that was sold recently to [inaudible 01:17:05] in [inaudible 01:17:06]. We have teams that are going to help there because there are delays. And then there are some small companies that are facing working capital requirement issues. At one point there was no more money to pay the employees. And we forget that, because we are a very large company. But that is our job. We have to pay. We have to be able to pay, so we need to have money in our coffers. So we are making advances. We, Dassault, so these small companies might be able to survive because it's in our interest. It's not just for everybody's happiness that we're doing this, but we are, of course, taking risks.

When you're working with a company that is not totally secure, we are taking risks, and we've put money in Aeronautical Fund with our friends from Airbus, Safran and Thales. And this fund can help provide equity to a certain number of companies in difficulty. I'd just like to remind you that there was high-density oxygen because of Covid. So just oxygen, more oxygen makes us euphoric. And when you remove the oxygen and you have to live without the oxygen, well, all of a sudden, it's more difficult. So we have to refund the loans. If you step up production, you have to invest, you need money. So you need working capital requirements. And when you go to see the bank, well, the banks right now with the high interest rates and the lower volumes, you have to go and meet the banks to ask them to lend. And they are less altruistic than Dassault, and they don't want to lend to someone who is going to collapse. So it is a downward spiral. So there are some companies that will wind up. That is everyday life. Before Covid, we have to get used to living as before Covid, and these companies should be able to manufacture and supply with other companies. And we, considering our manufacturing, we don't have double, triple, quadruple sources, so we really have to anticipate things.

So this is how we're helping. It's human help. We're sending talented teams. When we send them away, we don't have them with us anymore. So this creates some voids. And we have all kinds of aid funds. We make payment advances so that they can make ends meet. For the net 2023, we are at +1,200. Sorry, 2024. He's correcting himself.

So the 2,000 that we're planning to hire, we're anticipating the departure of 30 people. So it should be 1,200 net. So this is a progress in terms of our staff in the Group. It's true in France and in the US, because in the US the phenomenon is different. In France we have preserved our employees during Covid, thanks to the loans. In the US, there was no aid from the state and they left and it was difficult to get them back. So we had hiring issues in the US. And in the US there's full employment. When

you're in Arkansas, in Little Rock, the unemployment rate, according to the government, is 2.3%. I had met them. And they're still saying that they're trying to get more people. The advantage in the US is that when you create a company, when you create new jobs, people come. They come from all over the United States. In France, we create in a given place and in another place there is unemployment. Things don't move. Mobility is difficult in France.

And what do you expect from defence in Europe? No, that's Freudian. I didn't want to answer that question, actually. But we're waiting for something. We're trying to be pragmatic and we need the help from the states. The states have know-how, they have skills. And if these states want to do things together, that's perfect, so long as we do not sacrifice our efficiency to a dogma. There's no more time to waste. And we have to use the fastest, simplest solutions, the most easy ones, the most pragmatic ones.

Today, if we were supposed to have a war in the future, which I don't hope for, and I mean, NATO is ahead in terms of military efficiency. And to build equipment for NATO, we've understood that the US were not absent from this whole story, including in Europe. And I'm going to say it again otherwise you're going to tell me that I'm bringing my guard down. There's an American preference when we buy in Europe. So if somebody talks about European preference, great. We will see the efficiency of this declaration of intent versus reality. But then the European defence tool that has not been planned for that, that should be developed. And that is one of the questions today. It's true in France and it's true in the whole of Europe.

Unknown male speaker 3 (unknown): [inaudible 01:23:00] Two questions on supply chain and one question on taxonomy. The supply chain, is the Rafale supply chain less exposed than the Falcon supply chain? And considering the MMA problems, are you tempted to call on your Indian subsidiary to offset things. As for the taxonomy, can you tell us what are the issues at stake to be part of this taxonomy or not for your business jet sector?

Éric Trappier: Now for the Rafale, we do have difficulties, too; we're not going to hide that, but it's just easier. Why? Because you have only one supply chain. Whether it's for France or for the export, it's the same chain, it's the same parts. So when we have a difficulty, we're focusing our efforts and we are solving one difficulty. Secondly, we deliver our aircraft to Mérignac, not to Little Rock, as for the Falcon. It's not the fault of Little Rock, but when we are behind time for basic aircraft which is not equipped with all the completion, we don't let it go. So that creates an additional difficulty and it's more complicated to catch up. So for the Rafale, it's easier to focus, to have all the parts. The Indian supply chain is not really helping us in our everyday life. What we hope is that in the future, they will be able to contribute to this, stepping up in production.

And the taxonomy, it is not really affecting us at Dassault; it is affecting the financial tools. So the funds are setting criteria. They're saying that if you're not following the taxonomy, we're not going to help you. We're not going to enter into your capital, we're not going to give you loans. And that's where things will be difficult for our supply chain, for our business jets and for our military aircraft. Because even if it is not the environmental taxonomy and there is no more social taxonomy, some people mix both and they're confused. They do not know what Brussels wants in terms of taxonomy, the environmental taxonomy or the social one. And then they exclude defence and the business aviation. So that is the risk. And we have to really say loudly and clearly that if you want to be in defence, it should be said everywhere, everywhere, not only at the Ministry of Armies.

I don't always hear this in Bercy, but it should be said in Bercy, too. So you're going to say to them, and they're going to call me because they'll tell me that I'm saying something foolish, but it's just a

slight exaggeration of things to make people aware. That's our defence for this taxonomy that does not exist, as they say.

And for business aviation, I hope that people will understand that it isn't that we don't want to work on the environment, but we do not want to have a political stigmatization on people who are working for the future, who are working on the environment, but they have needs, business jets. It's not only a caricature of the person who has a lot of money and who's going on holidays. It's 90% flights for business. These are people who need to go somewhere. Then they go somewhere else, not too far, and they optimize their time. They optimize their trips so that they can put their companies at the best level, considering the suppliers, their partners, etc. It's only here in France that we have to explain this. We don't have to explain this elsewhere. Everybody knows. And in France it is known too, but there are people who criticize.

And when they talk about private aviation, what do they mean by private aviation? It's nonsense to talk about private aviation. When you have a private company that does commercial aviation, do we call it private aviation or commercial aviation? We call it commercial aviation. So what do they mean by private aviation? This is stigmatizing things that it's private people, but it's companies or even governments that use this type of business jets – 10% of this is used by the government.

Unknown male speaker 4 (unknown): I'm an independent journalist. You were happy with the financial results of Thales. And as a shareholder, what about the list price of Thales since the 24th of February 2022? It's increasing, it's increasing. But as for Rheinmetall, Leonardo, BAE, the price of Thales shares has not gone up that much.

Éric Trappier: So I don't want to hurt any financial specialists here, but our list price is not our subject, neither for Dassault nor Thales. We are happy with the share price. Since we have entered Thales, it has rocketed. We've made a good investment and we are paid off dividends that contributes to our net. So everybody's happy. But we are at Thales just as Dassault family is at Dassault and we're there over the long term.

And in terms of the long term, the share price is not important. It's not important over several years. Over several years, it's going to progress. It's going to progress well. If your question is to say it could be better, that means we have a huge potential for evolution. So it's better to be within Thales. So why isn't it as high as it should be? I can't answer. The analysts are much better than I am in that topic. At 25% or 26 now because we have increased it once again. We're very happy to be at 26% within Thales. We have a good capital. We're not going to sell it, so we are not interested by the share price. We've bought here, so if you tell me that it was under, that means we were right to buy. You should always buy when the price is under. So we were right to buy when the Thales share was lower and now we've reached a maximum level.

Anne Bauer (Les Echos): Good morning. Anne Bauer from Les Echos. I have a topical question on Saudi Arabia. Are you still negotiating with them? Or the German veto that has been put off is delaying everything? And another question on the FCAS. What are the next deadlines for you?

Éric Trappier: We always feel that it's going to be later, but it happens very quickly. We were working on Saudi Arabia. We're doing things as people do it locally. We are having discussions with the armed forces because a combat aircraft, we have to make sure that the aircraft is good. We think that our aircraft is better than the Eurofighter. If I told you the opposite, you would be surprised. But it is not just me who thinks that; a lot of people think that. So that's one of the main points.

And the second thing, Saudi Arabia would like to form partnerships in the industry. So we're working on this. We're very interested and we're having discussions with Saudi companies, with the Saudi Air Force and with those who've been appointed to discuss all these topics with us. So we're doing this normally. Good if the Germans have opened up exports. I mean, as the Americans say, in God we Trust.

For the second question, the FCAS. Well, developing a fighter jet and a demonstrator takes time, even more so when you have various partners, so it's the normal pace. We are on track. Considering the contracts we've signed, not only with the states, but also with our industrial partners. That is Airbus. The next milestone will be the phase two contract, which is the development and manufacturing of a demonstrator further to the detailed studies and that's in 2026. So there will be a whole preparatory work. It's not only industrial preparatory work. We have also to make sure that the budgets are allocated by the three countries that are part of the FCAS, but we're on track.

Unknown female speaker 2 (unknown): I'd like to talk about your favourite topic, FCAS. I'd like to know if there has been any progress as to the potential closer relations with Saab.

Éric Trappier: Not at this stage.

Unknown female speaker 3 (Bloomberg): Tara [inaudible 01:33:20] from Bloomberg. On the same topic, on the new-generation fighter NGF. What about your relations with Airbus? Have things smoothed out? How do you work with them? And if your relations are not as good as expected, what are you expecting?

Éric Trappier: Well, we've been working with Airbus. The relations are quite normal for the 1B phase. When the phase two manufacturing stage starts, we'll see if we have good relations or if it is like when we signed for the 1B phase when it was a bit difficult now.

Since we are taking the lead, we work as per the Dassault methods. So those who can keep up with the pace, that's no problem. We're aiming for efficiency. And we will see for phase two if we can find good agreements and we can agree with them and find some common ground. It's a normal business relation with Airbus. If we can come up with an agreement and we come to common ground and work together, then it's a normal type of business relation.

Unknown male speaker 5 (unknown): I have two short questions. We've noted that you will be at the head of GMID before January 8th, 2025. My first question is, what about leading Dassault Aviation and GMID? I've understood that you will still have the two caps. What about the combat drone with the Rafale F5? Any idea as to the schedule for the development phase, the maiden flight, the entry into service? And what is the development cost of such new aircraft?

Éric Trappier: Press release has been issued, to answer your first question. The entry into force will be next year. I have one year to get prepared. The important thing is that you have more responsibilities. You rely more on your teams that are more directly at the frontline solving the problems. You know, that the CEO usually doesn't do this type of work, so the answer to your question will be given in less than a year.

For the second question: how should I answer this? Just like, wait and see. Wait. You'll have to wait. Be patient.

Unknown male speaker 5 (unknown): You do have the answers, don't you?

Éric Trappier: Maybe more specific in your question, so maybe I can provide you with more details.

Unknown male speaker 5 (unknown): You've said you were expecting an order by the French DGA for the F5.

Éric Trappier: Well for F5, we're waiting an order for the study. So we have to check the budget. What Dassault and its partners can do, that is mainly Thales. What will be the requirements by the French DGA? So we are studying anything that is possible regarding drone fighters. It's an announcement which was made by the minister, as you know, so we're still waiting for further detailed engineering studies on this. So we're waiting for the French Armed Forces to work on this. You know, the French Defence Procurement Agency has to provide us with their terms of reference.

Unknown male speaker 6 (unknown): Back to what you said earlier with the US hegemony in NATO. Let's not forget the problem you've had with the F1 versus F16. It's good also to remember all this. Now, what about the pace problem you've had between the industrial transfer of the Argenteuil plant to the Cergy plant?

Éric Trappier: No, operating feedback is very easy. It's just need to plug the computers, make sure that there's a power supply. There is no issue there. It's a digital routine. And you know, moving from one side to the next doesn't mean any problem between Argenteuil and Cergy. It's more a physical thing. You know, you have to move everything: the equipment, the people, without wasting time and shut down the Argenteuil plant in a proper manner.

Now for the F1. You know, I'm young, so I don't remember all this, but I haven't gone through that. But for the F35, for instance, the Czech Republic is buying F35, just like Belgium and the Netherlands. Germany has bought F35 because they have good reasons for that. This is what is more concerning to me than the past. It means that it was a strong strategic decision made. The European countries are buying from the US. I will not repeat endlessly what I've said, except for those who are supposed to buy Eurofighter have no problem with the Eurofighter. It's European. But those who have developed the Eurofighter are also buying from the US. That's the case for Italy, Germany and the UK and that's not the case yet for Spain. So yes, we are concerned, but it's not a hegemony. You know, the US are competing with no qualms. But when we talk about this realization in Europe, we were discussing earlier, we shouldn't have qualms in Europe either, even though I think there are some qualms here around.

A question with no microphone. Answer: platform is doing pretty well. For the 10X we are fully operating it and we are hoping to deploy it for all our aircraft in the future on a step-by-step basis. It is providing us with a great capacity to have our software that are not Dassault Systèmes software on our platform. So that's very good for us. So it works pretty much with our platform, so we can keep on using our own tools and the tools from other platforms with a preference for the Dassault system tools, of course.

Well, thank you for having attended this press conference and see you soon. Have a nice day.